

GCC market performance

GCC fixed Income:

Global benchmark bond index gained over the week (ending 12th March 2024). 10Y UST yields rose over the week. Global Aggregate bonds recorded positive returns, led by Global Treasuries. In credit, corporate bonds ended the week on a positive note. Global HY index had a positive week too. On the other hand, EM USD recorded gains with the exception of EM LatAm. Demand for GCC bonds was strong. All GCC bond indices recorded positive returns. Bahrain and Oman were the best performers. 5yr CDS spreads tightened across all GCC countries barring Saudi Arabia and Abu Dhabi where it was unchanged. In the USD sovereign market, 10yr bond yields dropped across the all GCC countries.

GCC equities:

Most regional indices posted gains last week with the exception of Oman. Kuwait posted most gains (1.06%), outperforming the rest of regional indices. Oman stocks underperformed the most, posting loss of (1.10%). MSCI GCC underperformed MSCI ACWI last week.

GCC key developments:

- Dubai's non-oil sector increased in February – PMI.
- Saudi Arabia's GDP shrank by 4.3% in Q4 2023.
- Abu Dhabi Commercial Bank approved cash dividend of AED4.099bn.
- Aramco boosted its dividends despite drop in 2023 profit.
- NBK-Bahrain posted a net profit of USD352mn in 2023.
- Saudi GASCO's net profit rose by 6% YoY in 2023.

GCC bond issuances:

- It was a quiet week in terms of bond issuances.

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GCC Weekly Market Performance

Index				Rates			
Fixed Income	Latest	-1w %	YTD %	3M interbank	Latest	-1w (bp)	YTD (bp)
Global Agg	464.17	0.19	-0.51	Saudi	6.20	-2.46	-3.26
Global Treasuries	198.18	0.24	-0.91	UAE	5.28	10.81	-14.07
EM USD Agg TR	1178.84	0.16	1.55	Kuwait	4.31	0.00	0.00
EM LatAm TR	1037.05	-0.08	2.56	Bahrain	6.37	-	-14.91
EM EMEA TR	352.06	0.37	1.37	Oman	5.94	0.20	-9.80
EM Asia TR	623.00	0.13	0.73	Qatar	6.00	-	-12.50
Bahrain TR	193.09	0.62	1.78	US SOFR	5.31	0.00	-8.00
Oman TR	149.96	0.61	0.31	5Y Sov. CDS	Latest	-1w (bp)	YTD (bp)
Kuwait TR	149.21	0.19	0.66	Saudi Arabia	52.61	0.20	-1.80
Qatar TR	134.43	0.50	-0.01	Abu Dhabi	37.10	-	-6.60
Saudi Arabia TR	138.11	0.54	-0.23	Dubai	60.51	-1.00	-6.80
UAE TR	138.47	0.38	0.12	Kuwait	60.55	-0.10	5.50
Equity	Latest	-1w %	YTD %	Bahrain	196.94	-6.40	-15.70
ADX	9228.64	0.04	-5.01	Oman	109.36	-2.10	-12.90
DFM	4252.77	0.11	4.30	Qatar	38.74	-0.60	-8.10
Tadawul	12613.94	0.41	5.74	10Y yield	Latest	-1w (bp)	YTD (bp)
DSM	10190.65	-1.10	-1.88	Saudi Arabia	4.97	-5.80	26.80
MSM30	4772.45	0.40	4.21	Abu Dhabi	4.56	-3.20	28.90
BHSE	2034.20	0.92	3.60	Dubai	4.56	-8.80	-12.00
KWSE	8195.32	1.06	7.41	Kuwait	4.54	-4.40	26.40
MSCI GCC	729.85	0.07	2.18	Bahrain	6.58	-10.10	-17.30
MSCI EM	1049.07	2.05	4.58	Oman	5.64	-12.50	15.70
MSCI ACWI	775.71	1.28	8.57	Qatar	4.52	-2.40	29.50

Note: data from 6th March 2024 to 12th March 2024. Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management

Dubai's non-oil sector increased in February - PMI

Non-oil private sector businesses in Dubai enjoyed robust performance in February on the back of an increased volume of new orders. Dubai's Purchasing Managers' Index (PMI) posted a strong increase from January's 56.6 to 58.5 in February, indicating an improvement in operating conditions across the emirate's non-oil economy.

