

GCC market performance and activity summary

GCC fixed income

Global benchmark bond index posted declines for the week ending 3rd March. The Global Aggregate index declined (-1.07%) and Global Treasuries also posted declines (-1.18%). In credit, Global corporate IG index and Global HY index posted negative declines. EM USD bonds recorded declines. Led by EMEA (-1.14%).

All GCC bond indices recorded declines over the week. Bahrain, UAE, and Saudi Arabia underperformed the most. Oman, Qatar, and Kuwait also posted declines. 5Y sovereign CDS spreads widened across all GCC markets. In the USD sovereign market, the 10yr bond yields rose across all GCC markets.

GCC equities

All GCC regional indices declined over the week – Qatar, UAE, and Saudi Arabia underperformed the most. Overall, MSCI GCC, MSCI EM and MSCI ACWI posted declines.

GCC key macro developments

- ▶ UAE non-oil business activity expanded to a 12-month high in February, PMI.
- ▶ Saudi Arabia's PMI dipped in February, PMI.
- ▶ Saudi Arabia's non-oil private sector growth moderated in February.

GCC corporate news

- ▶ Abu Dhabi raised USD3bn as investor demand drives tight spreads on dual-tranche bond.

GCC Weekly Market Performance

Index				Rates			
Fixed Income	Latest	-1w %	YTD %	3M interbank	Latest	-1w (bp)	YTD (bp)
Global Agg	504.6	-1.07	9.11	Saudi	4.78	-7.21	-63.44
Global Treasuries	209.4	-1.18	7.60	UAE	3.59	-7.45	-84.82
EM USD Agg TR	1396.8	-0.81	11.83	Kuwait	3.63	-	-31.25
EM LatAm TR	1295.8	-0.77	14.40	Bahrain	5.02	0.74	-67.11
EM EMEA TR	409.9	-1.14	11.23	Oman	4.40	10.40	-51.35
EM Asia TR	711.3	-0.28	9.54	Qatar	3.90	-	-75.00
Bahrain TR	219.7	-1.79	8.08	US SOFR	3.71	4.00	-69.00
Oman TR	173.4	-0.81	10.87	5Y Sov. CDS	Latest	-1w (bp)	YTD (bp)
Kuwait TR	168.7	-0.53	7.54	Saudi Arabia	89.26	9.04	-24.45
Qatar TR	149.8	-0.89	8.83	Abu Dhabi	40.77	6.84	3.13
Saudi Arabia TR	153.9	-1.06	9.05	Dubai	58.58	4.67	4.16
UAE TR	154.6	-1.31	8.43	Kuwait	57.47	3.9	3.9
Equity	Latest	-1w %	YTD %	Bahrain	236.52	26.35	-48.25
ADX	10102.7	-1.73	12.14	Oman	92.16	7.39	10.10
DFM	6187.6	-2.58	26.20	Qatar	39.36	7.81	4.68
Tadawul	10602.1	-2.60	-12.70	10Y yield	Latest	-1w (bp)	YTD (bp)
DSM	10546.8	-6.75	-0.58	Saudi Arabia	4.78	18.50	-62.10
MSM30	7272.0	-1.78	58.66	Abu Dhabi	4.33	18.00	-69.60
BHSE	2031.0	-1.35	2.65	Dubai	4.20	21.60	-63.10
KWSE	9064.8	-0.99	15.64	Bahrain	6.84	42.70	-12.80
MSCI GCC	759.8	-3.60	4.63	Oman	4.92	17.10	-81.70
MSCI EM	1527.6	-5.39	42.63	Qatar	4.22	10.00	-61.30
MSCI ACWI	1029.8	-2.98	22.60				

Note: data from 25th February 2026 to 3rd March 2026, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

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Developments

▶ UAE non-oil business activity expanded to a 12-month high in February, PMI

The UAE's non-oil private sector expanded at the fastest pace in a year in February as business activity strengthened. The UAE Purchasing Managers' Index (PMI) rose to 55.0 in February from 54.9 in January, its highest level in 12 months supported by a surge in new orders and improving supply conditions. A PMI reading above 50 indicates expansion in non-oil business activity, while below 50 signals contraction. Additionally, Dubai saw a slight softening in output growth during February, even as job creation reached a two-year high. The emirate's PMI fell to 54.6 from 55.9 in January as the pace of new order growth rose. Demand continued to be supported by population growth, increased tourism, and marketing activity. (Source: Zawya).

