

GCC market performance and activity summary

GCC fixed income

Global benchmark bond index recorded marginal declines over the week ending 6th May 2025. UST yields rose last week following continued strength in the labor market. In credit, Global corporate IG index recorded negative returns while Global HY index recorded positive returns last week. EM bonds posted declines, led by EM Asia.

All GCC bond indices recorded negative returns. Saudi Arabia and Qatar underperformed the most. The 5yr CDS spreads widened across all the GCC markets, barring Dubai. In the USD sovereign market, the 10yr USD bond yields rose across all GCC countries.

GCC equities

Almost all regional indices posted gains last week. Kuwait and Abu Dhabi posted the largest weekly gain of 0.95% and 0.93% respectively, outperforming the rest of regional indices. Saudi Arabia and Bahrain underperformed the most, with Saudi Arabia posting a weekly losses of 2.03%. Overall, MSCI GCC underperformed both MSCI EM and MSCI ACWI last week.

GCC key developments:

- ▶ Abu Dhabi's economy to grow by 4.2% - as per IMF.
- ▶ Saudi Arabia's non-oil economy expanded by 4.2% in Q1'25 – as per GASTAT.
- ▶ ADNOC Gas reported a 7% increase in Q1'25 net profit.
- ▶ Dar Al Arkan's Q1'25 net profit rose 36%.

GCC bond issuances:

- ▶ Saudi PIF raised USD1.25bn in second debt sale of 2025.
- ▶ Bahrain prices USD2.5bn in dual-tranche sukuk and bonds.
- ▶ DP world priced USD1.5bn 10-Year Sukuk.
- ▶ Banque Saudi Fransi completed USD650mn AT1 bond offering.

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GCC Weekly Market Performance

Index				Rates			
Fixed Income	Latest	-1w %	YTD %	3M interbank	Latest	-1w (bp)	YTD (bp)
Global Agg	487.9	-0.36	5.49	Saudi	5.35	-2.10	-6.31
Global Treasuries	206.7	-0.35	6.21	UAE	4.15	-9.18	-29.33
EM USD Agg TR	1272.1	-0.36	1.85	Kuwait	4.00	6.25	-
EM LatAm TR	1155.7	-0.37	2.02	Bahrain	5.66	2.30	-3.27
EM EMEA TR	374.7	-0.22	1.66	Oman	4.65	-	-27.00
EM Asia TR	661.8	-0.56	1.92	Qatar	4.65	-	-
Bahrain TR	207.2	-0.18	1.97	US SOFR	4.33	-8.00	-7.00
Oman TR	160.4	-0.25	2.51	5Y Sov. CDS	Latest	-1w (bp)	YTD (bp)
Kuwait TR	161.1	-0.03	2.69	Saudi Arabia	86.14	0.80	19.20
Qatar TR	140.5	-0.60	2.10	Abu Dhabi	41.39	0.40	-3.80
Saudi Arabia TR	144.4	-0.71	2.31	Dubai	60.70	-4.50	-5.60
UAE TR	146.4	-0.34	2.66	Kuwait	75.06	-	0.20
Equity	Latest	-1w %	YTD %	Bahrain	249.24	3.00	57.40
ADX	9623.4	0.93	3.23	Oman	137.25	2.60	27.90
DFM	5353.0	0.86	3.87	Qatar	41.05	2.00	-4.90
Tadawul	11434.1	-2.03	-5.52	10Y yield	Latest	-1w (bp)	YTD (bp)
DSM	10484.5	0.23	-0.82	Saudi Arabia	5.06	5.10	-29.80
MSM30	4342.1	0.60	-5.06	Abu Dhabi	4.54	13.10	-50.50
BHSE	1908.7	-0.19	-3.57	Dubai	4.64	6.00	-22.00
KWSE	8635.0	0.95	10.16	Bahrain	5.45	5.80	-28.60
MSCI GCC	726.6	-0.60	0.06	Oman	4.61	11.40	-23.70
MSCI EM	1137.4	2.21	6.20	Qatar	4.61	11.40	-23.70
MSCI ACWI	841.9	1.00	0.24				

Note: data from 30th April 2025 to 6th May 2025, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

Key developments

▶ Abu Dhabi's economy to grow by 4.2% - IMF

The International Monetary Fund (IMF) projects Abu Dhabi's economy to grow by 4.2% in 2025, with growth accelerating to 5.8% in 2026. Dubai's economy is expected to expand by 3.3% in 2025 and 3.5% in 2026, reflecting steady momentum in the UAE's economic recovery.
(Source: Zawya).