(Source: Zawya)

Saudi Arabia's GDP shrank by 4.3% in Q4 2023

According to the General Authority of Statistics, Saudi Arabia's real gross domestic product (GDP) shrank by 4.3% in Q4 2023, as oil activity dropped by 16.2% from a year earlier following heavy crude output cuts. The real GDP for 2023 contracted by 0.8%, as oil activity decreased by 9%, while non-oil activity grew by 4.4%.

(Source: Zawya)

Abu Dhabi Commercial Bank approved cash dividend of AED4.099bn

ADCB has approved a dividend of AED0.56 per share, totaling AED4.099bn, equal to 50% of its 2023 net profit.

(Source: Zawya)

Aramco boosted its dividends despite drop in 2023 profit

Aramco reported a decline in net profit to USD121.3bn in 2023 from USD161.1bn in 2022, due to lower oil prices, but still managed to increase its dividends by 30% to USD97.88bn. The firm declared a base dividend of USD20.3bn for the Q4. It also approved a USD10.8bn performance-linked dividend.

(Source: Zawya)

NBK-Bahrain posted a net profit of USD352mn in 2023

NBK-Bahrain's net profit rose to USD352mn in 2023 from USD324mn in 2022. Total assets decreased slightly to USD18.779bn, while shareholders' equity increased by 12% to USD3.217bn.

(Source: Zawya)

Saudi GASCO's net profit rose 6% YoY in 2023

National Gas and Industrialization Company (GASCO) posted a 6.17% y-o-y increase in net profit to SAR227.30mn in 2023. The company's revenues grew 18.16% y-o-y to SAR2.45bn in 2023.

(Source: Zawya)

GCC Weekly Market View

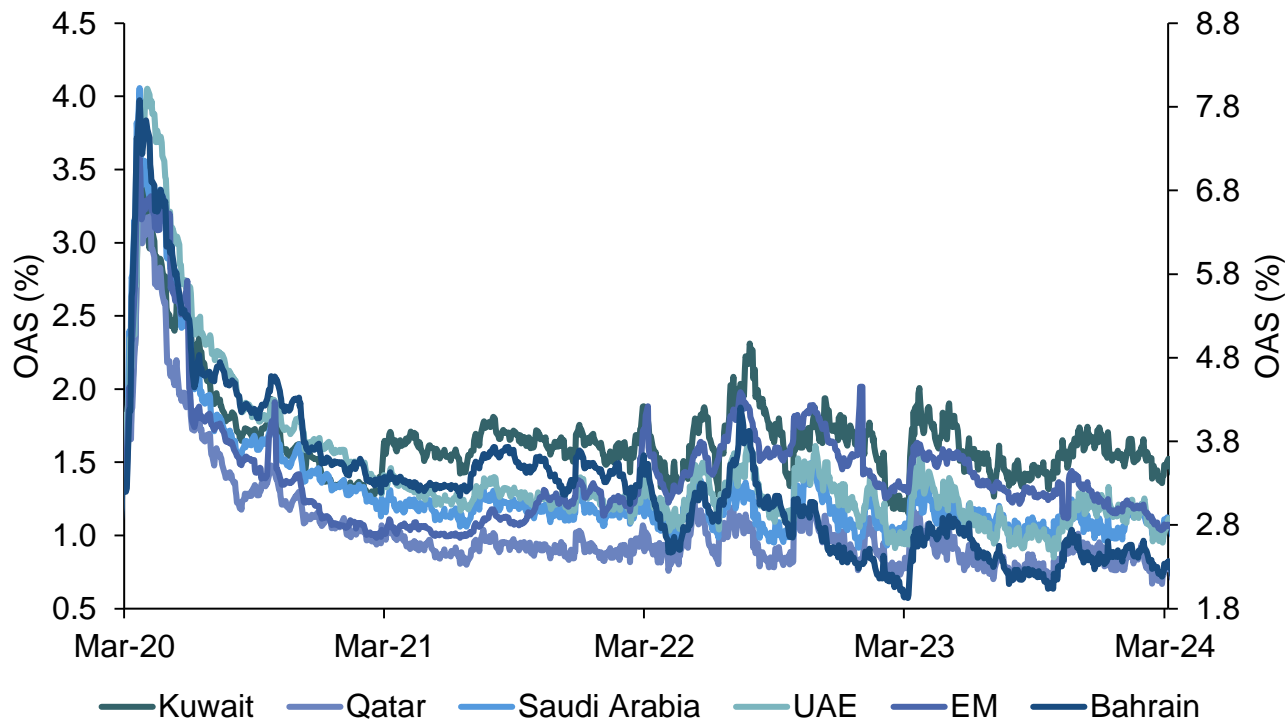
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Issuer	BBG	Sector	Cou ntry	Issue Amt*	Cpn	Maturity	Maturity Type	Curr ency	Issue Date	Rtg^	YTM (mid)	YTC (mid)
Saudi Government International Bond	KSA	Sovereign	SA	4750	5.75	1/16/2054	AT MATURITY	USD	1/16/2024	A+	5.84	-
Saudi Government International 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	MAZOOON	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	-
Suci Second Investment Co	PIFKSA	Agency	SA	2000	5.171	3/5/2031	AT MATURITY	USD	3/5/2024		5.16	-
Alinma Tier 1 Sukuk Ltd	ALINMA	Financial Institutions	SA	1000	6.5	-	PERP/CALL	USD	3/6/2024	BB+	6.37	6.42
Arabian Centres Co Ltd	ARACEN	Financial Institutions	SA	600	9.5	3/6/2029	CALLABLE	USD	3/6/2024	BB+	9.12	29.05
Finance Department Government of	SHJGOV	Sovereign	AE	750	6.125	3/6/2036	AT MATURITY	USD	3/6/2024	A-	6.07	-
Doha Finance Ltd	DHBKQD	Financial Institutions	QA	500	5.25	3/12/2029	AT MATURITY	USD	3/12/2024	A-	5.44	-