▶ Saudi Arabia's PMI dipped in February, PMI

A weakening in operating conditions saw Saudi Arabia's Purchasing Managers' Index (PMI) dip once again in February, a trajectory that has continued since reaching one of its highest levels in over a decade last October. The Saudi Arabia PMI dipped from 56.3 in January to 56.1 in February, indicating a slowdown across the domestic non-oil private sector economy. (Source: Zawya).

▶ Saudi Arabia's non-oil private sector growth moderated in February

Growth in Saudi Arabia's non-oil private sector slowed in February, marking the weakest improvement in nine months as rising wage pressures began to weigh on business activity. Despite the deceleration, companies continued to report solid demand and increased output. Overall business conditions remained positive, with the headline index staying comfortably above the neutral 50 level. Sub-indices measuring output and new orders continued to indicate a supportive business environment. Activity in the non-oil sector expanded at its slowest pace in nine months. Nevertheless, demand and production both continued to grow at a healthy rate, strengthening labor market conditions and leading to the sharpest rise in wage costs since the survey began. Although the pace of output growth declined to a six-month low in February, it remained relatively strong. Survey respondents frequently attributed the expansion to stronger customer demand and an increase in approvals for new projects. However, some businesses noted that intensifying competition across markets had started to weigh on growth. The data also showed that order volumes increased during the month, with firms largely crediting stronger domestic sales. Respondents highlighted supportive government policies, improved consumer spending, aggressive sales and marketing strategies, digital transformation efforts, and collaborative projects with clients as factors boosting new business. Companies also reported a rise in international orders, even as overall growth moderated. (Source: Zawya).

▶ Abu Dhabi raised USD3bn as investor demand drives tight spreads on dual-tranche bond

Abu Dhabi's dual-tranche bond issuance drew high investor confidence, resulting in tight spreads with the 5-year tenor locking in a 3.75% coupon at a reoffer price of 99.824% and a spread of plus 20bp over US Treasuries from IPTs in the +50bp area. Yield on the shorter tenor was set at 3.789%. The 10-year issuance drew a coupon of 4.25% at a reoffer price of 99.814%, with the spread tightened to +25bp from IPTs in the +55bp area. The yield on the bond was set at 4.73%. The combined orderbook peaked in excess of USD11bn before settling at USD4.3bn at launch for the shorter tenor and at USD5.6bn for the 10-year bond. JP Morgan was named the billing and delivery bank on the 5-year bond, with Standard Chartered Bank handling the 10-year debt. The dual tranche has an expected rating of AA by Fitch, in line with Abu Dhabi's own sovereign rating. The benchmark-sized senior unsecured Regulation S Category 1 bonds will list on the London Stock Exchange and Abu Dhabi Securities Exchange and will come under the sovereign's Global Medium Term Note Programme. (Source: Zawya)

