

GCC market performance

GCC fixed Income:

Global benchmark bond index gained over the week (ending 5th March 2024). 10Y UST yields fell over the week. In credit, Global corporate IG and HY ended the week on a positive note with IG leading the gains. EM had a positive week too, registering gains over the week, led by EM LatAm. Demand for GCC bonds was strong. All GCC bond indices recorded positive returns. Saudi Arabia and Qatar were the best performers. 5yr CDS spreads tightened across all GCC countries barring Dubai. In the USD sovereign market, 10yr bond yields dropped across the GCC countries barring Dubai, Kuwait and Qatar.

GCC equities:

GCC regional indices were mixed last week. Oman and Kuwait posted gains with Oman outperforming the most (3.75%). Rest of GCC indices posted negative returns. Saudi Arabia underperformed the most, posting loss of (10.60%). MSCI GCC underperformed MSCI ACWI and MSCI EM last week. MSCI GCC was down (1.99%) while MSCI ACWI and MSCI EM were up (0.42%) and (0.30%) respectively.

GCC key developments:

- UAE's non-oil activity rose at fastest pace in 5 years – PMI.
- Saudi Arabia's non-oil activity growth jumped in February – PMI.
- Qatar posted a Q4 budget surplus of USD384mn
- ADIB approved USD680mn dividend.
- Dubai Salik Company proposed H2 dividend.
- Dubai Taxi Company to pay USD19mn in Q4 2023 dividend.
- ADNOC acquired 24.9% stake in Austria's OMV.
- Aramco completed the acquisition of equity stake in Chile's Esmax.

GCC bond issuances:

- Al Rajhi Bank issued a 5-year sustainable sukuk.**
- Doha Bank issued a 5-year dollar bonds.**
- Dubai Islamic Bank issued landmark USD1bn sustainable sukuk.**
- Saudi PIF raised USD2bn in 7-year Islamic bonds.
- Arabian centres launched USD500mn 5-year Islamic bonds.
- Alinma Bank sold USD1bn in AT1 sukuk.
- Sharjah successfully issued sustainable bonds worth USD750mn.

GCC Weekly Market Performance

Index				Rates			
	Latest	-1w %	YTD %		Latest	-1w (bp)	YTD (bp)
Fixed Income				3M interbank			
Global Agg	461.99	0.87	-0.98	Saudi	6.24	-0.49	1.00
Global Treasuries	197.13	0.91	-1.43	UAE	5.30	17.20	-11.87
EM USD Agg TR	1174.54	0.66	1.18	Kuwait	4.31	0.00	0.00
EM LatAm TR	1034.33	1.15	2.29	Bahrain	6.39	0.33	-13.55
EM EMEA TR	350.05	0.34	0.80	Oman	5.98	3.90	-5.60
EM Asia TR	621.68	0.56	0.52	Qatar	6.00	0.00	-12.50
Bahrain TR	191.56	0.31	0.97	US SOFR	5.31	0.00	-8.00
Oman TR	148.95	0.19	-0.37	5Y Sov. CDS			
Kuwait TR	148.79	0.11	0.38	Saudi Arabia	53.07	-0.70	-1.30
Qatar TR	133.58	0.43	-0.65	Abu Dhabi	37.45	-0.30	-6.30
Saudi Arabia TR	137.09	0.49	-0.97	Dubai	62.17	0.20	-5.20
UAE TR	137.80	0.30	-0.36	Kuwait	60.53	-0.50	5.50
Equity				Bahrain	203.25	-4.60	-9.40
ADX	9236.30	-0.51	-4.93	Oman	111.44	-2.10	-10.80
DFM	4245.80	-1.04	4.13	Qatar	39.06	-2.00	-7.80
Tadawul	12470.15	-1.12	4.54	10Y yield			
DSM	10384.55	-0.98	-0.01	Saudi Arabia	5.04	-6.80	34.50
MSM30	4702.78	3.75	2.69	Abu Dhabi	4.61	-3.40	33.90
BHSE	2014.58	-0.51	2.60	Dubai	4.64	6.50	-4.10
KWSE	8149.38	0.23	6.80	Kuwait	4.57	3.10	28.70
MSCI GCC	726.55	-1.99	1.71	Bahrain	6.69	-10.60	-5.70
MSCI EM	1021.74	0.30	1.86	Oman	5.77	-0.20	28.60
MSCI ACWI	761.34	0.42	6.56	Qatar	4.56	0.80	33.80

Note: data from 28th February 2024 to 5th March 2024, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management

Mohammed Al Hemeiri

Senior Analyst

Tel: +971 (0) 281 264 50

mohammed.alhemeiri@adcb.com

Prerana Seth, CFA

Fixed Income Strategist

Tel: +971 (0) 281 264 49

prerana.seth@adcb.com

Kishore Muktinutalapati

Head - Investment Strategy

Tel: +971 (0) 281 264 57

kishore.muktinutalapati@adcb.com

Ahmed Al Falahi

Analyst

Tel: +971 (0) 281 264 98

ahmed.a5@adcb.com

Nura Al Suwaidi

Analyst

Tel: +971 (0) 281 255 13

Nura.Alsuwaidi@adcb.com

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UAE's non-oil activity rose at fastest pace in 5 years- PMI

The UAE Purchasing Managers' Index (PMI) increased from 56.6 in January to 57.1 in February, signaling a sharp upturn in overall operating conditions. The latest PMI data indicated the fastest rise in output levels since the middle of 2019 due to higher new business, stronger client activity, greater marketing and development work.