*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

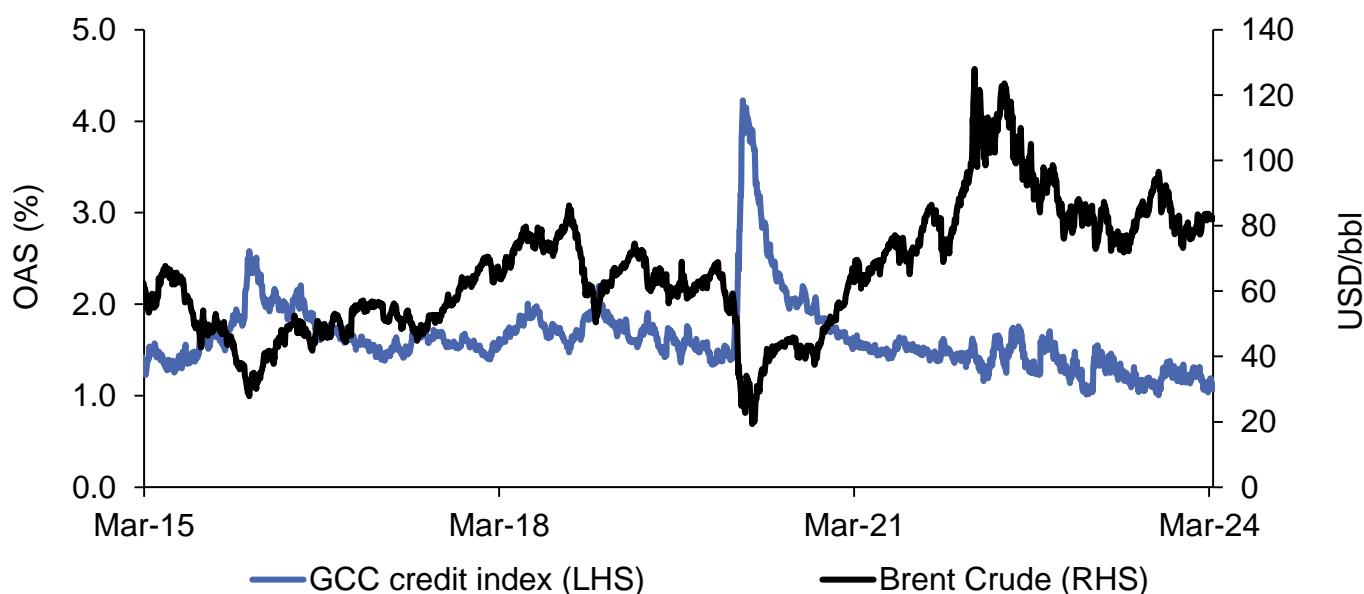
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

