

GCC market performance

GCC fixed Income:

Global benchmark bond index posted gains over the week (ending 26th March 2024). 10Y UST yields declined over the week. In credit, Global corporate IG and HY ended the week on a positive note. EM had a positive week too, registering gains over the week, led by EM LatAm. All GCC markets recorded positive returns. Oman and Saudi Arabia outperformed the most. 5yr CDS spreads mostly tightened across all GCC countries with the exception of Kuwait. In the USD sovereign market, the 10yr bond yields dropped across the GCC countries, led by Dubai.

GCC equities:

GCC regional indices were mixed last week. Bahrain, Abu Dhabi, and Kuwait posted gains with Bahrain outperforming the most (1.36%). Rest of GCC indices posted negative returns. Qatar underperformed the most, posting loss of (1.74%). MSCI GCC underperformed MSCI EM and MSCI ACWI last week. MSCI GCC was down (0.42%) while MSCI EM and MSCI ACWI were up (0.77%) and (0.06%) respectively.

GCC key developments:

- **GCC central banks held interest rates unchanged.**
- Saudi Arabia's Industrial Production Index (IPI) rose in January 2024.
- **Fitch rating agency upgraded Qatar's rating to AA.**
- Tabreed shareholders approved dividend payment for 2023.
- ADNIC shareholders approved cash dividends of 45%.
- Al Ansari Financial Services approved AED300mn cash dividend for H2 2023.

GCC bond issuances:

- **Mubadala launched USD1bn 10-year sukuk.**
- **Qatar Commercial Bank launched USD750mn in 5-year bonds.**

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GCC Weekly Market Performance

Index				Rates			
	Latest	-1w %	YTD %		Latest	-1w (bp)	YTD (bp)
Fixed Income				3M interbank			
Global Agg	460.70	0.14	-1.25	Saudi	6.20	1.08	-3.35
Global Treasuries	196.11	0.10	-1.94	UAE	5.22	13.62	-20.35
EM USD Agg TR	1186.36	0.71	2.19	Kuwait	4.31	6.25	0.00
EM LatAm TR	1050.28	1.02	3.86	Bahrain	6.36	-2.29	-16.56
EM EMEA TR	353.62	0.67	1.82	Oman	5.92	-	-12.50
EM Asia TR	624.39	0.45	0.96	Qatar	6.00	-	-12.50
Bahrain TR	193.35	0.37	1.92	US SOFR	5.31	0.00	-8.00
Oman TR	150.47	0.52	0.65	5Y Sov. CDS			
Kuwait TR	149.57	0.18	0.90	Saudi Arabia	53.24	-1.60	-1.20
Qatar TR	134.24	0.42	-0.16	Abu Dhabi	38.13	-0.10	-5.60
Saudi Arabia TR	138.04	0.52	-0.28	Dubai	65.18	-5.40	-2.10
UAE TR	138.46	0.29	0.12	Kuwait	68.09	3.80	13.00
Equity				Bahrain	199.19	-2.10	-13.50
ADX	9318.46	0.53	-4.09	Oman	109.40	-2.80	-12.80
DFM	4246.23	-1.05	4.14	Qatar	40.39	-0.80	-6.40
Tadawul	12585.54	-1.21	5.50	10Y yield			
DSM	10026.10	-1.74	-3.46	Saudi Arabia	5.01	-6.20	31.10
MSM30	4755.46	-1.11	3.84	Abu Dhabi	4.59	-6.90	32.50
BHSE	2075.75	1.36	5.72	Dubai	4.45	-7.10	-22.90
KWSE	8095.21	0.17	6.09	Kuwait	4.51	-4.60	23.10
MSCI GCC	726.99	-0.42	1.78	Bahrain	6.57	-6.20	-17.60
MSCI EM	1040.07	0.77	3.68	Oman	5.63	-6.20	14.30
MSCI ACWI	778.53	0.06	8.96	Qatar	4.52	-6.30	29.40

Note: data from 20th March 2024 to 26th March 2024, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management

GCC central banks held interest rates unchanged

GCC central banks followed the Federal Reserve's decision to keep interest rates unchanged in order to protect their currencies' peg against the US dollar, with Kuwait the only exception as its dinar is linked to a basket of currencies. The UAE central bank maintained its interest rates following the Fed's decision to hold overnight interest rates steady within the 5.25%-5.50% range for the fourth time. The UAE central bank maintained its base rate on Overnight Deposit Facility (ODF) without change at 5.40%.