(Source: Zawya)

Saudi Arabia's non-oil activity growth jumped in February – PMI

Saudi Arabia purchasing managers' index (PMI) increased from 55.4 in January to 57.2 in February, above 50.0 indicates growth in business activity. Saudi Arabia's non-oil businesses activity rose at the fastest rate in February, reaching its highest level since September 2023.

(Source: Zawya)

Qatar posted a Q4 budget surplus of USD384mn

According to the Finance Ministry, Qatar posted a budget surplus of QAR1.4bn (USD384mn) in Q4 of 2023, which was used to reduce public debt. Qatar Q4 revenue fell 10% to QAR55.6bn while public spending rose 8.9% to QAR4.2bn.

(Source: Zawya)

ADIB approved USD680mn dividend

Abu Dhabi Islamic Bank (ADIB) posted a net profit of AED5.25bn in 2023, posting a 45% increase. ADIB approved the distribution of more than AED2.5bn (USD680mn) in cash dividends and sukuk issuance of up to USD5bn.

(Source: Zawya)

Dubai Salik Company proposed H2 dividend

Salik Company has recommended to distribute a H2 cash dividend of 7.33 fils per share. Salik posted a net profit of AED1.09bn (USD297mn) in 2023.

(Source: Zawya)

Dubai Taxi Company to pay USD19mn in Q4 2023 dividend

Dubai Taxi Company has recommended a dividend payout of AED71mn (USD19.3mn), amounting to 2.84 fils per share for Q4 2023. DTC posted net profit of AED345.3mn for 2023, up 54% y-o-y.

(Source: Zawya)

ADNOC acquired 24.9% stake in Austria's OMV

Abu Dhabi National Oil Company (ADNOC) has closed the acquisition of a nearly 25% stake in Austrian energy company OMV. The acquisition is part of ADNOC's efforts to accelerate its international chemicals growth strategy. ADNOC now owns 24.9% of OMV, while Austrian independent holding firm Österreichische Beteiligungs AG (ÖBAG) owns 31.5%, with the remaining share capital in free float.

(Source: Reuters)

Aramco completed the acquisition of equity stake in Chile's Esmac

Saudi Aramco completed the acquisition of a 100% equity stake in Chile's Esmac Distribución.

(Source: Reuters)

Doha Bank issued a 5-year dollar bonds

Doha Bank has announced initial price guidance for its USD500mn bond issuance. The initial price guidance for the 5-year USD-denominated senior unsecured bonds is near 160bp over US Treasuries.

(Source: Bloomberg)

Al Rajhi Bank issued a 5-year sustainable sukuk

Al Rajhi Bank raised USD1bn 5-year sustainable sukuk. The spread for the USD-denominated sukuk narrowed to 90bp over US Treasuries from 120bp earlier after orders topped USD2.8bn.

(Source: Bloomberg)

Dubai Islamic Bank issued landmark USD1bn sustainable sukuk

Dubai Islamic Bank (DIB) has successfully priced its third sustainable sukuk. The sukuk is a landmark USD1bn 5-year senior issue with a profit rate of 5.243% per annum representing a spread of 95bp over 5-Year US Treasuries. The sukuk was rated A3 by Moody's and A by Fitch.

(Source: Zawya)

Saudi PIF launched USD2bn 7-year Islamic bonds

Saudi Arabia's sovereign wealth fund, the Public Investment Fund (PIF), has launched USD2bn USD-denominated 7-year Islamic bonds or sukuk. The bonds were launched at 85bp over US Treasuries, tighter than the initial guidance of 115bp over the same benchmark after the offer received more than USD16bn in orders.

(Source: Zawya)

Arabian centres launched USD500mn 5-year Islamic bonds

Saudi's Arabian Centres (Cenomi Centers) launched an USD500mn 5-year non-callable for two years Islamic bond or sukuk. The final yield for the debt sale was set at 9.50%, down from the initial guidance of 10%. Orders for the bond issuance topped USD1.6bn.

(Source: Zawya)

Alinma Bank sold USD1bn in AT1 sukuk

Saudi Alinma Bank has sold USD1bn in USD-denominated perpetual Additional Tier 1 sukuk non-callable for 5.5 years. The yield for the debt issuance was set at 6.5%, narrowed from 7%, after the orders topped USD4.25bn.

(Source: Zawya)

Sharjah successfully issued sustainable bonds worth USD750mn

Sharjah government sold USD750mn in 12-year benchmark-sized US denominated senior unsecured sustainable bond issuance. The issuance was priced at a spread of 195bp over US Treasuries, tighter than the initial guidance of 235bp over the same benchmark. The debt sale attracted more than USD3.5bn in orders.