GCC Weekly Market View

Investment Strategy | March 03, 2026

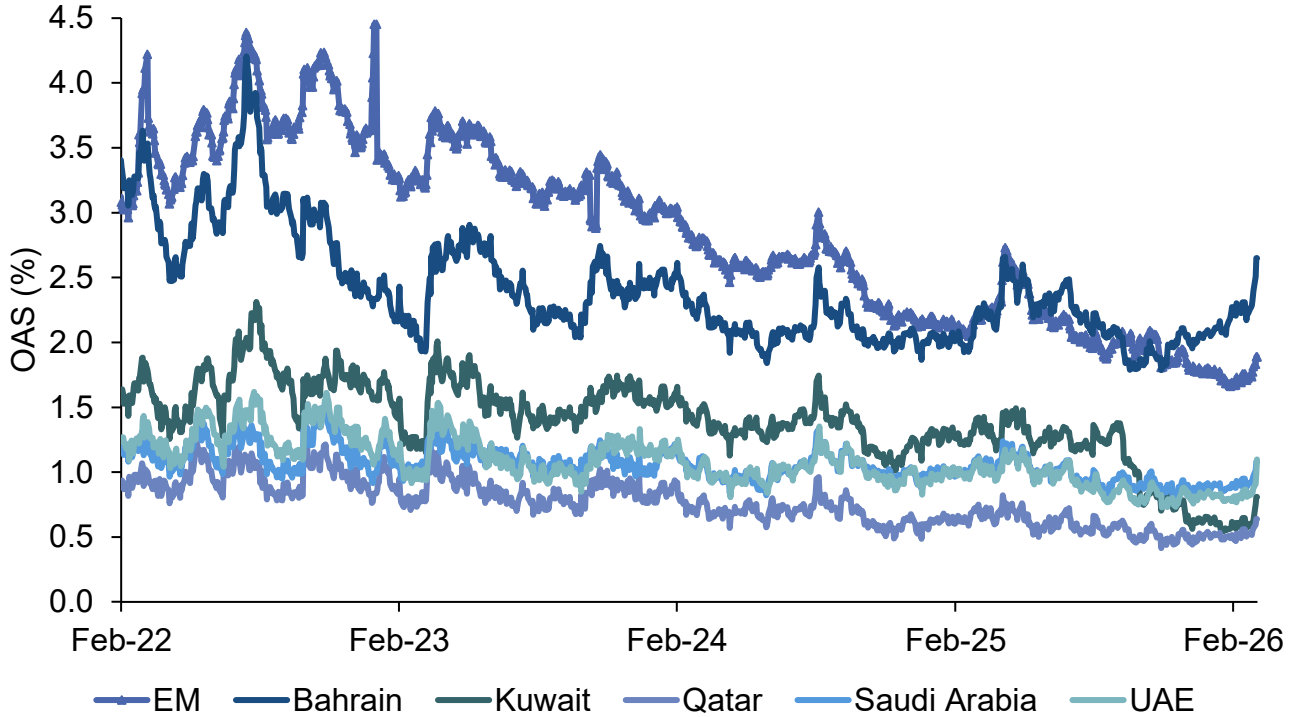
GCC bond issuances

Issuer	BBG	Sector	Country	Issue Amt*	Cpn	Maturity	Maturity Type	Currency	Issue Date	Rtg^	YTM (mid)	YTC (mid)
Suci Second Investment Co	PIFKSA	Agency	SA	2000	5.133	1/28/2036	AT MATURITY	USD	1/28/2026	A+	5.19	-
QNB Finance Ltd	QNBK	Agency	QA	750	4.5027 795	1/29/2031	AT MATURITY	USD	1/29/2026	-	4.47	-
Al Masraf	MASRAF	Financial Institutions	AE	500	5.113	1/29/2031	AT MATURITY	USD	1/29/2026	A	5.00	-
Ma'aden Sukuk Ltd	MAADEN	Agency	SA	1000	5.25	1/29/2036	CALLABLE	USD	1/29/2026	-	5.23	5.23
Saudi Arabian Oil Co	ARAMCO	Agency	SA	1250	5	2/2/2036	CALLABLE	USD	2/2/2026	A+	5.18	5.19
Saudi Arabian Oil Co	ARAMCO	Agency	SA	750	6	2/2/2056	CALLABLE	USD	2/2/2026	A+	6.16	6.16
Saudi Arabian Oil Co	ARAMCO	Agency	SA	1500	4.375	2/2/2031	CALLABLE	USD	2/2/2026	A+	4.56	4.56
Saudi Arabian Oil Co	ARAMCO	Agency	SA	500	4	2/2/2029	CALLABLE	USD	2/2/2026	A+	4.21	4.22
Bahrain Government International Bond	BHRAIN	Sovereign	BH	1300	7.1	2/3/2038	AT MATURITY	USD	2/3/2026	B+	7.09	-
CBB International Sukuk Programme Co	BHRAIN	Sovereign	BH	800	6.124	9/3/2034	AT MATURITY	USD	2/3/2026	B+	6.05	-
Alpha Star Holding X Ltd	DAMACR	Financial Institutions	AE	600	6.125	8/5/2029	CALLABLE	USD	2/5/2026	Ba1	6.10	6.10
First Abu Dhabi Bank PJSC	FABUH	Agency	AE	750	4.3967 715	2/11/2031	AT MATURITY	USD	2/11/2026	Aa3	4.33	-
Abu Dhabi Commercial Bank	ADCBUH	Agency	AE	300	4.4267 715	2/11/2031	AT MATURITY	USD	2/11/2026	A+ (EXP)	4.37	-
Binghatti Sukuk 2 Spv Ltd	BINHLD	Financial Institutions	AE	500	8.375	8/12/2031	AT MATURITY	USD	2/12/2026	BB-	8.31	-
Commercial Bank PSQC/The	CBQKQD	Financial Institutions	QA	500	6.25		PERP/CALL	USD	3/3/2026	-	6.29	6.29
Omniyat Sukuk 1 Ltd	OMNYAT	Financial Institutions	AE	600	7.25	3/4/2031	AT MATURITY	USD	3/4/2026	BB-	8.32	-