(Source: Zawya)

Qatar's Fitch credit rating upgraded to AA

Fitch rating agency, has upgraded Qatar's long-term foreign-currency issuer default rating (IDR) to "AA-" from "AA". The rating agency stated that the upgrade reflects Fitch's greater confidence that debt to GDP will remain in line with or below the 'AA' peer median after falling sharply in recent years, while Qatar's external balance sheet will strengthen from an already strong level.

(Source: Zawya, Fitch Ratings)

Saudi Arabia's Industrial Production Index (IPI) rose in January 2024

According to the General Authority for Statistics (GASTAT), the Saudi Industrial Production Index (IPI) recorded 103.3 points in January 2024, marking a monthly growth of 0.3%. In January 2024, the sub-index for mining and quarrying activity grew by 0.1% to reach 98.2 points. The sub-index for manufacturing activity grew by 1.1% to reach 113.8 points. The sub-index for water supply, sewerage, and waste management activities grew by 1% to reach 113.2 points. The sub-index for electricity, gas, steam and air conditioning activities recorded 80.2 points.

(Source: Zawya)

Mubadala launched USD1bn 10-year sukuk

Mubadala Investment launched USD1bn USD-denominated 10-year sukuk through its subsidiary Mamoura Diversified Global Holding. The spread was set at 70bp over US Treasuries, tighter than earlier guidance of 100bp, the orders topped USD7bn.

(Source: Bloomberg)

Qatar Commercial Bank launched USD750mn in 5-year bonds

Qatar Commercial Bank has launched USD750mn in USD denominated bonds maturing in 2029. The spread was set at 125bp over US Treasuries, tighter than earlier guidance of 150bp. The lender received USD1.80bn in orders for the bond sale, which is expected to be priced later in the day.

(Source: Bloomberg)

Tabreed shareholders approved dividend payment for 2023

Tabreed international cooling company shareholders approved a high dividend payment of 15.5 fils per share, paid fully in cash. Tabreed reported a growth of 9% in revenue and an increase of 25% in net profit during 2023.

(Source: Zawya)

ADNIC shareholders approved cash dividends of 45%

Abu Dhabi National Insurance Company (ADNIC) has approved the distribution of 45% cash dividends (AED0.45 per share, implying total cash dividends of AED256.5mn) for the financial year 2023. ADNIC recorded a net profit of AED401.2mn in 2023, one of the highest profit in its history.

(Source: Zawya)

Al Ansari Financial Services approved AED300mn cash dividend for H2 2023

Al Ansari Financial Services shareholders approved the financial statements for 2023, a recommendation to distribute a cash dividend of AED300mn (4 fils per share) for H2 of 2023, bringing the total amount of dividend distributions for the fiscal year 2023 to AED600mn.

(Source: Zawya)