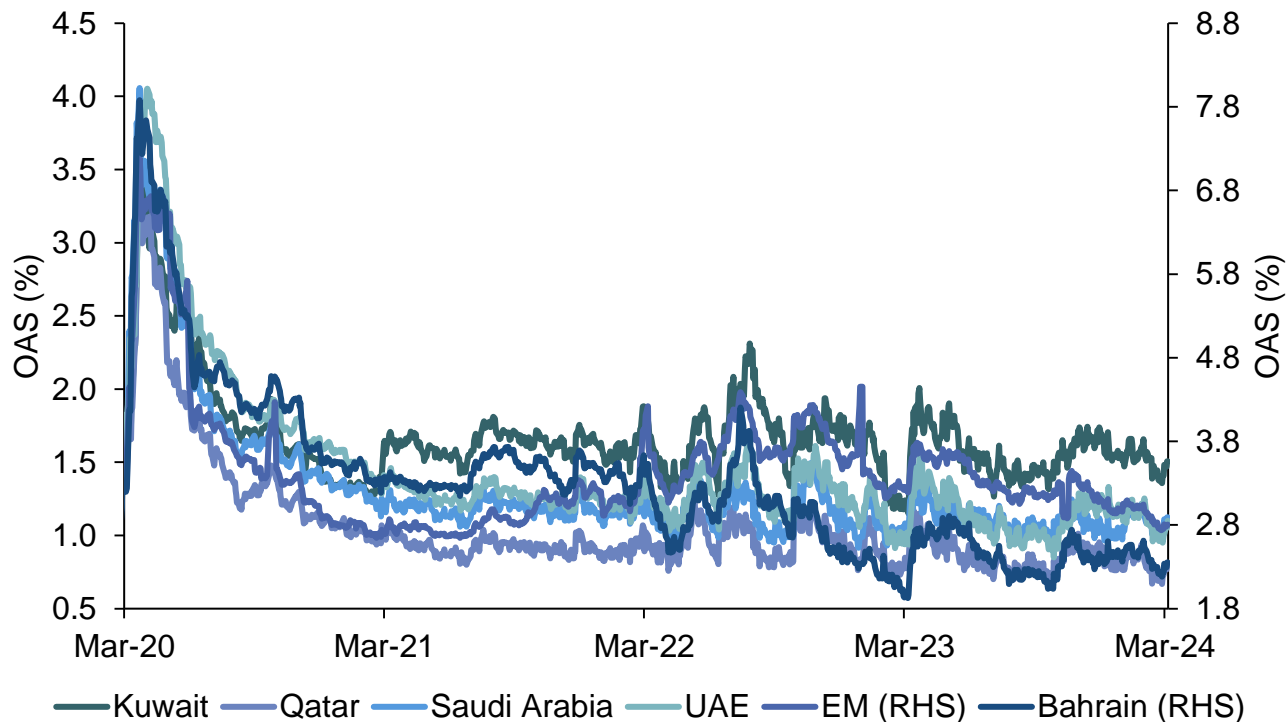
(Source: Zawya)

Issuer	BBG	Sector	Country	Issue Amt*	Cpn	Maturity	Maturity Type	Currency	Issue Date	Rtg [^]	YTM (mid)	YTC
Saudi Government International Bond	KSA	Sovereign	SA	4750	5.75	1/16/2054	AT MATURITY	USD	1/16/2024	A+	5.84	-
Saudi Government International Bond	KSA	Sovereign	SA	4000	5	1/16/2034	AT MATURITY	USD	1/16/2024	A+	5.06	-
Saudi Government International Bond	KSA	Sovereign	SA	3250	4.75	1/16/2030	AT MATURITY	USD	1/16/2024	A+	4.83	-
KFH SUKUK CO	KFHKK	Financial Institutions	KY	1000	5.011	1/17/2029	AT MATURITY	USD	10/1/2024	A	5.02	-
FAB SUKUK COMPANY LTD	FABUH	Financial Institutions	AE	800	4.779	1/23/2029	AT MATURITY	USD	1/8/2024	AA-	4.71	-
Omantel	OTELOM	Sovereign	OM	500	5.375	01/24/2031	AT MATURITY	USD	01/17/2024	BB+	5.523	-
Qatar QIIB	QNBQD	Financial Institutions	QD	1000	4.875	01/30/2029	AT MATURITY	USD	01/23/2024	A	5.028	-
BSF Sukuk Ltd	BSFR	Financial Institutions	SA	700	5	01/25/2029	AT MATURITY	USD	1/25/2024	A-	5.10	-
Emirates NBD Bank PJSC	EBIUH	Agency	AE	600	6.745	1/31/2029	AT MATURITY	USD	1/31/2024	A+	6.69	-
Bahrain Government International Bond	BHRAIN	Sovereign	BH	1000	7.5	2/12/2036	AT MATURITY	USD	2/12/2024	B+	7.43	-
CBB International Sukuk Programme	BHRAIN	Sovereign	BH	1000	6	2/12/2031	AT MATURITY	USD	2/12/2024	B+	6.04	-
Saudi Electricity Sukuk Programme	SECO	Agency	SA	1400	5.194	2/13/2034	AT MATURITY	USD	2/13/2024	A	5.24	-
Saudi Electricity Sukuk Programme	SECO	Agency	SA	800	4.942	2/13/2029	AT MATURITY	USD	2/13/2024	A	5.00	-
Esic Sukuk Ltd	ESICSU	Financial Institutions	AE	700	5.831	2/14/2029	AT MATURITY	USD	2/14/2024	BBB-	5.89	-
Mazoon Assets Co SAOC	MAZOON	Agency	OM	500	5.5	2/14/2029	AT MATURITY	USD	2/14/2024	BB+	5.66	-
SNB Sukuk Ltd	SNBAB	Agency	SA	850	5.129	2/27/2029	AT MATURITY	USD	2/27/2024	A-	5.19	-
First Abu Dhabi Bank PJSC	FABUH	Agency	AE	850	5	2/28/2029	AT MATURITY	USD	2/28/2024	AA-	5.18	-
Binghatti Sukuk SPC Ltd	BINHLD	Financial Institutions	AE	300	9.625	2/28/2027	AT MATURITY	USD	2/29/2024	B+	9.65	-
DIB Sukuk Ltd	DIBUH	Financial Institutions	AE	1000	5.243	3/4/2029	AT MATURITY	USD	3/4/2024	A	5.27	-
Suci Second Investment Co	PIFKSA	Agency	SA	2000	5.171	3/5/2031	AT MATURITY	USD	3/5/2024	A+	5.16	-