*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

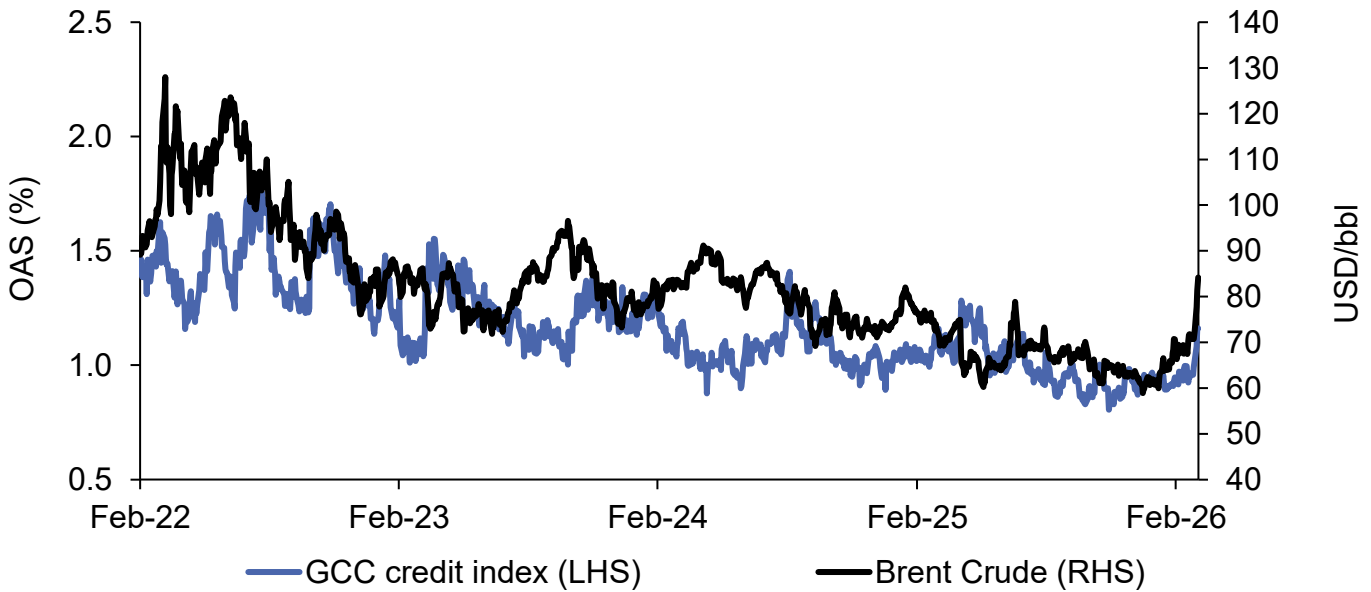
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