GCC Weekly Market View

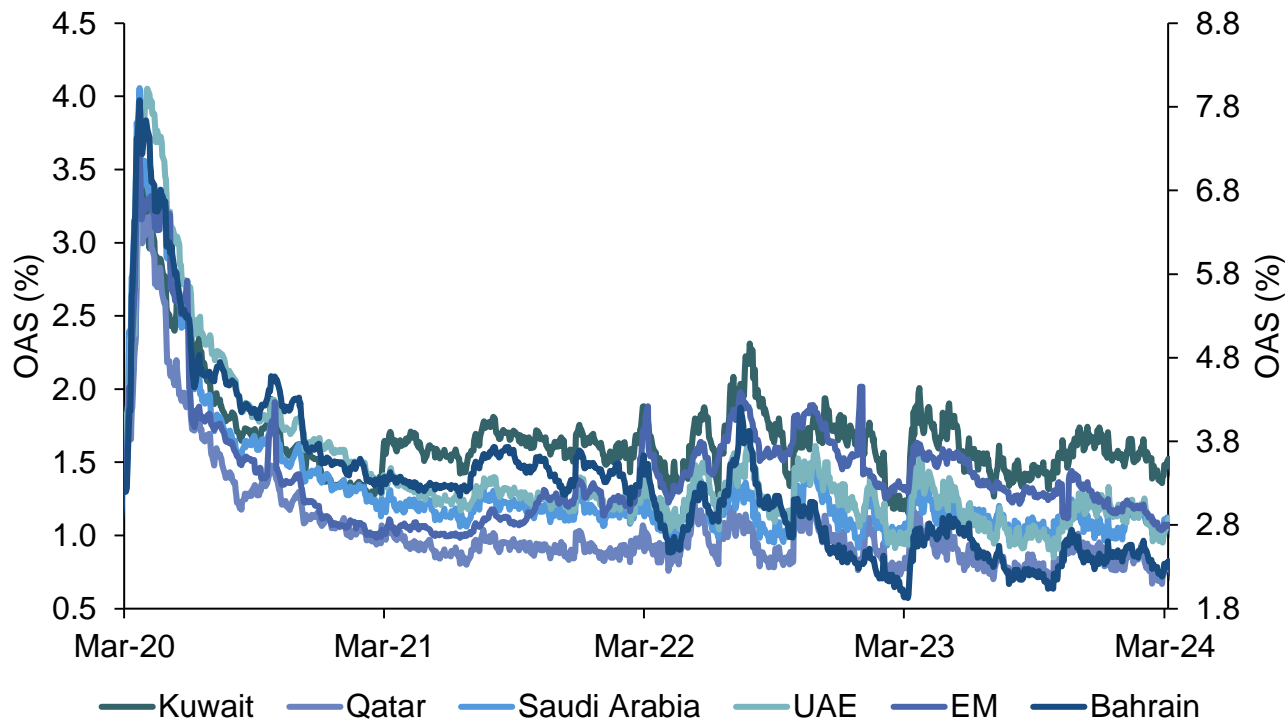
March 27 2024

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

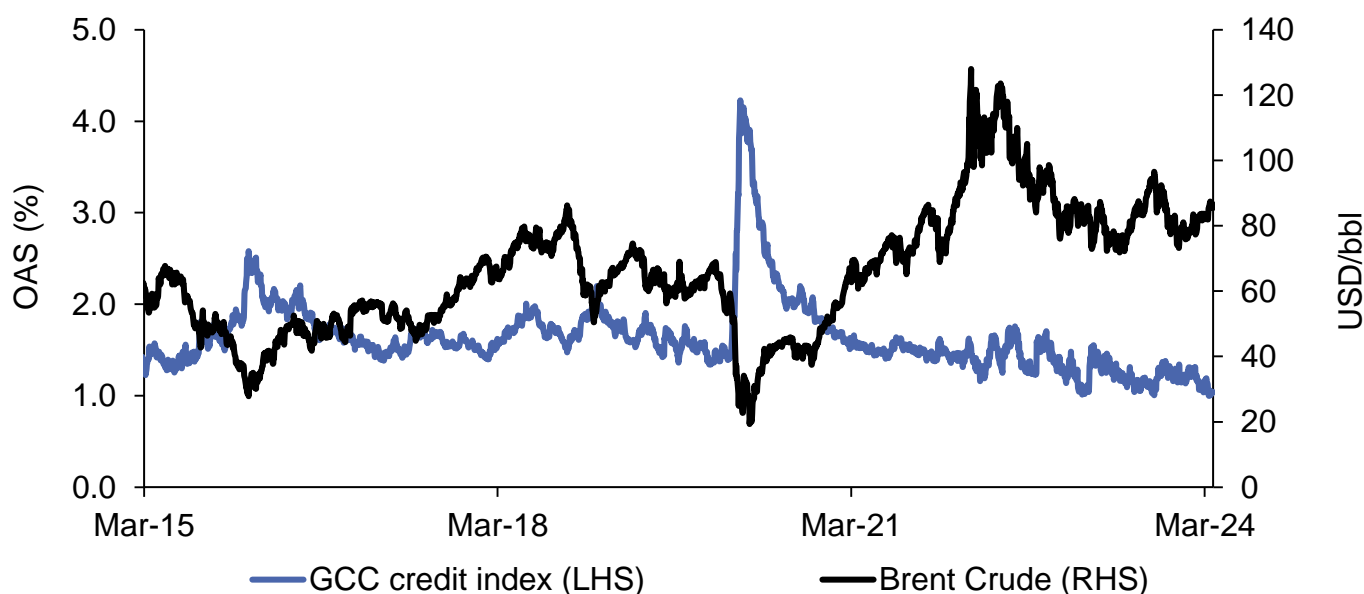
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

