

GCC market performance

GCC fixed Income:

Global benchmark bond index declined over the week (ending 19th March 2024). 10Y UST yields rose over the week. Global aggregate bonds recorded negative returns, led by Global treasuries. In credit, Global corporate IG and HY ended the week on a negative note. EM had a negative week too, registering declines over the week, led by EM EMEA. All GCC markets recorded negative returns. Qatar and Saudi Arabia underperformed the most. 5yr CDS spreads mostly widened across all GCC countries with the exception of Oman and Abu Dhabi. In the USD sovereign market, the 10yr bond yields rose across the GCC countries, led by Oman and Saudi Arabia.

GCC equities:

Most regional indices recorded gains last week with the exception of Kuwait and Bahrain. Oman posted most gains (1.57%), outperforming the rest of regional indices. KWSE stocks underperformed the most, posting loss of (1.19%). MSCI GCC was flat while MSCI EM and MSCI ACWI were down (1.79%) and (0.26%) respectively.

GCC key developments:

- World bank projects the UAE's GDP to grow 3.4% in 2024.
- Saudi non-oil economy hits record USD453bn .
- Saudi Arabia's inflation rose to 1.8% in February.
- Emaar Development approved cash dividends valued at AED2.08bn.

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	459.89	-0.85	-1.43	Saudi	6.21	2.73	-1.60
Global Treasuries	196.00	-1.02	-1.99	UAE	5.24	-1.48	-18.48
EM USD Agg TR	1175.13	-0.35	1.23	Kuwait	4.31	6.25	0.00
EM LatAm TR	1035.88	-0.32	2.44	Bahrain	6.38	-	-13.97
EM EMEA TR	350.65	-0.40	0.97	Oman	5.95	-	-8.75
EM Asia TR	620.40	-0.31	0.31	Qatar	6.00	0.00	-12.50
Bahrain TR	192.51	-0.29	1.47	US SOFR	5.31	0.00	-8.00
Oman TR	149.53	-0.32	0.02	5Y Sov. CDS	Latest	-1w (bp)	YTD (bp)
Kuwait TR	149.25	-0.01	0.69	Saudi Arabia	52.98	0.30	-1.40
Qatar TR	133.42	-0.65	-0.77	Abu Dhabi	36.42	-0.60	-7.30
Saudi Arabia TR	137.13	-0.60	-0.94	Dubai	62.70	1.40	-4.60
UAE TR	137.95	-0.32	-0.25	Kuwait	60.55	-	5.50
Equity	Latest	-1w %	YTD %	Bahrain	197.46	0.10	-15.20
ADX	9259.11	0.17	-4.70	Oman	107.68	-1.60	-14.50
DFM	4272.76	0.32	4.79	Qatar	39.05	0.30	-7.80
Tadawul	12804.00	0.64	7.34	10Y yield	Latest	-1w (bp)	YTD (bp)
DSM	10227.62	0.35	-1.52	Saudi Arabia	5.09	11.10	39.00
MSM30	4830.85	1.57	5.49	Abu Dhabi	4.68	10.90	40.60
BHSE	2035.61	-0.35	3.67	Dubai	4.61	6.50	-7.20
KWSE	8074.10	-1.19	5.82	Kuwait	4.57	1.70	28.80
MSCI GCC	732.67	0.00	2.57	Bahrain	6.64	9.30	-10.40
MSCI EM	1027.78	-1.79	2.46	Oman	5.73	11.80	23.80
MSCI ACWI	773.32	-0.26	8.24	Qatar	4.60	9.50	37.80

Note: data from 13th March 2024 to 19th March 2024, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management

World bank projects the UAE's GDP to grow 3.4% in 2024

Oil and non-oil sectors are expected to strengthen the UAE GDP growth to reach around 3.4% in 2024 from 2.8% in 2023, driven by robust domestic demand, particularly in the tourism, real estate, construction, transportation, and manufacturing sectors, according to the World Bank projections.