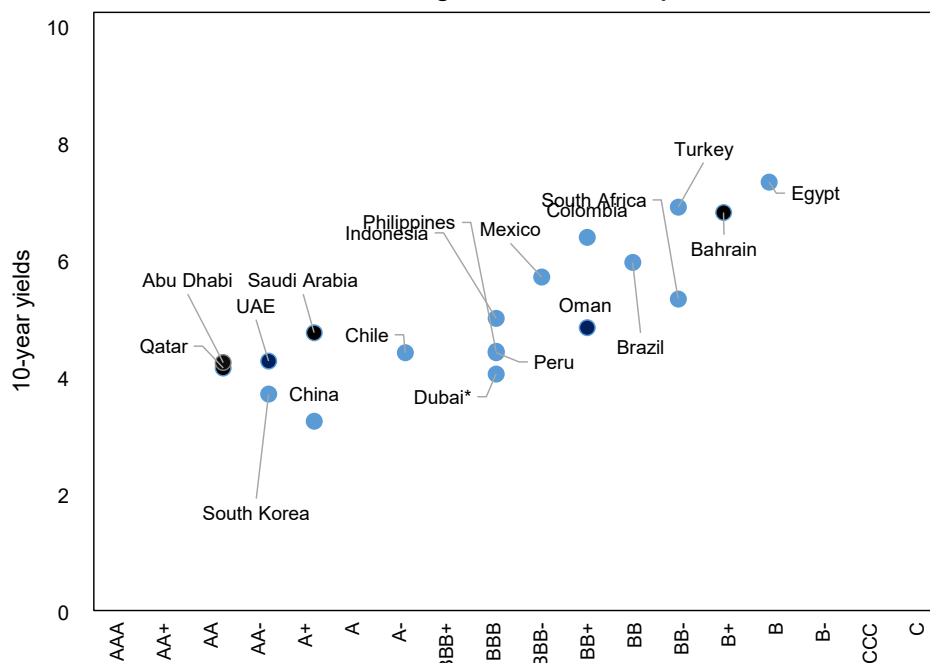
GCC corporate OAS spread versus Brent Crude



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	Aa3	Aa2	Baa2	A1	B2u	Baa3	Aa2	Caa1
Fitch	A+	AA	-	AA-	B	BBB-	AA	B

Note: *DEWA rated used as proxy for Dubai

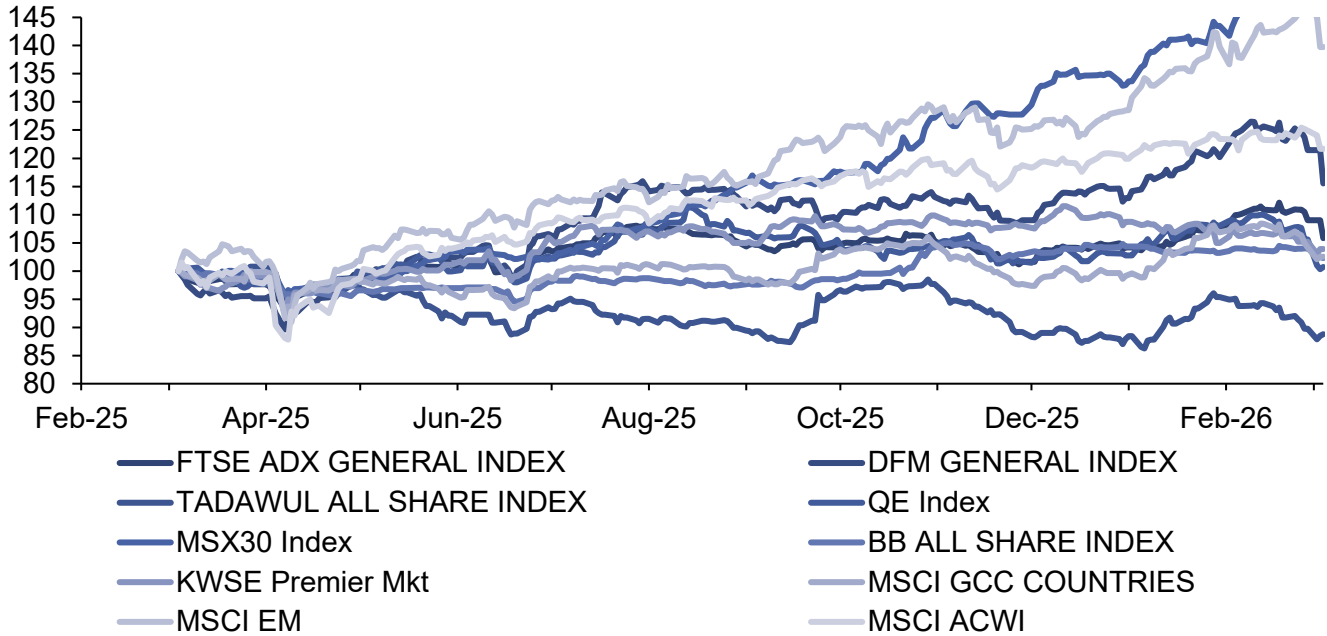
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	11.6x	38.3%	2.3%
DFM	10.8x	-	4.6%
Tadawul	17.1x	-13.8%	3.7%
DSM	11.0x	4.1%	4.6%
MSM30	13.4x	-	4.3%
BHSE	6.6x	-	9.4%
KWSE	13.4x	28.2%	3.5%
MSCI GCC	12.4x	11.7%	3.9%
MSCI EM	17.9x	14.5%	2.1%
MSCI ACWI	19.1x	18.6%	1.6%