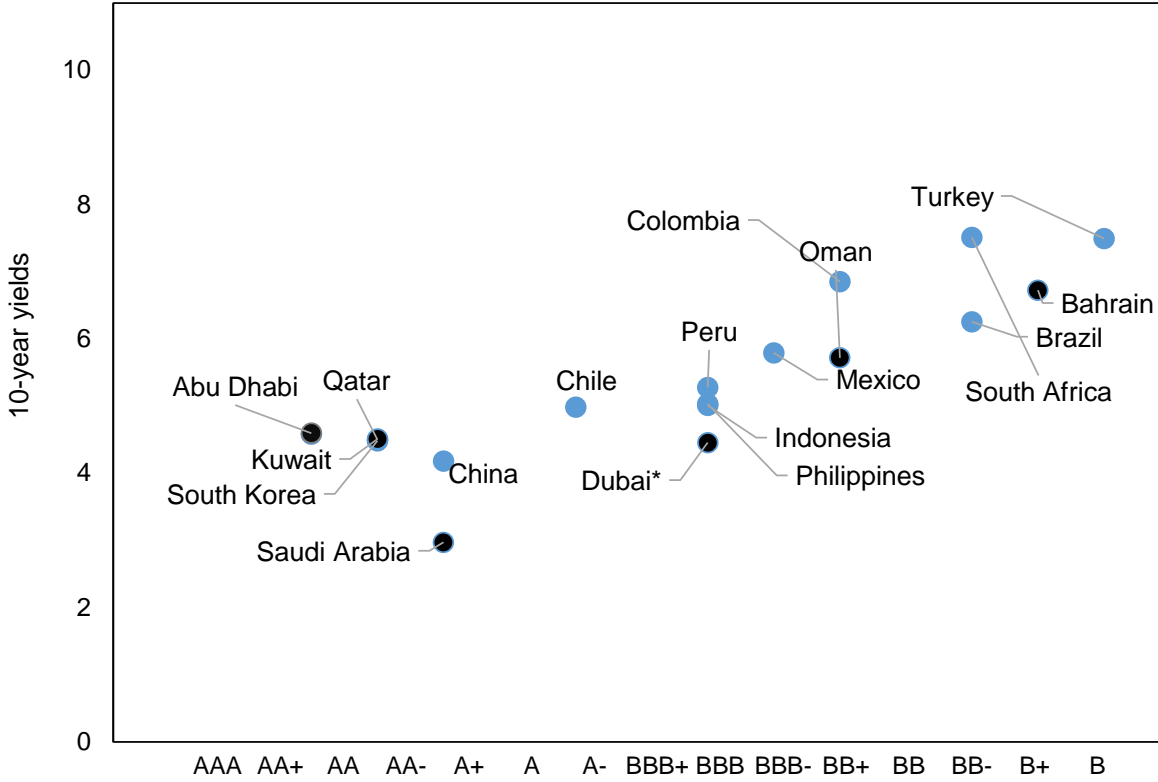
GCC corporate OAS spread versus Brent Crude