(Source: Zawya)

Saudi non-oil economy hits record USD453bn

According to the General Authority for Statistics, non-oil activities in Saudi Arabia have achieved a historic milestone, reaching a 50% share of the country's real GDP in 2023, the highest level on record. Non-oil economy valued at SAR1.7tn (USD453bn) at constant prices, fueled by consistent growth in investment, consumer spending, and exports. The other sectors like accommodation, food services, transportation, and storage also witnessed robust growth, expanding by 77% and 29%, respectively. Healthcare, education, and entertainment, saw a 10.8% increase, followed by transportation and communication by 3.7% and trade, restaurants, and hotels by 7%.

(Source: Zawya)

Saudi Arabia's inflation rose to 1.8% in February

According to the General Authority for Statistics, Saudi Arabia's annual inflation rate rose from 1.6% in January to 1.8% in February, driven by increases in housing rents. Prices in the subcategory of housing, water, electricity, gas and other fuels climbed 8.5% from a year earlier. Prices of food and beverages increased 1.3%. Vegetable prices jumped 7.6% while transport prices declined 0.9% due to a decrease in car sales, while clothing and footwear prices fell 4%.

(Source: Zawya)

Emaar Development approved cash dividends valued at AED2.08bn

Emaar Development approved cash dividends valued at AED2.08bn for 2023. Emaar will disburse a dividend of 52 fils per share. The cash dividends represent 52% of Emaar Development's paid-up capital. Furthermore, the net profit jumped by 74% YoY to AED6.60bn (USD1.80bn) as of 31 December 2023.

(Source: Zawya)