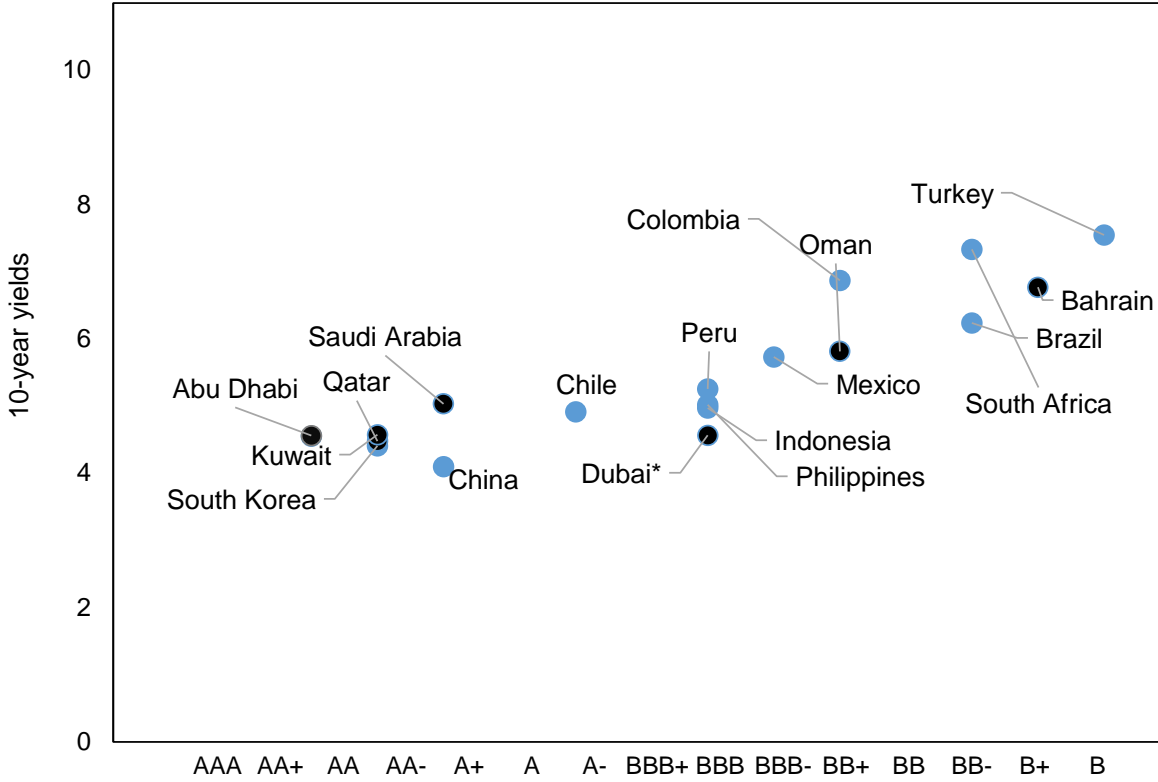
GCC corporate OAS spread versus Brent Crude