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

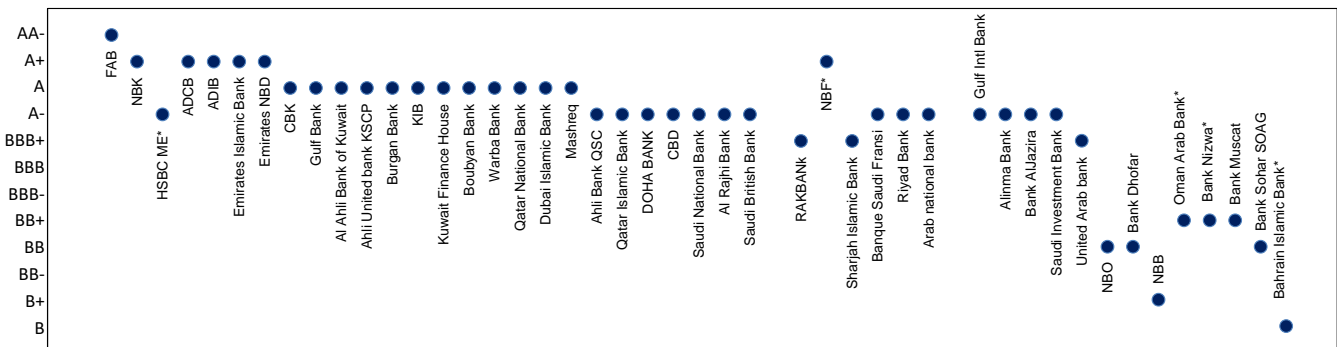
GCC Sovereign Rating

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

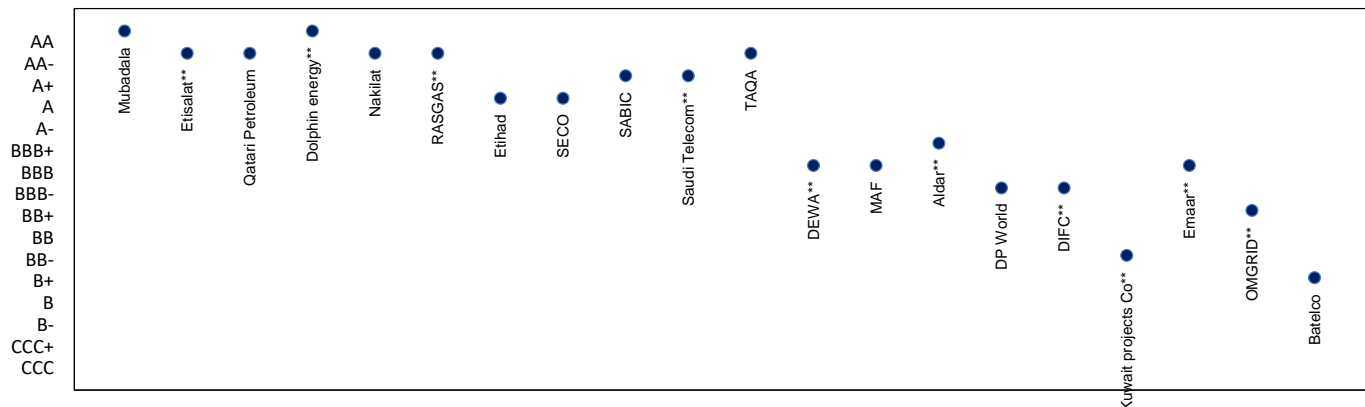
GCC Financials



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