GCC Weekly Market View

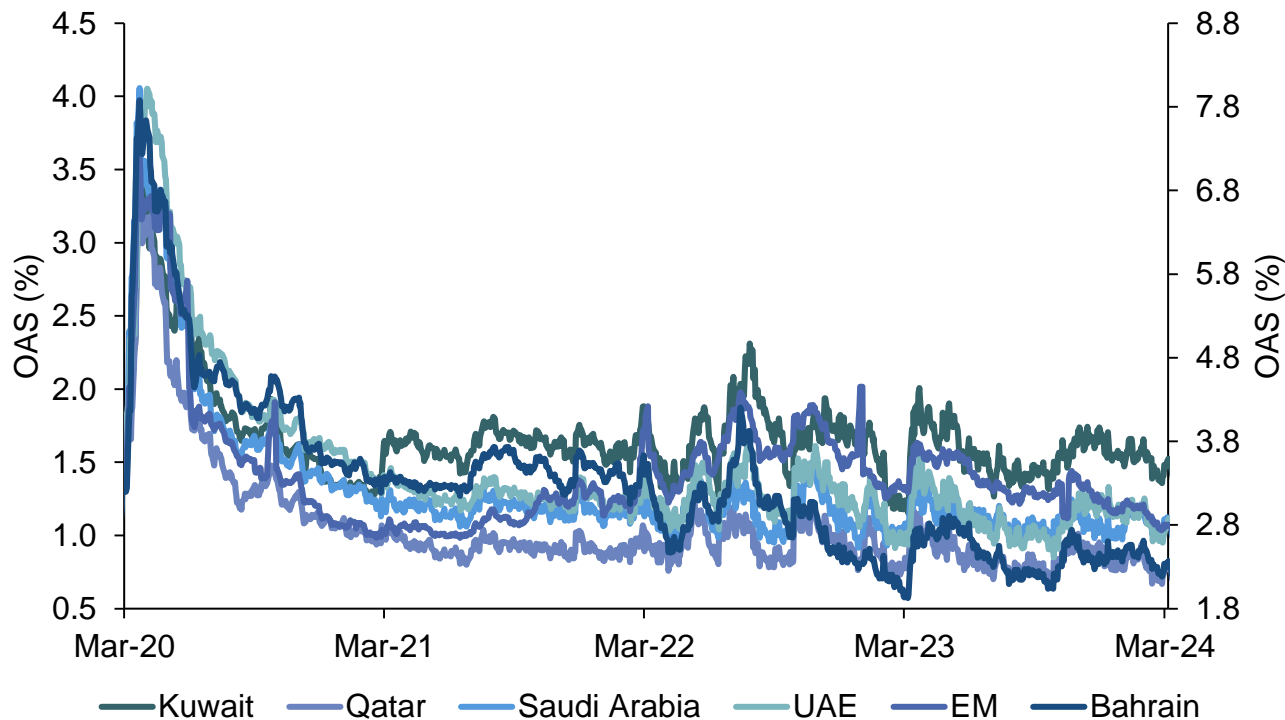
March 20 2024

Issuer	BBG	Sector	Country	Issue Amt*	Cpn	Maturity	Maturity Type	Currency	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	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	-
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

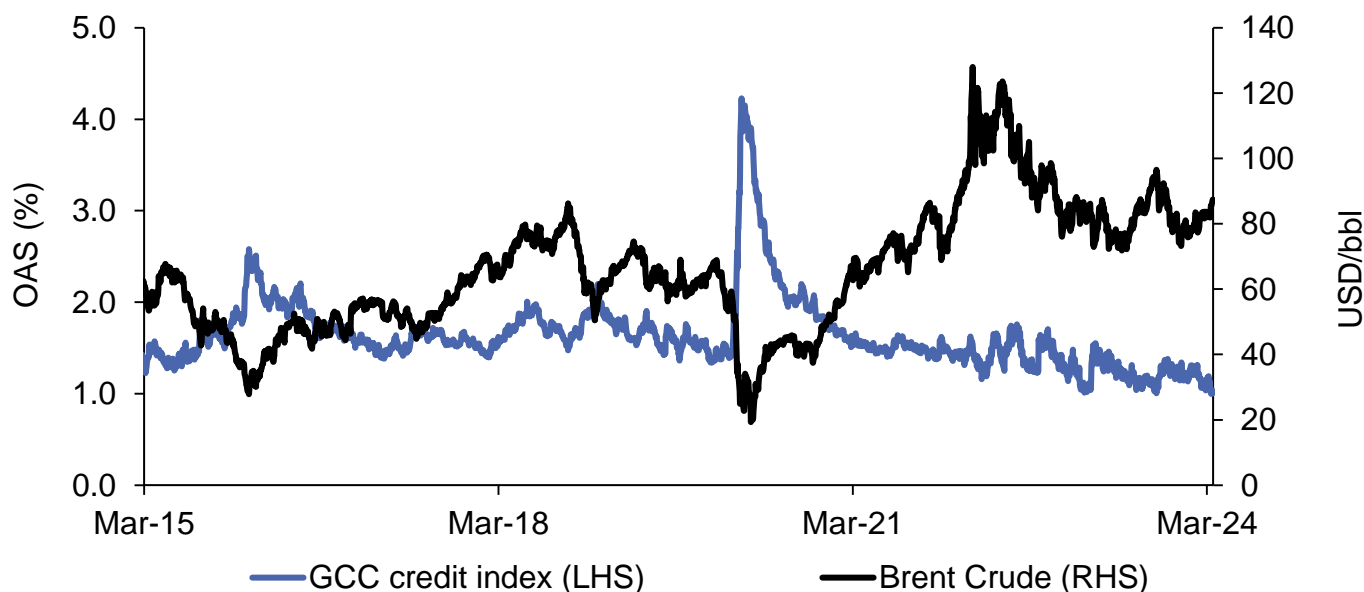
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