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

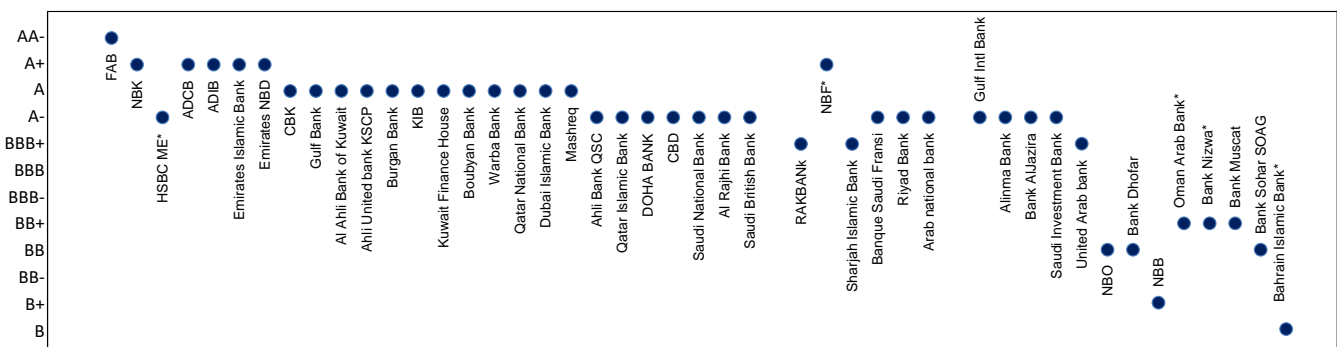
GCC Sovereign Rating

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

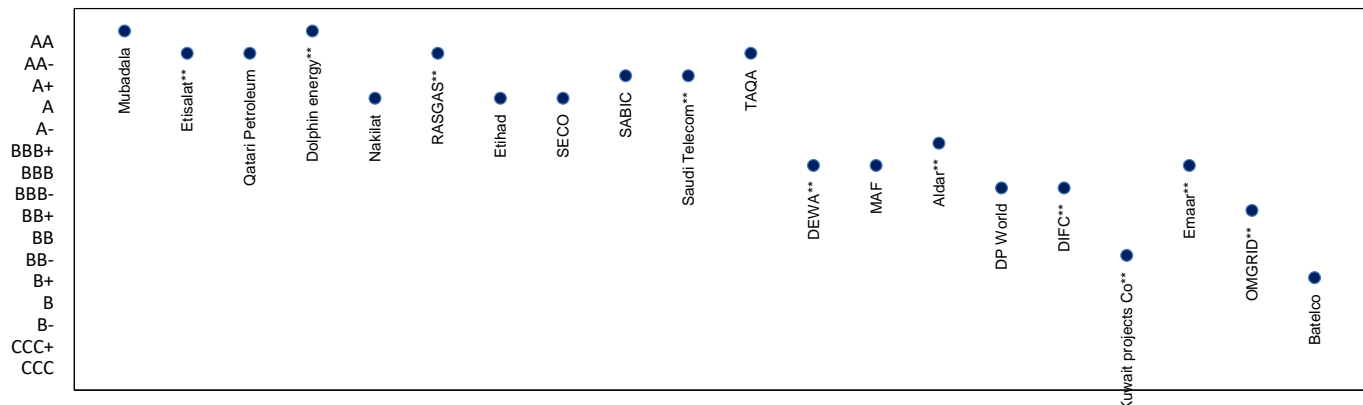
GCC Financials



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

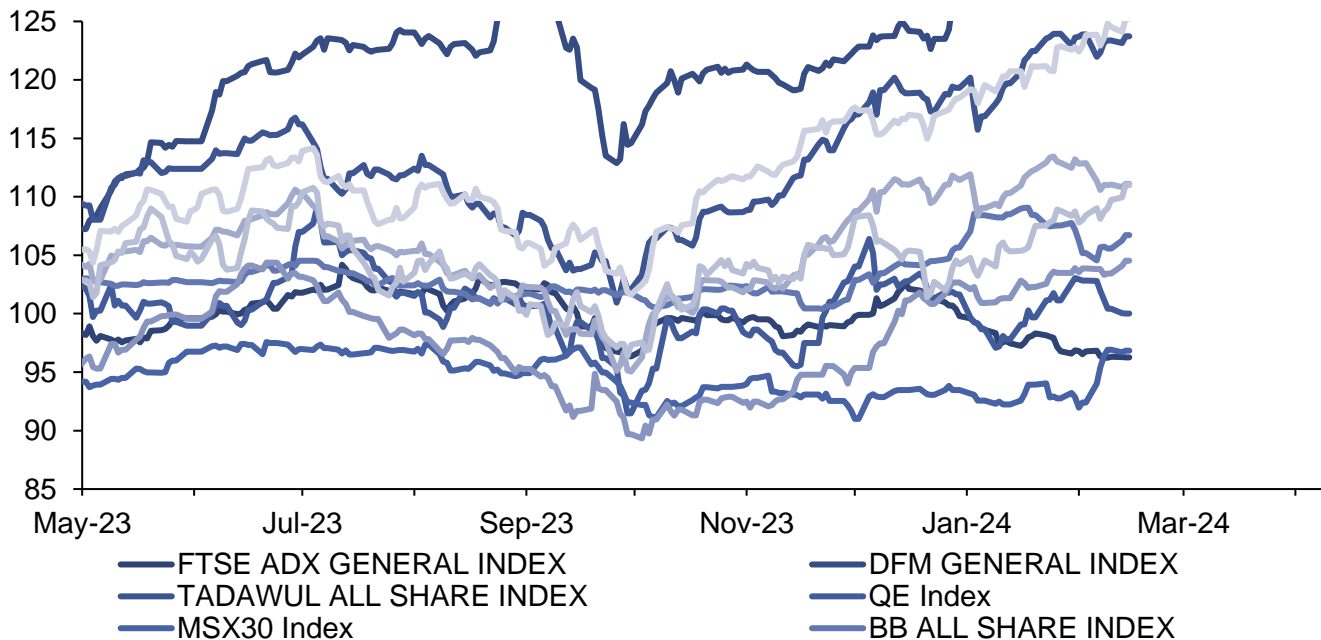
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	18.1x	-4.5%	1.8%