▶ Saudi Arabia's non-oil economy expanded by 4.2% in Q1'25

According to GASTAT, Saudi Arabia's economy grew by 2.7% YoY in Q1'25, driven by a 4.2% rise in non-oil GDP. The non-oil PMI stood at 58.1, supported by robust demand, increased employment, and higher consumer spending. Inflation rose 2.33% YoY in March, primarily due to rising rents. Non-oil exports surged 14.3% YoY in February, while the industrial production index dipped 0.2% YoY.
(Source: Zawya).

▶ ADNOC Gas reported a 7% increase in Q1'25 net profit

ADNOC Gas posted a Q1'25 net profit of USD1.2bn, up 7% YoY, supported by increased volumes and domestic growth. Revenue rose 1% YoY to USD6.1bn. Capital expenditure reached USD555mn, and the company maintained its full-year profit guidance at USD3bn.
(Source: Zawya).

▶ Dar Al Arkan's Q1'25 net profit rose 36%

Dar Al Arkan reported SAR209.34mn in Q1'25 net profit, marking a 36.3% YoY increase. Revenue grew 7.75% to SAR93mn, while EPS rose to SAR0.19, reflecting strong operational performance in Saudi Arabia's real estate sector.
(Source: Zawya).

▶ Banque Saudi Fransi completed USD650mn AT1 bond offering

Banque Saudi Fransi successfully issued a USD650mn perpetual AT1 bond with a 6-year non-call period, priced at a 6.375% coupon and +252bp reset margin. The bond, part of the bank's USD3bn capital programme, attracted over USD1.9bn in orders and will be listed on the London Stock Exchange.
(Source: Zawya).

▶ Bahrain prices USD2.5bn in dual-tranche sukuk and bonds

Bahrain priced USD1.75bn in 8-year sukuk at 6.25% and USD750mn in 12-year bonds at 7.50%, both tighter than initial price guidance. Demand reached USD6.bn, skewed toward the sukuk tranche. The sukuk was issued under the Ijara/Murabaha structure, while the bond is part of Bahrain's Global Medium-Term Note Programme.
(Source: Zawya).

▶ DP world priced USD1.5bn 10-Year Sukuk

DP World has priced a USD1.5bn 10-year sukuk at 145bp over US Treasuries, offering a 5.5% coupon. Investor demand exceeded USD3.3bn. The sukuk, issued under 144A/Reg S format, is scheduled to settle on May 8, 2025.
(Source: Zawya).

▶ Saudi PIF raised USD1.25bn in second debt sale of 2025

The Public Investment Fund (PIF) of Saudi Arabia raised USD1.25bn through a 7-year sukuk, marking its second issuance of 2025. The sukuk was priced at 110bp over US Treasuries after garnering over USD8.2bn in demand, underscoring strong investor appetite amid the kingdom's diversification push.
(Source: Zawya).