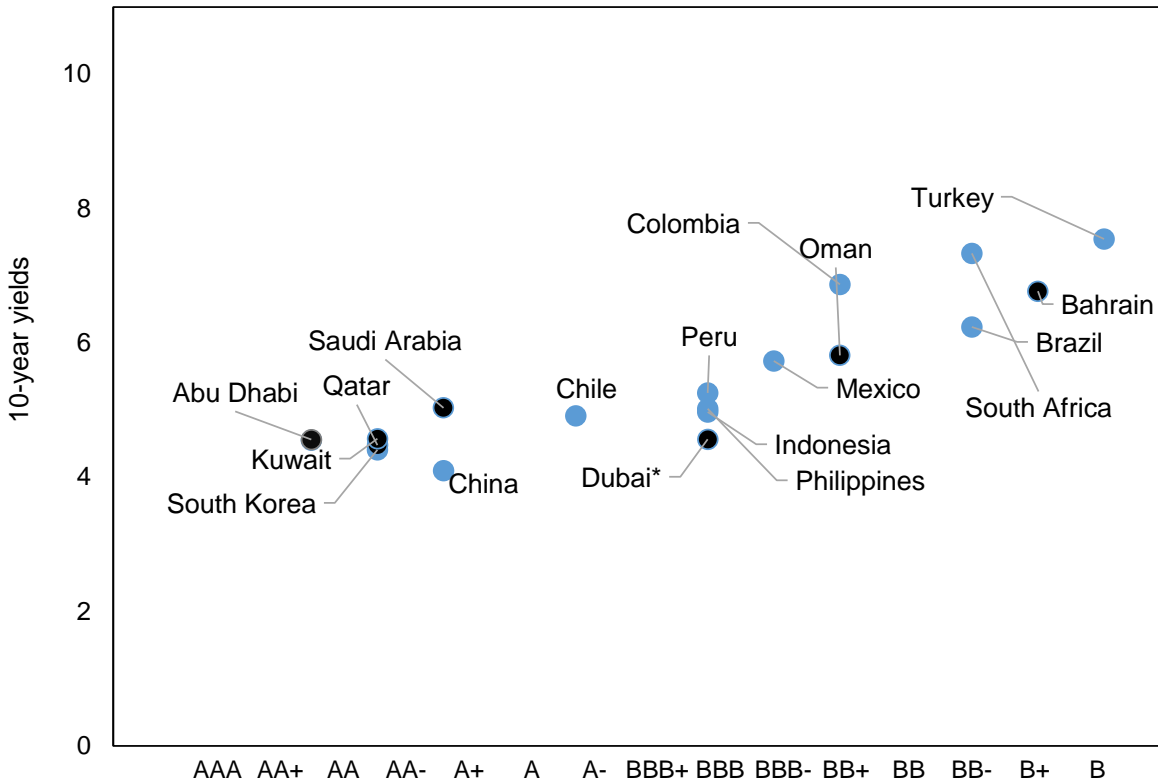
GCC corporate OAS spread versus Brent Crude