Notes: *data as of 04 March 2026 | Source: Bloomberg, ADCB

GCC equity 1Y Performance

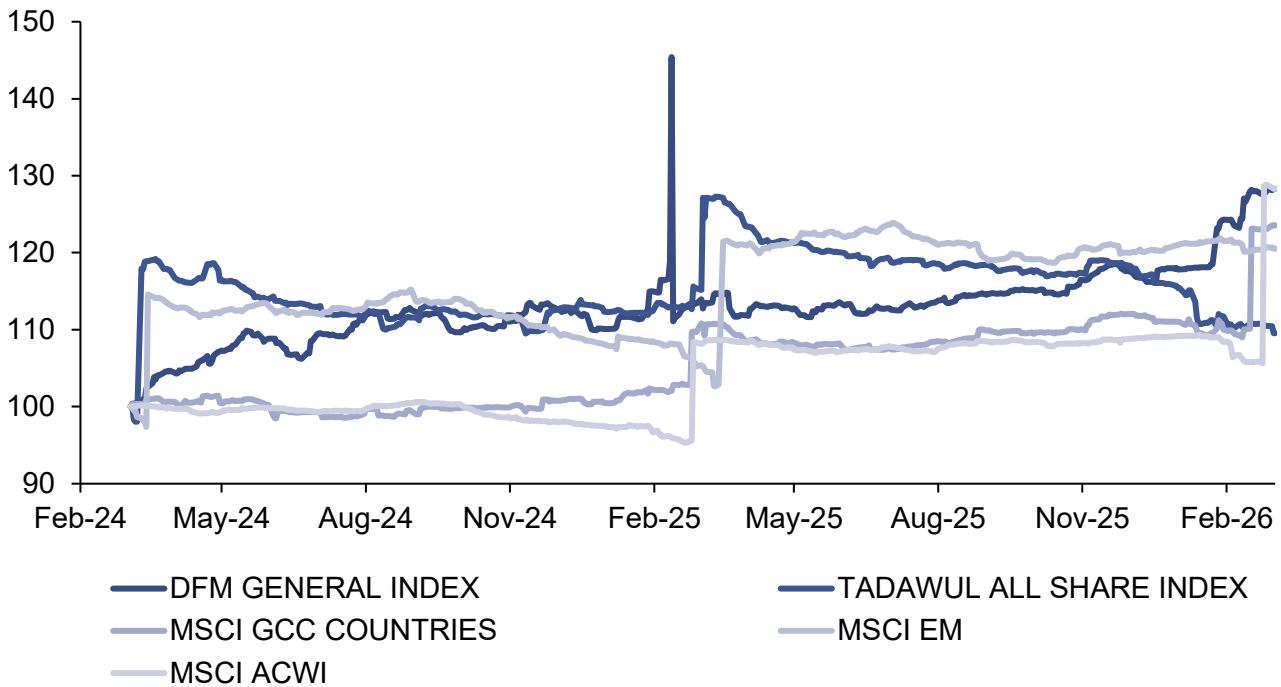
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