GCC Weekly Market View

Investment Strategy | May 7 2025

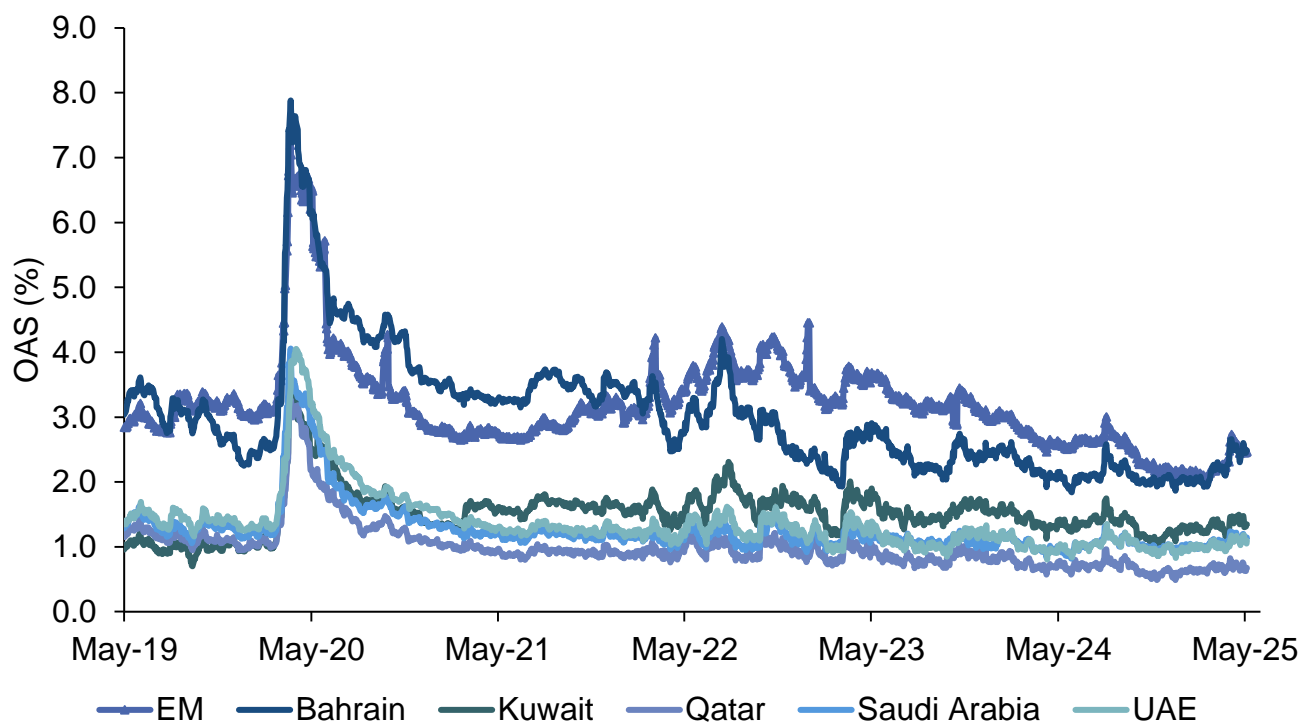
GCC bond issuances

Issuer	BBG	Sector	Country	Issue Amt*	Cpn	Maturity	Maturity Type	Currency	Issue Date	Rtg^	YTM (mid)	YTC (mid)
Bapco Energies Sukuk Ltd	BEXBAH	Agency	BH	1000	6.25	1/29/2035	AT MATURITY	USD	1/29/2025	B+	6.23	-
FIN DEPT GOVT SHARJAH	SHJGOV	Sovereign	AE	500	4.625	02/13/2032	AT MATURITY	EUR	02/06/2025	BBB-	4.67	-
Ma'aden Sukuk Ltd	MAADEN	Agency	SA	750	5.25	2/13/2030	CALLABLE	USD	2/13/2025	BBB+	5.26	5.26
Ma'aden Sukuk Ltd	MAADEN	Agency	SA	500	5.5	2/13/2035	CALLABLE	USD	2/13/2025	BBB+	5.49	5.49
Saudi Electricity Sukuk Programme Co	SECO	Agency	SA	1500	5.225	2/18/2030	AT MATURITY	USD	2/18/2025	A+	5.25	-
Saudi Electricity Sukuk Programme Co	SECO	Agency	SA	1250	5.489	2/18/2035	AT MATURITY	USD	2/18/2025	A+	5.50	-
Emirates NBD Bank PJSC	EBIUH	Agency	AE	1000	6.25	-	PERP/CALL	USD	2/25/2025	A+	6.07	5.97
Alpha Star Holding IX Ltd	DAMACR	Financial Institutions	AE	750	7	8/26/2028	AT MATURITY	USD	2/26/2025	BB	6.93	-
SIB Sukuk Co III Ltd	SIB	Financial Institutions	AE	500	5.2	2/26/2030	AT MATURITY	USD	2/26/2025		5.15	-
Abu Dhabi Commercial Bank	ADCBUH	Agency	AE	600	5.41	2/26/2030	AT MATURITY	USD	2/26/2025	A+	5.30	-
SRC Sukuk Ltd	SRCSUK	Agency	SA	1000	5.375	2/27/2035	AT MATURITY	USD	2/27/2025	A+	5.37	-
SRC Sukuk Ltd	SRCSUK	Agency	SA	1000	5	2/27/2028	AT MATURITY	USD	2/27/2025	A+	4.98	-
Qatar Government International Bond	QATAR	Sovereign	QA	2000	4.875	2/27/2035	AT MATURITY	USD	2/27/2025	AA	4.69	-
Qatar Government International Bond	QATAR	Sovereign	QA	1000	4.5	2/27/2028	AT MATURITY	USD	2/27/2025	AA	4.40	-
QNB Finance Ltd	QNBK	Agency	QA	700	5.405792	3/4/2030	AT MATURITY	USD	3/4/2025		5.35	-
Doha Finance Ltd	DHBKQD	Financial Institutions	QA	500	5.25	3/5/2030	AT MATURITY	USD	3/5/2025	A	5.15	-