*Amount Issued in USD/AEDmillion, Bloomberg sector classification has been used, ^Issuer rating used where applicable, Fitch rating or equivalent used Source: Fitch Ratings, Moody's ratings, Bloomberg, ADCB Asset Management

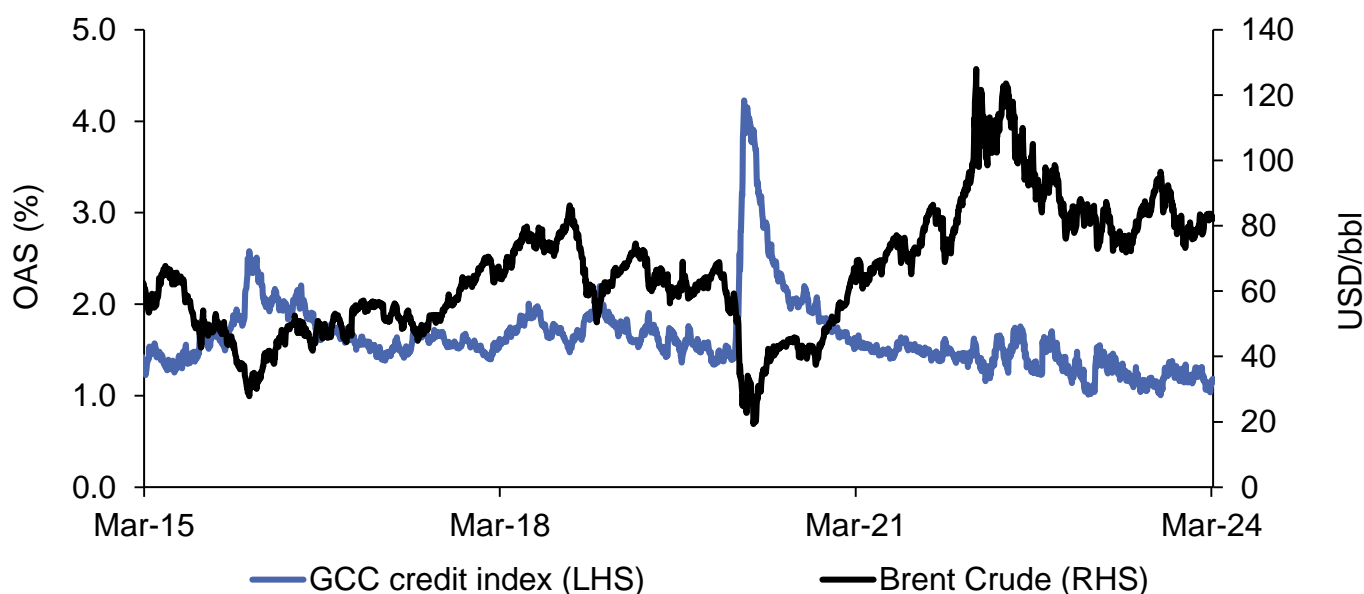
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