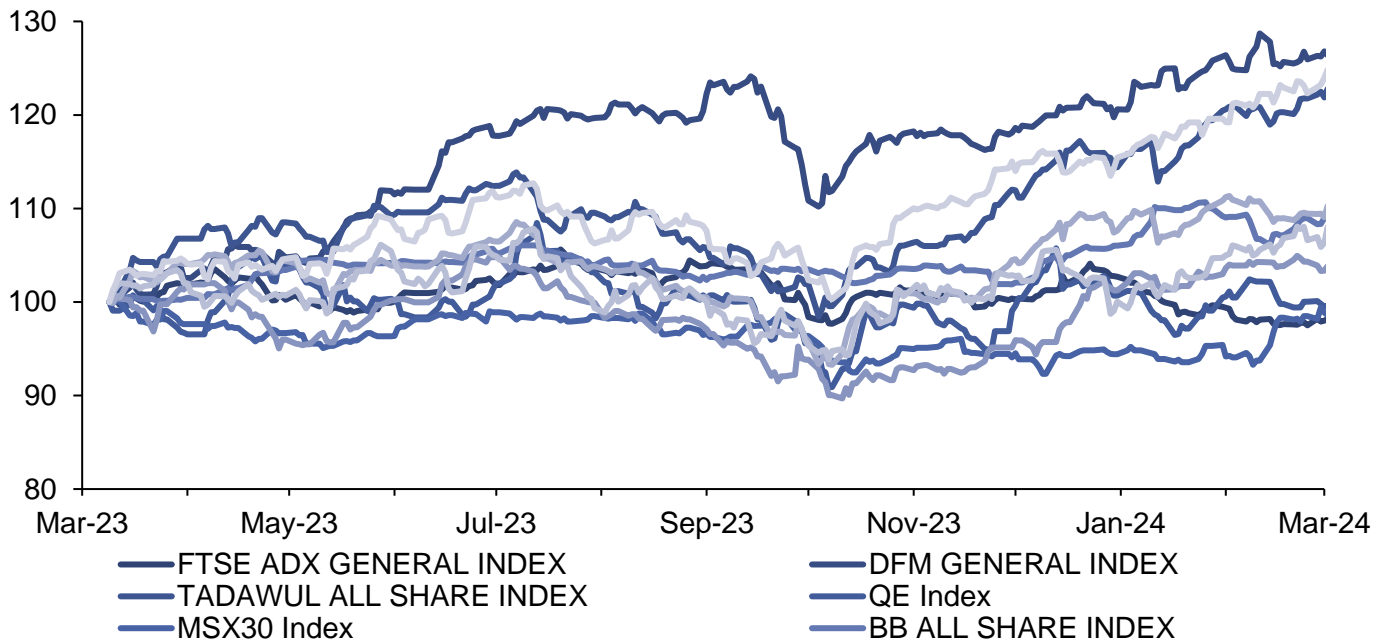
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	18.3x	-4.5%	2.1%
DFM	8.5x	37.6%	5.2%
Tadawul	18.9x	-16.2%	2.9%
DSM	10.9x	-2.9%	4.7%
MSM30	7.9x	55.5%	5.2%
BHSE	7.0x	NM	7.5%
KWSE	13.1x	7.3%	2.7%
MSCI GCC	14.7x	-0.2%	3.4%
MSCI EM	12.4x	-10.0%	2.7%
MSCI ACWI	18.3x	5.6%	1.9%