DFM	8.6x	34.7%	4.6%
Tadawul	18.6x	-7.5%	2.8%
DSM	11.1x	-0.7%	4.6%
MSM30	7.9x	54.5%	4.5%
BHSE	6.8x	NM	8.5%
KWSE	13.5x	6.4%	2.6%
MSCI GCC	14.5x	2.5%	3.3%
MSCI EM	-	-100.0%	2.6%
MSCI ACWI	18.0x	6.3%	1.9%

Notes: *data as of 13 March 2024
Source: Bloomberg, ADCB

GCC equity 1Y Performance

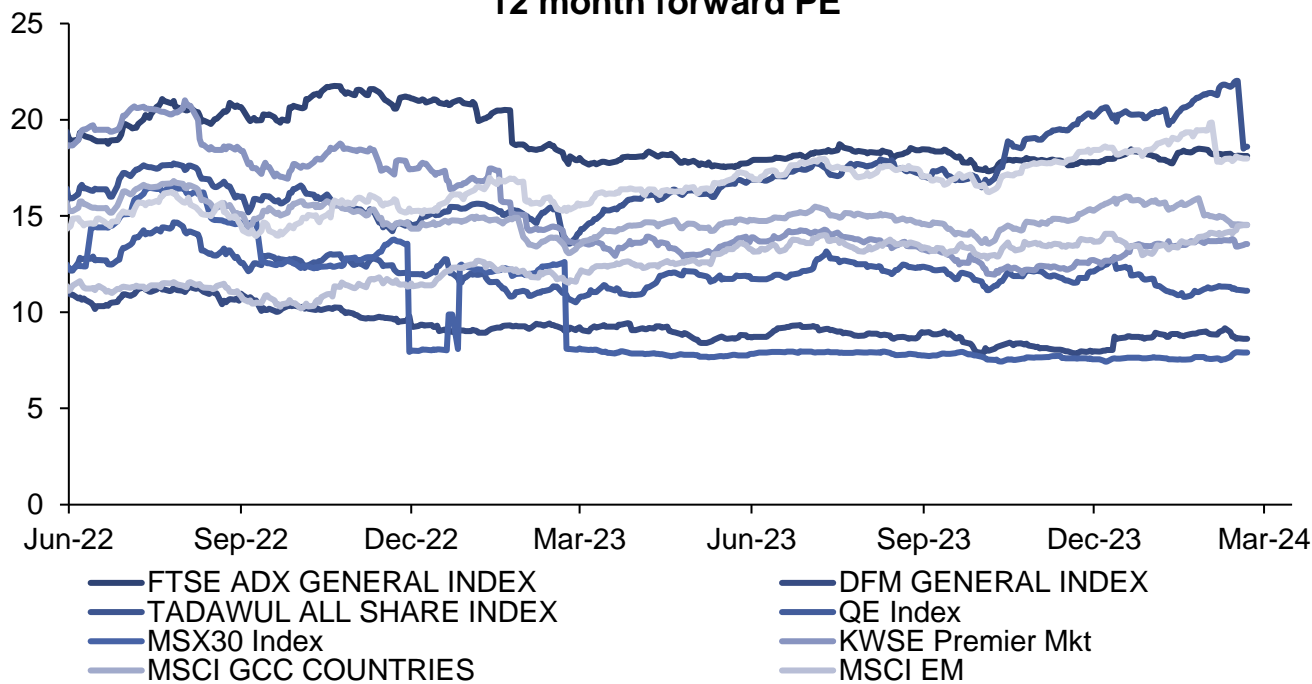
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