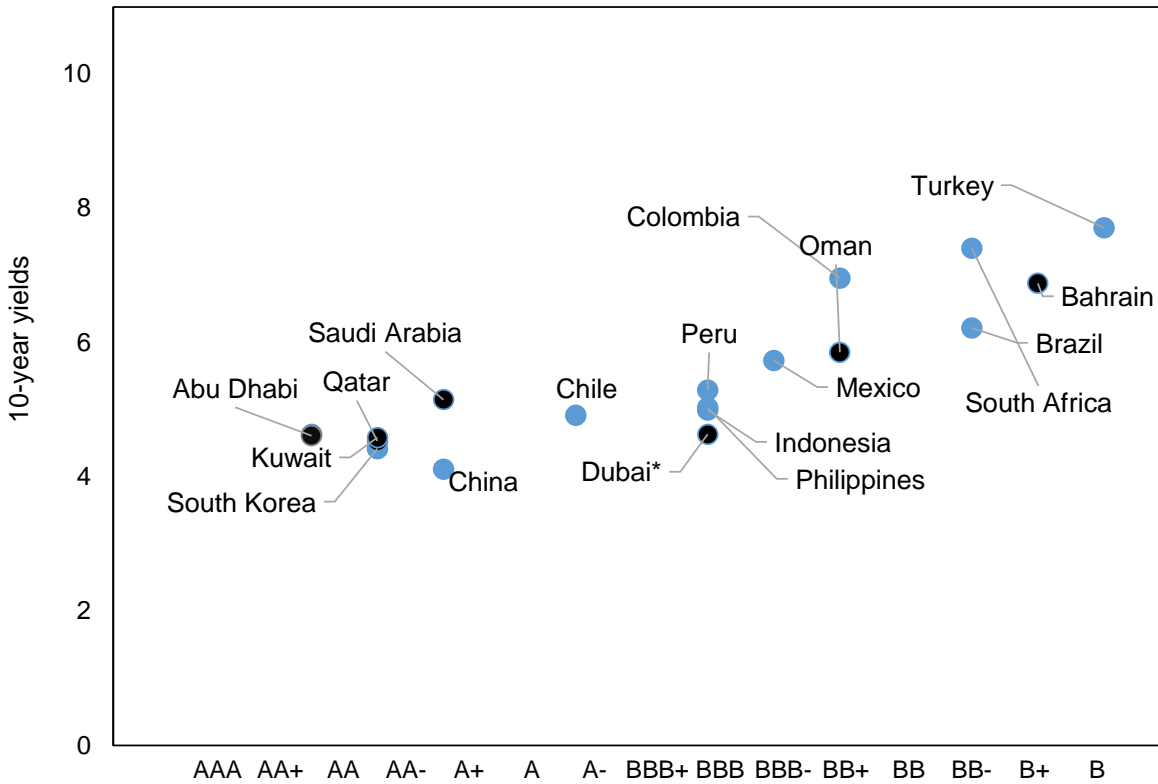
GCC corporate OAS spread versus Brent Crude



Source: Bloomberg, ADCB Asset Management

10yr yield versus Credit ratings (EM vs GCC)

GCC sovereign valuation versus peers



Source: Bloomberg, ADCB Asset Management, *Dewa rating used as a substitute for Dubai, Fitch ratings are used for all countries

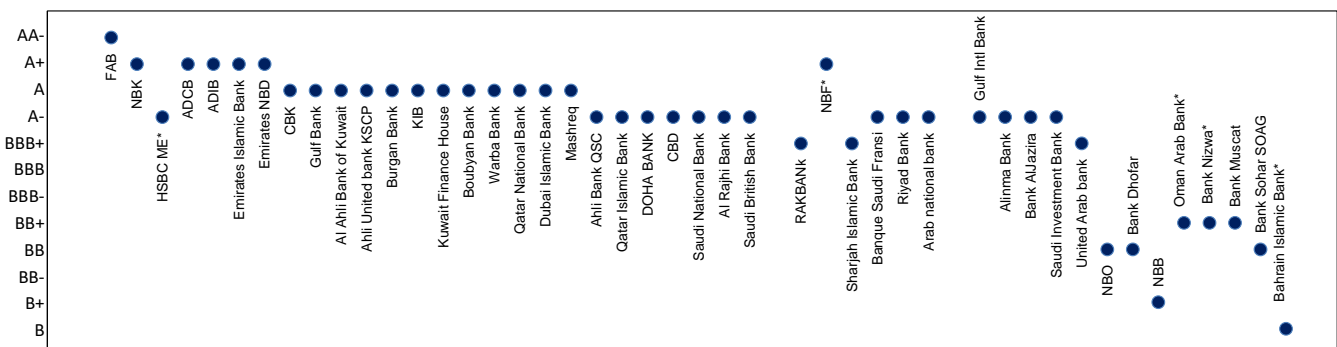
GCC Sovereign Rating

Country	Saudi Arabia	Abu Dhabi	Dubai*	Kuwait	Bahrain	Oman	Qatar	Egypt
Moody's	A1	Aa2	Baa2	A1	B2u	Ba1	Aa2	Caa1
Fitch	A+	AA	-	AA-	B+	BB+	AA-	B-