National Central Cooling Co PJSC	TABRED	Utility	AE	700	5.279	3/5/2030	CALLABLE	USD	3/5/2025	BBB	5.20	5.20
RAK Capital	RAKS	Sovereign	AE	1000	5	3/12/2035	AT MATURITY	USD	3/12/2025	A+	4.98	-
SNB Funding Ltd	SNBAB	Financial Institutions	SA	750	5.5425371	3/17/2030	AT MATURITY	USD	3/17/2025	A-	5.49	-
ABQ Finance Ltd	ABQKQD	Financial Institutions	QA	500	4.95	3/25/2030	AT MATURITY	USD	3/25/2025	A	5.03	-
Emirates Islamic Bank PJSC	EIBUH	Agency	AE	750	5.059	3/25/2030	AT MATURITY	USD	3/25/2025	A+	4.95	-
Aldar Investment Properties Sukuk Ltd	ALDAR	Financial Institutions	AE	500	5.25	3/25/2035	CALLABLE	USD	3/25/2025	BBB+	5.22	-
SNB Funding Ltd	SNBAB	Financial Institutions	SA	300	4.9581236	10/10/2026	AT MATURITY	USD	4/10/2025		5.06	-
Mashreq AL Islami Sukuk Co Ltd	MASQUH	Financial Institutions	AE	500	5.03	4/22/2030	AT MATURITY	USD	4/22/2025		4.96	-
AUB Sukuk Ltd	AUBBI	Financial Institutions	BH	400	6.709		PERP/CALL	USD	4/22/2025		6.72	6.74
Ajman Senior Sukuk Ltd	AJMNSS	Financial Institutions	AE	500	5.125	4/30/2030	AT MATURITY	USD	4/30/2025	BBB+	5.12	-
Omniyat Sukuk 1 Ltd	OMNYAT	Financial Institutions	AE	500	8.375	5/6/2028	AT MATURITY	USD	5/6/2025	BB-	8.07	#N/A Field
Abu Dhabi Developmental	ADQABU	Agency	AE	1000	4.5	5/6/2030	CALLABLE	USD	5/6/2025	AA	4.72	4.72
Abu Dhabi Developmental	ADQABU	Agency	AE	1000	5	5/6/2035	CALLABLE	USD	5/6/2025	AA	5.17	5.18
Adnoc Murban Sukuk Ltd	ADNOCM	Agency	AE	1500	4.75	5/6/2035	CALLABLE	USD	5/6/2025	AA	4.83	4.84
Banque Saudi Fransi	BSFR	Financial Institutions	SA	650	6.375	-	PERP/CALL	USD	5/7/2025		6.51	6.45
Bahrain Government International Bond	BHRAIN	Sovereign	BH	750	7.5	7/7/2037	AT MATURITY	USD	5/7/2025		7.55	-
CBB International Sukuk Programme Co	BHRAIN	Sovereign	BH	1750	6.25	7/7/2033	AT MATURITY	USD	5/7/2025		6.32	-
Al Rajhi Sukuk Ltd	RJHIAB	Financial Institutions	SA	300	5.087058	11/7/2026	AT MATURITY	USD	5/7/2025		5.39	-