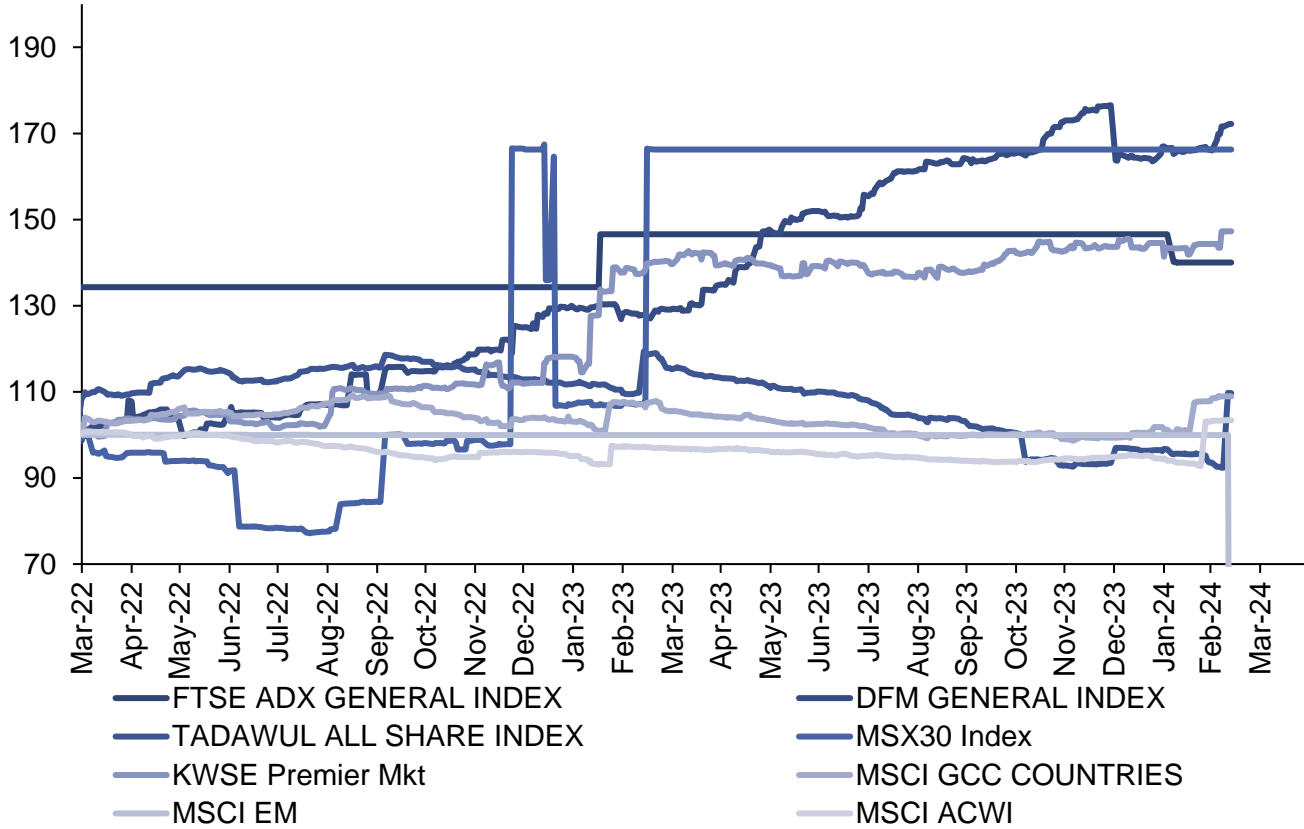
12 month forward PE



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