Note: *DEWA rated used as proxy for Dubai

GCC Financials Credit Rating

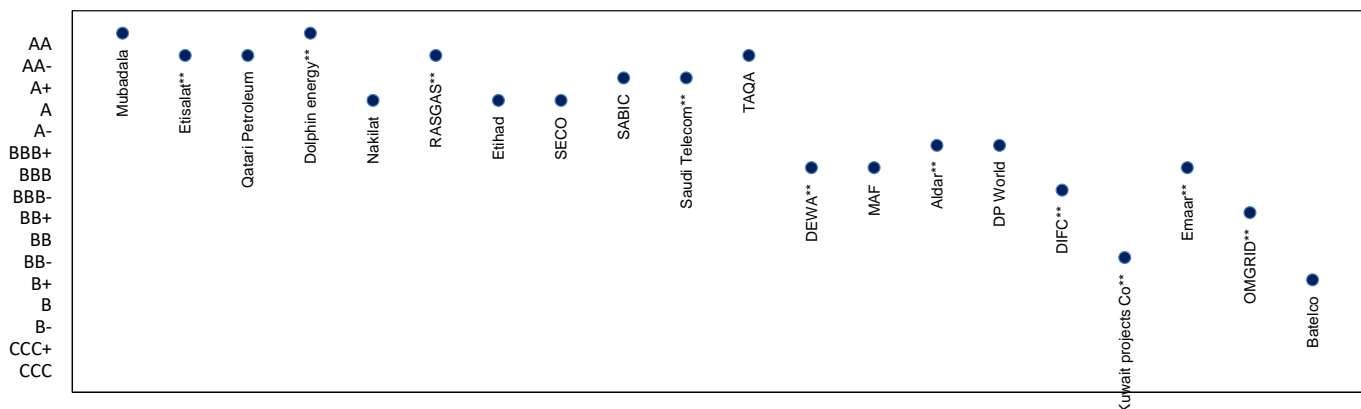
GCC Financials



Note: The ratings refer to Fitch ratings, *Moody's rating used as substitute where the corporate/bank not rated by Fitch rating
Source: Bloomberg, ADCB

GCC Corporate Credit rating

GCC Corporates



Note: The ratings refer to Fitch ratings, **Moody's rating used as substitute where the corporate/bank not rated by Fitch rating
Source: Bloomberg, ADCB

GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	18.1x	-4.5%	1.7%
DFM	9.1x	26.8%	4.4%
Tadawul	21.6x	-14.6%	2.8%
DSM	11.2x	-2.9%	4.8%
MSM30	7.8x	55.2%	4.6%
BHSE	6.8x	-	8.6%
KWSE	13.8x	3.7%	2.6%
MSCI GCC	14.7x	0.9%	3.3%
MSCI EM	14.4x	-12.5%	2.7%
MSCI ACWI	18.0x	6.2%	1.9%

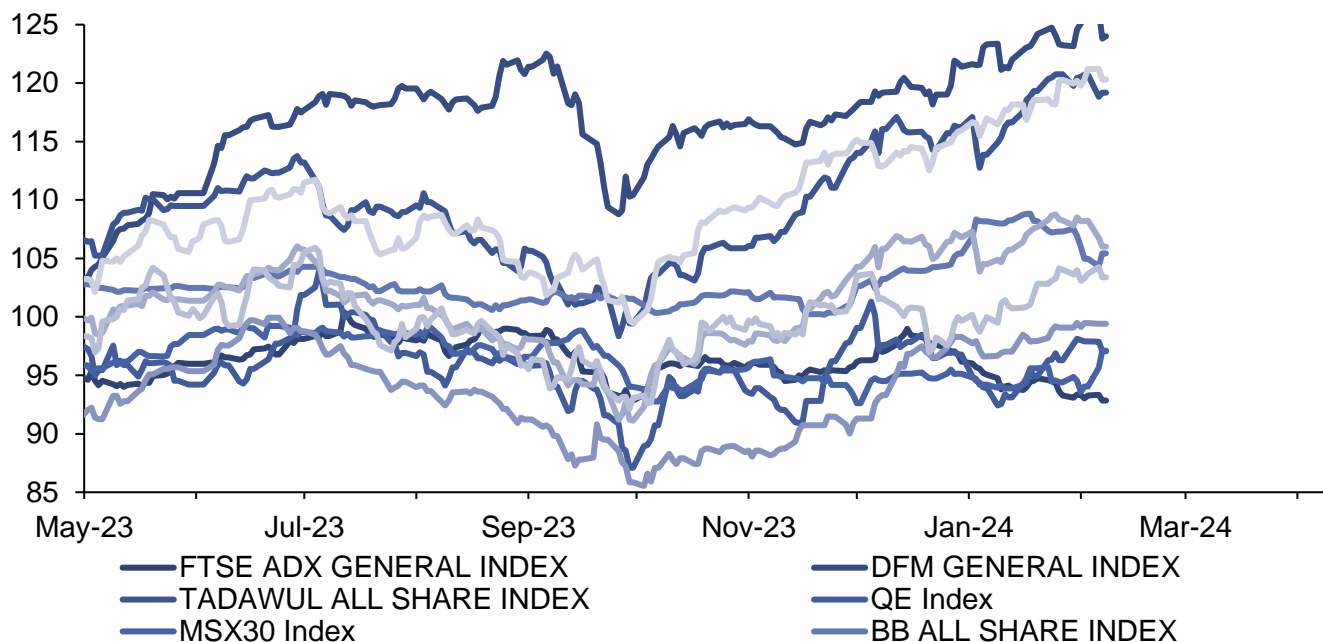
Notes: *data as of 06 March 2024
Source: Bloomberg, ADCB