*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

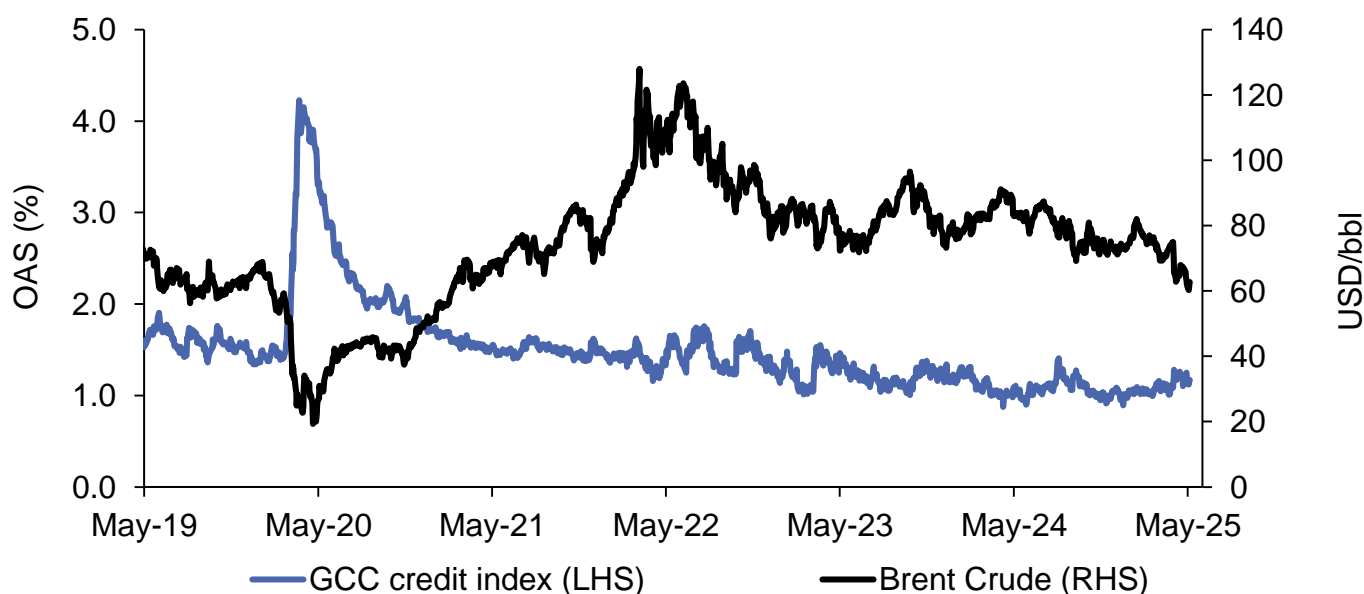
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