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

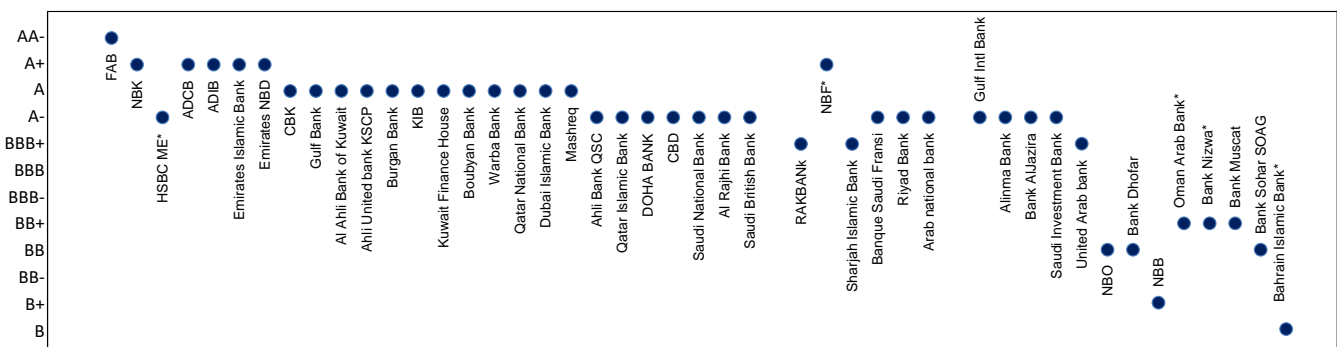
GCC Sovereign Rating

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

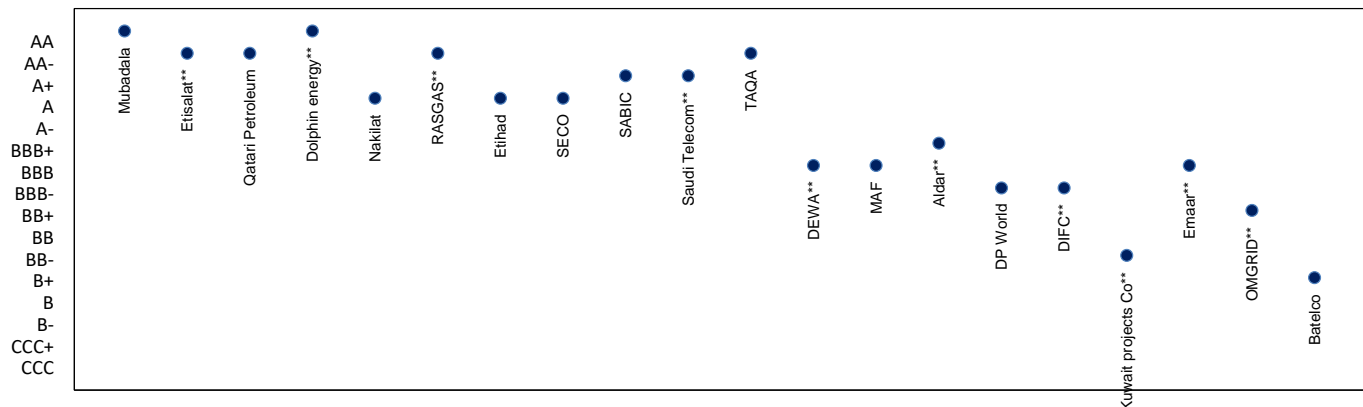
GCC Financials



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

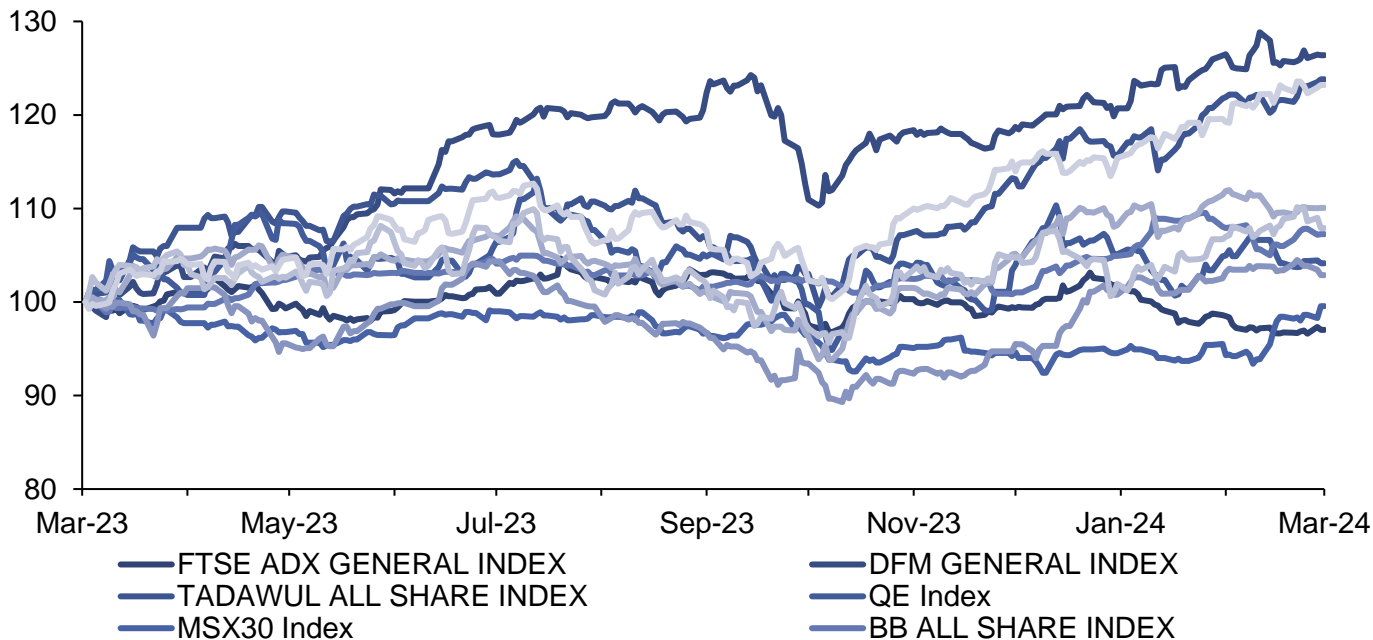
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	18.2x	-4.5%	2.1%