GCC equity 1Y Performance

GCC Weekly Market View

March 06 2024

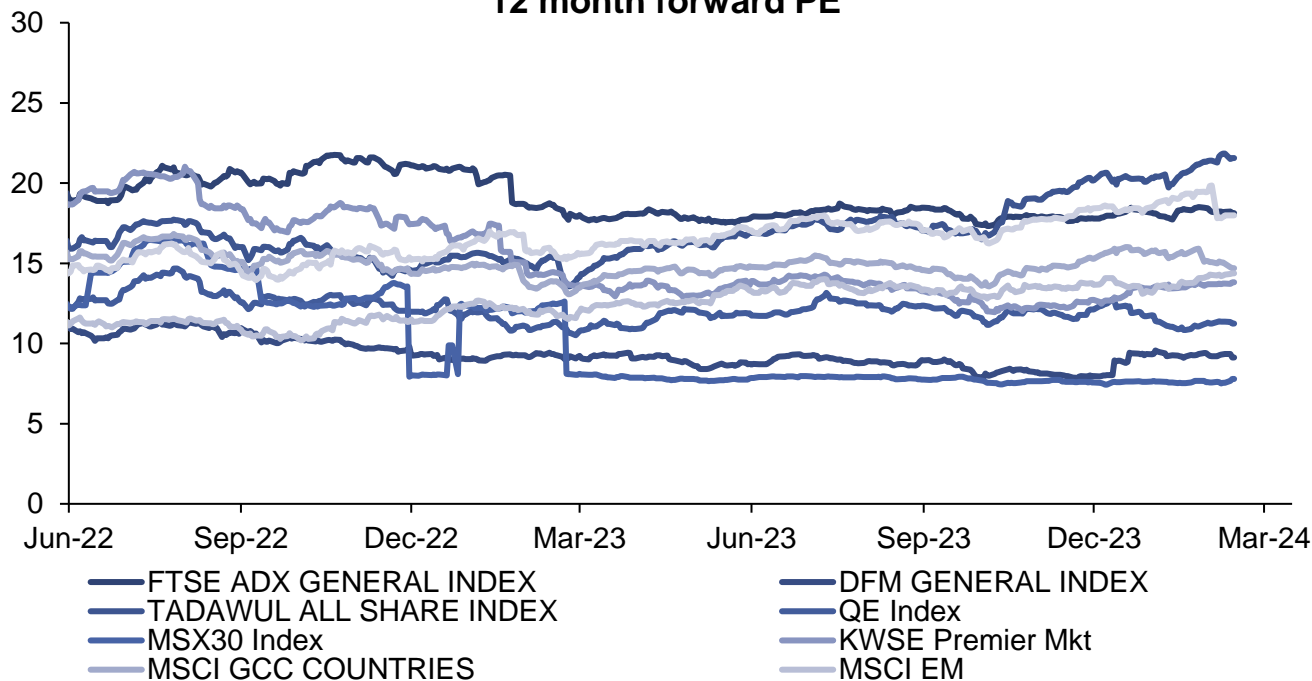
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