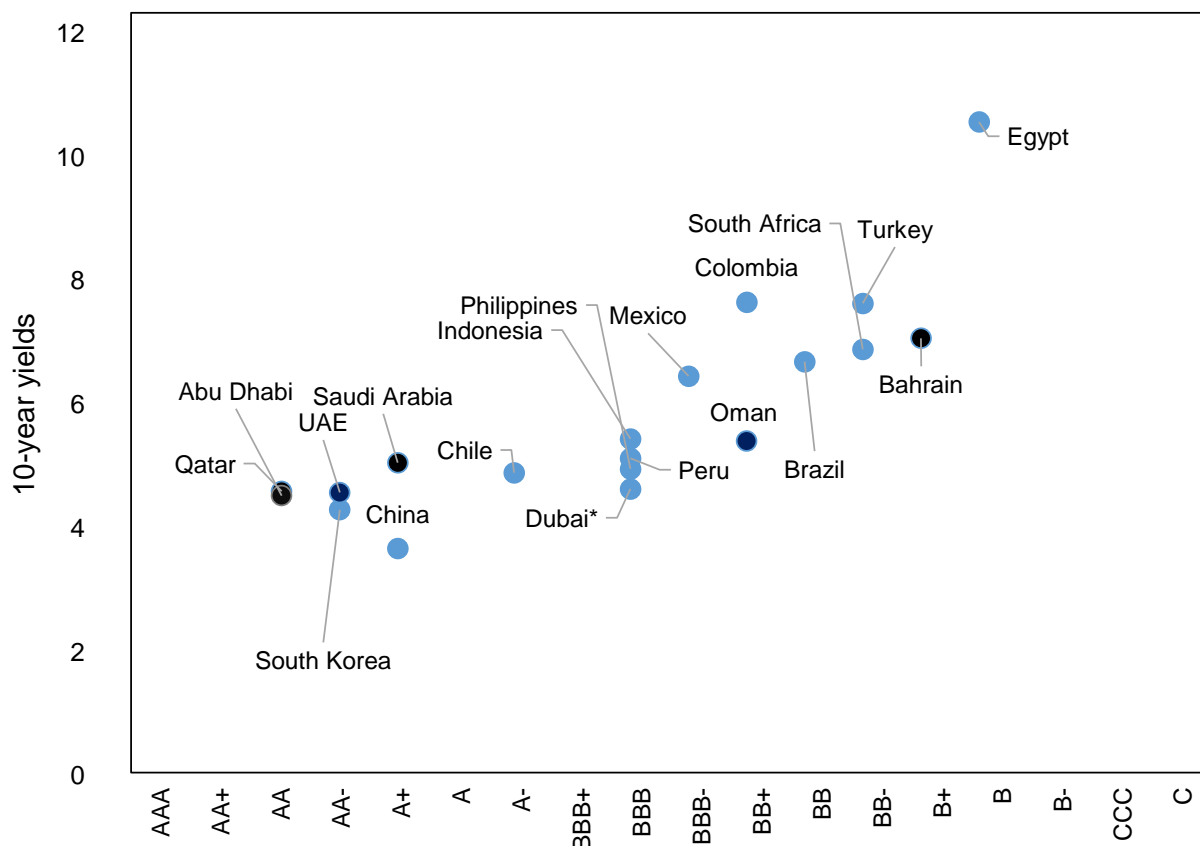
GCC corporate OAS spread versus Brent Crude



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

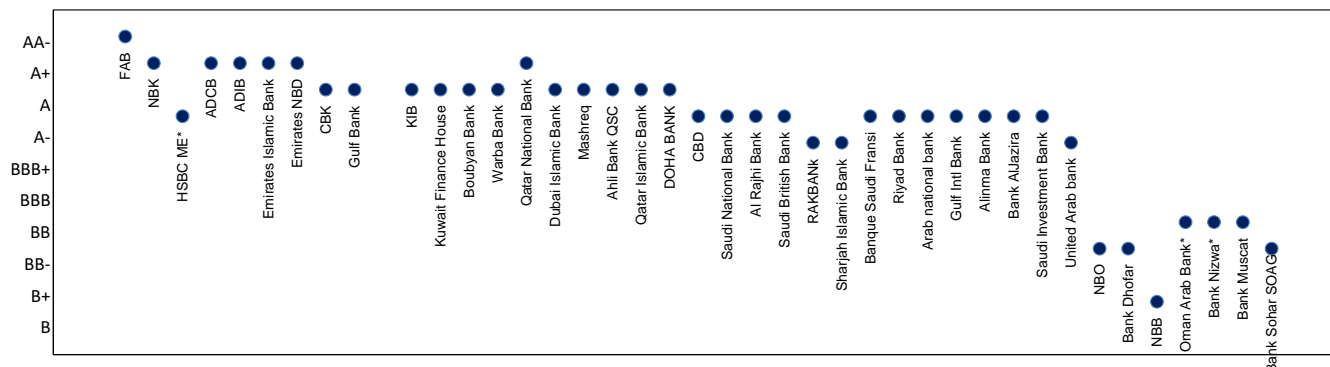
GCC Sovereign Rating

Country	Saudi Arabia	Abu Dhabi	Dubai*	Kuwait	Bahrain	Oman	Qatar	Egypt
Moody's	Aa3	Aa2	Baa2	A1	B2u	Ba1	Aa2	Caa1
Fitch	A+	AA	-	AA-	B+	BB+	AA	B