Notes: *data as of 27 March 2024
Source: Bloomberg, ADCB

GCC equity 1Y Performance

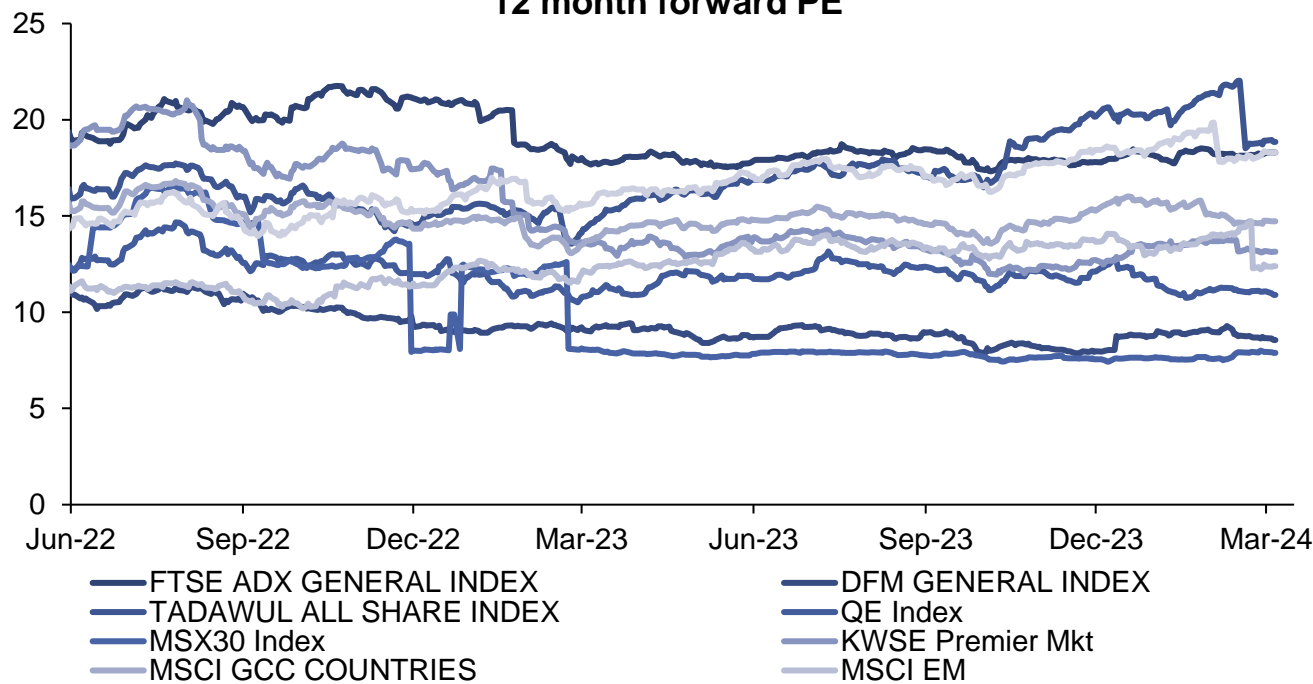
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