DFM	8.6x	36.8%	5.1%
Tadawul	18.8x	-7.0%	2.8%
DSM	11.1x	-0.3%	4.6%
MSM30	8.0x	54.7%	4.4%
BHSE	6.8x	NM	7.5%
KWSE	13.3x	5.2%	2.7%
MSCI GCC	14.7x	2.5%	3.4%
MSCI EM	12.4x	-9.6%	2.7%
MSCI ACWI	18.1x	5.9%	1.9%

Notes: *data as of 20 March 2024
Source: Bloomberg, ADCB

GCC equity 1Y Performance

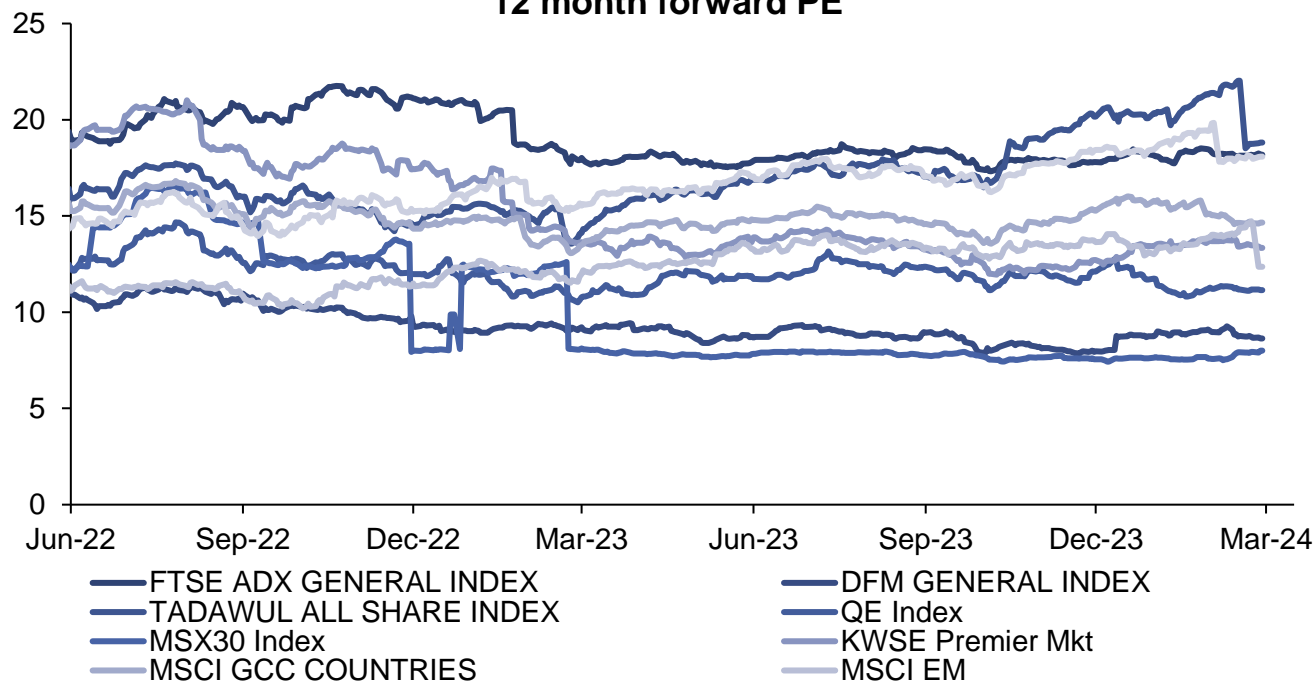
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