Note: *DEWA rated used as proxy for Dubai

GCC Financials Credit Rating

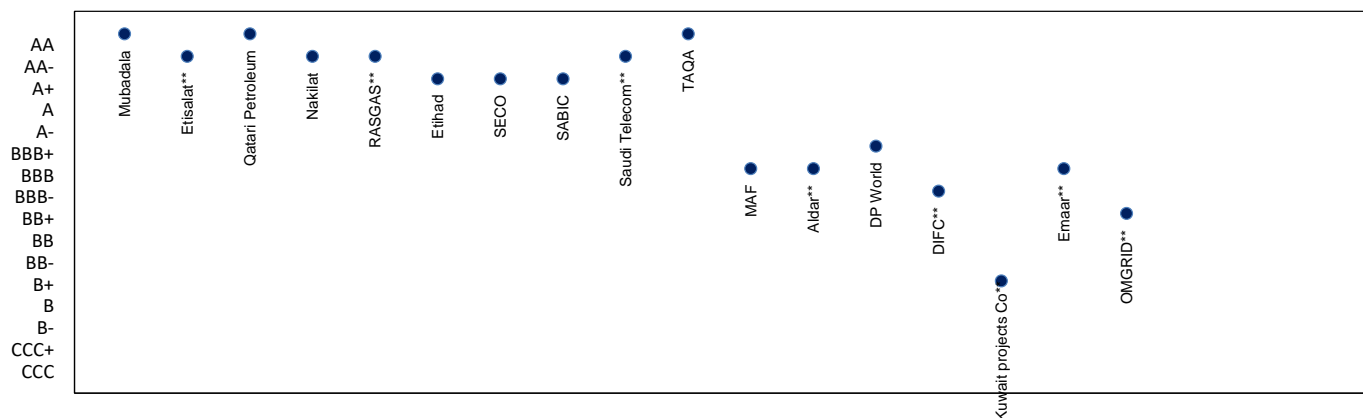
GCC Financials



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

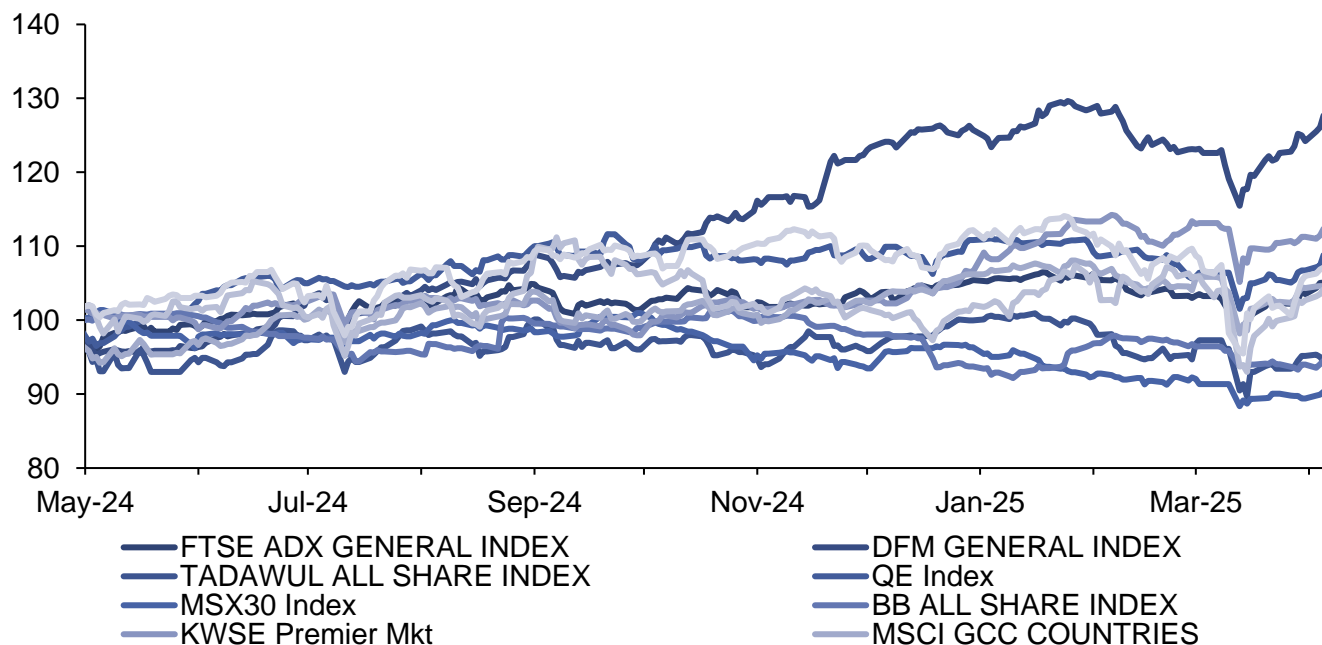
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	14.8x	5.5%	2.4%
DFM	9.3x	-	5.5%
Tadawul	14.8x	9.7%	3.9%
DSM	11.4x	0.1%	4.8%
MSM30	8.9x	2.2%	6.4%
BHSE	6.9x	-	4.1%
KWSE	18.0x	-24.7%	3.2%
MSCI GCC	13.5x	7.1%	4.1%
MSCI EM	12.7x	8.5%	2.7%
MSCI ACWI	18.4x	7.8%	1.9%