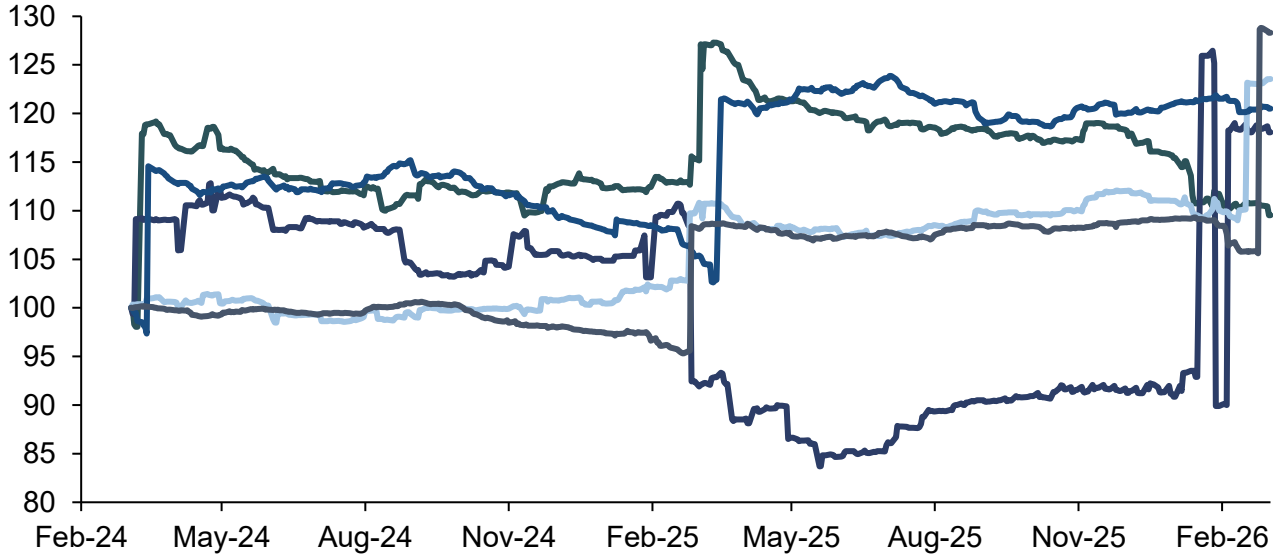
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

12 month forward EPS (indexed to 100 at start)

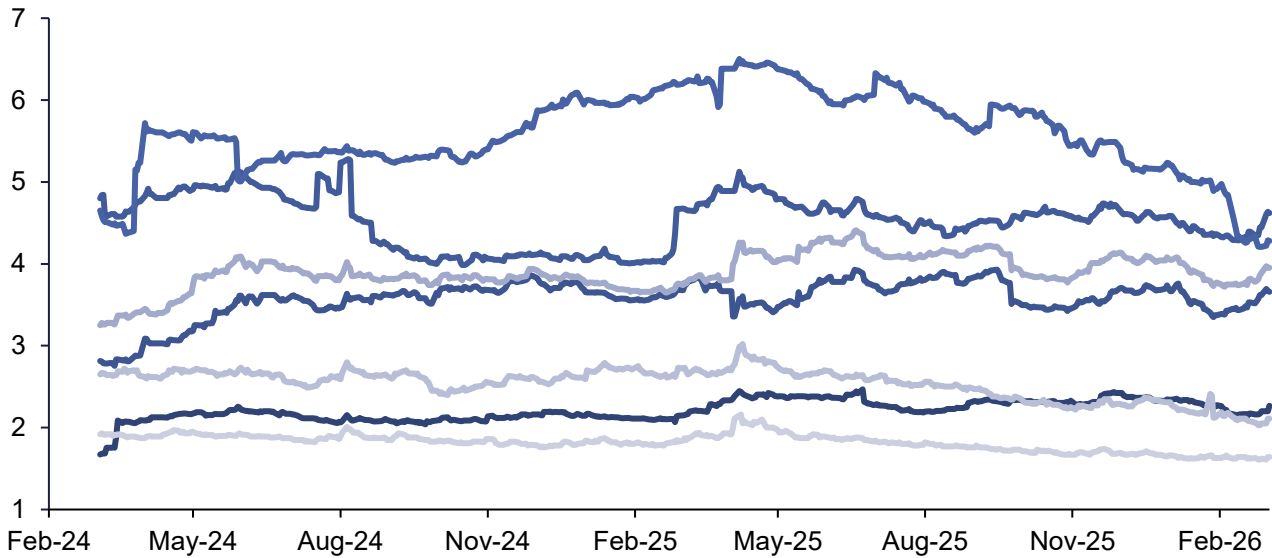


- TADAWUL ALL SHARE INDEX
- MSCI GCC COUNTRIES
- MSCI ACWI
- KWSE Premier Mkt
- MSCI EM

Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



- FTSE ADX GENERAL INDEX
- TADAWUL ALL SHARE INDEX
- QE Index
- MSX30 Index
- MSCI GCC COUNTRIES
- MSCI EM
- MSCI ACWI

Source: Bloomberg, ADCB

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