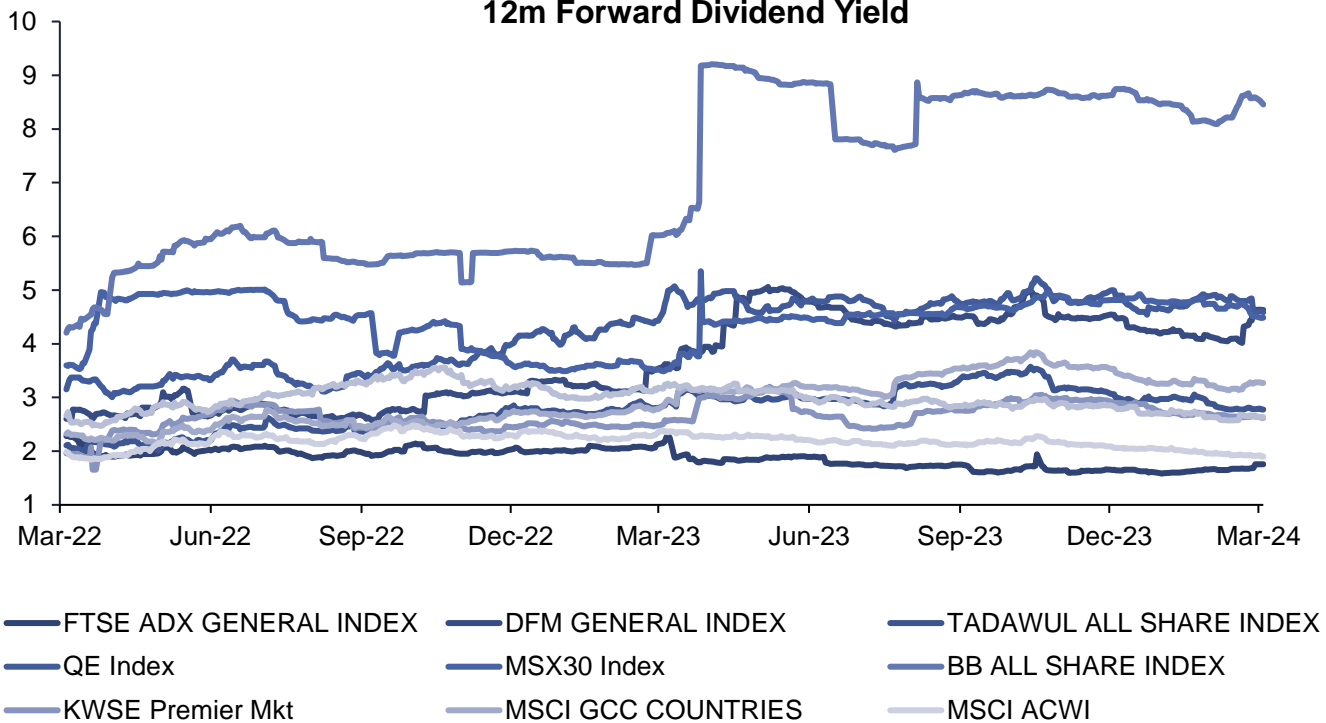
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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