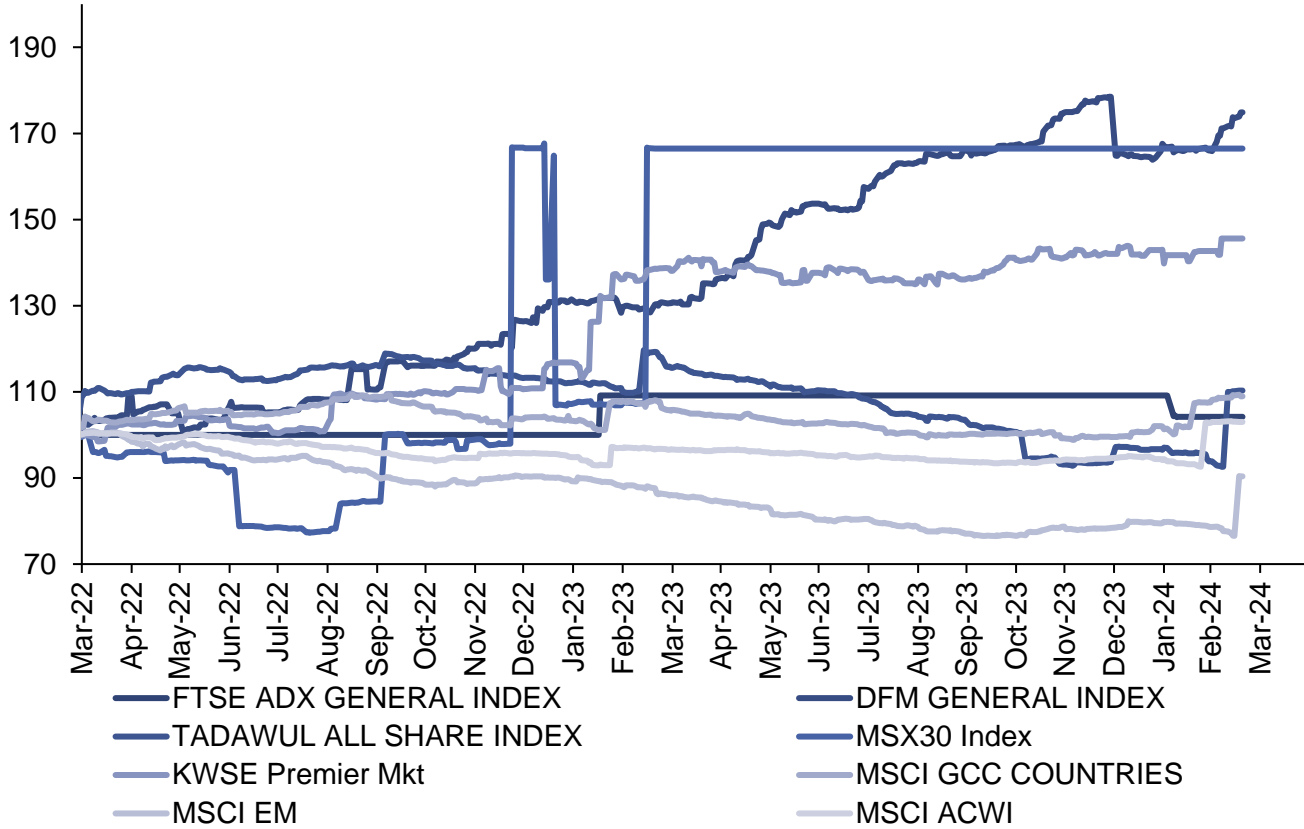
12 month forward PE



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