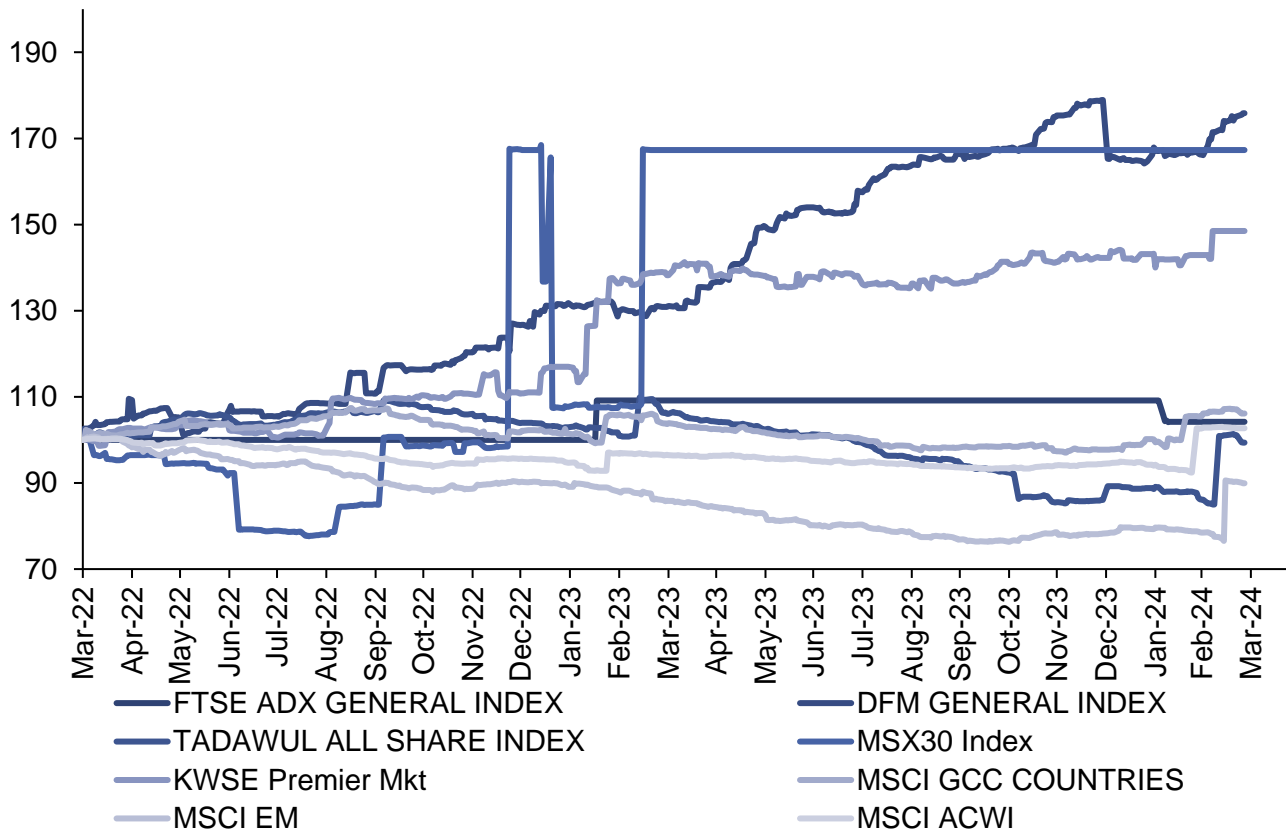
12 month forward PE



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

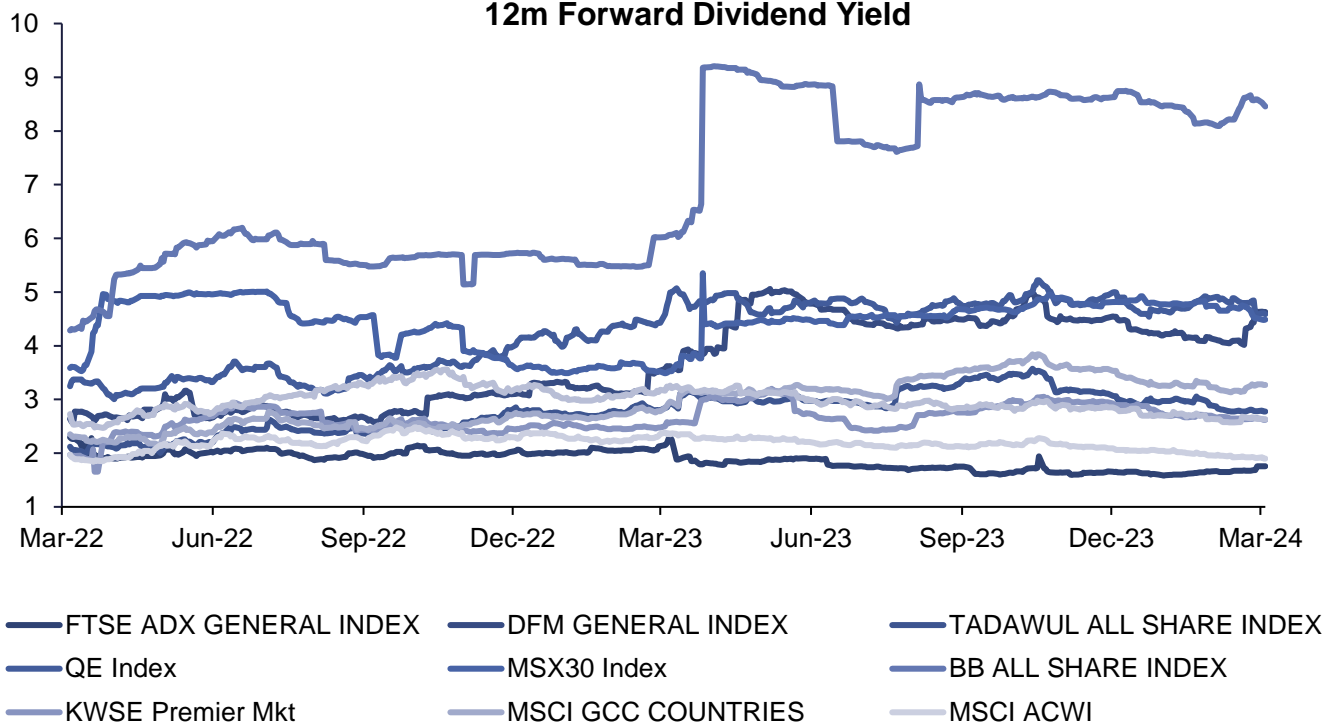
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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