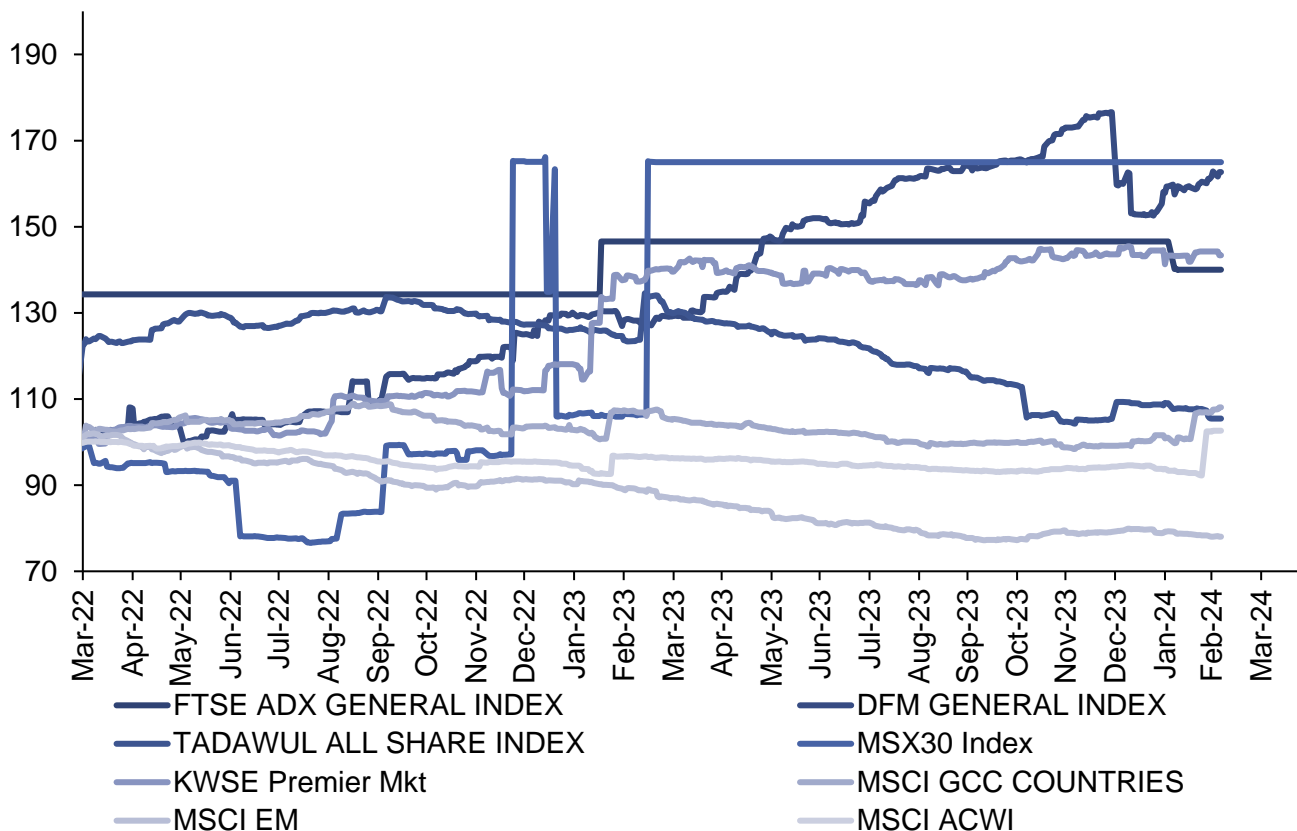
12 month forward PE



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

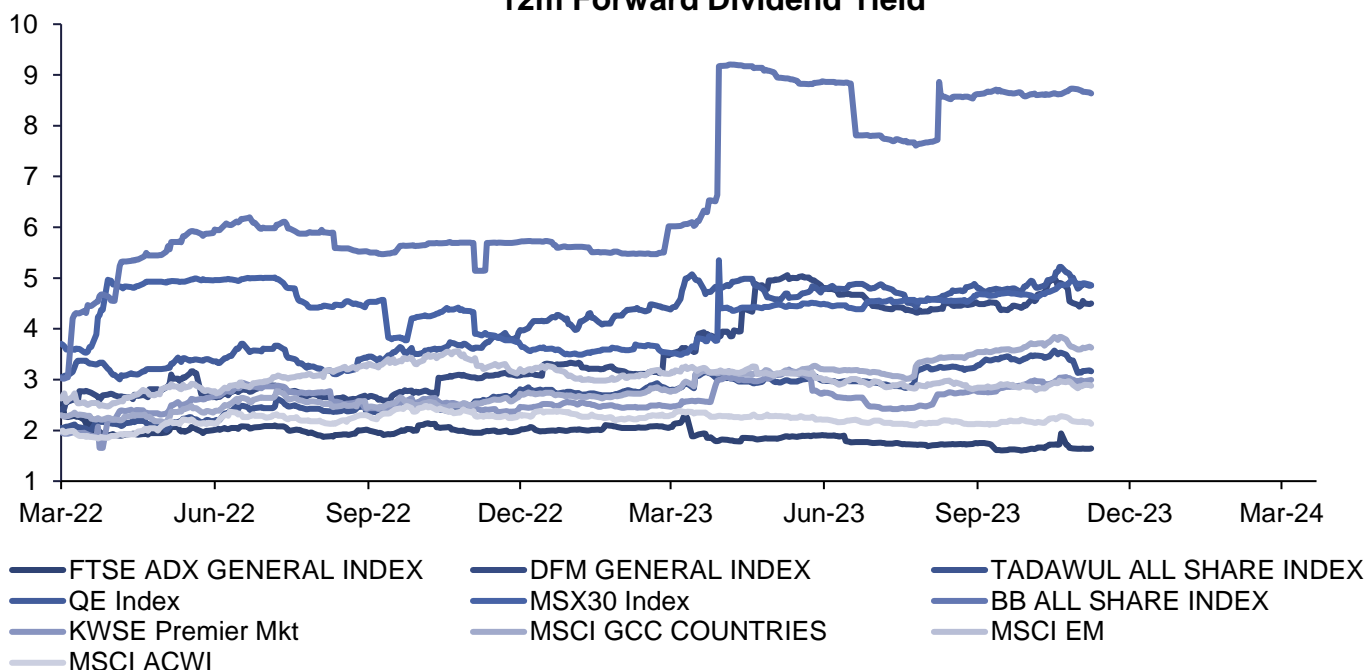
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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