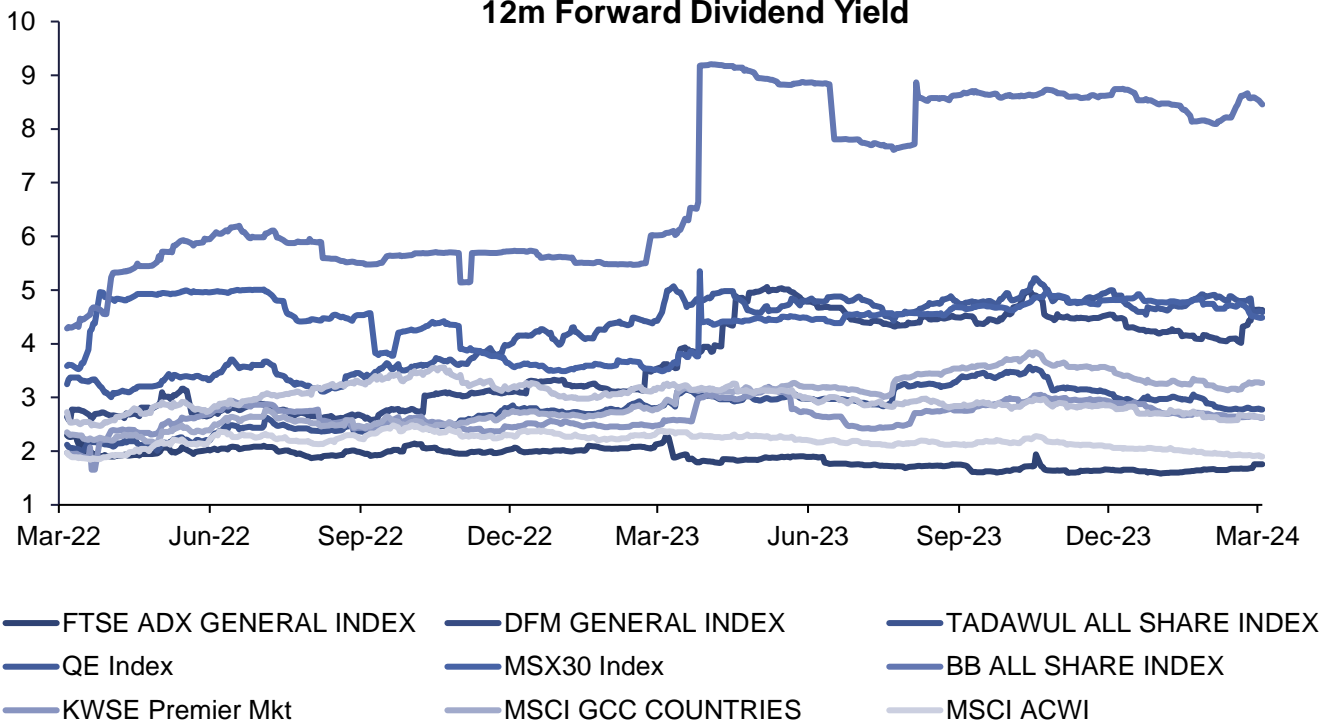
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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