Notes: *data as of 07 May 2025 | Source: Bloomberg, ADCB

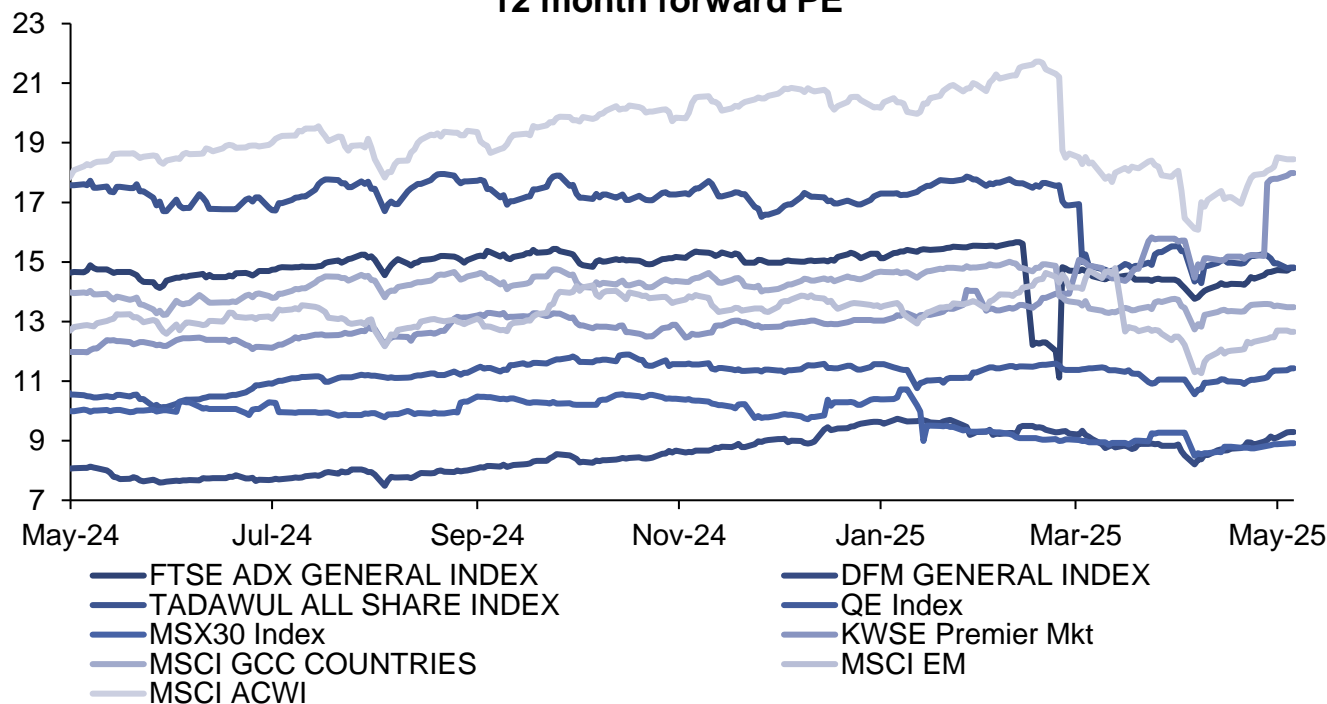
GCC equity 1Y Performance

1Y performance



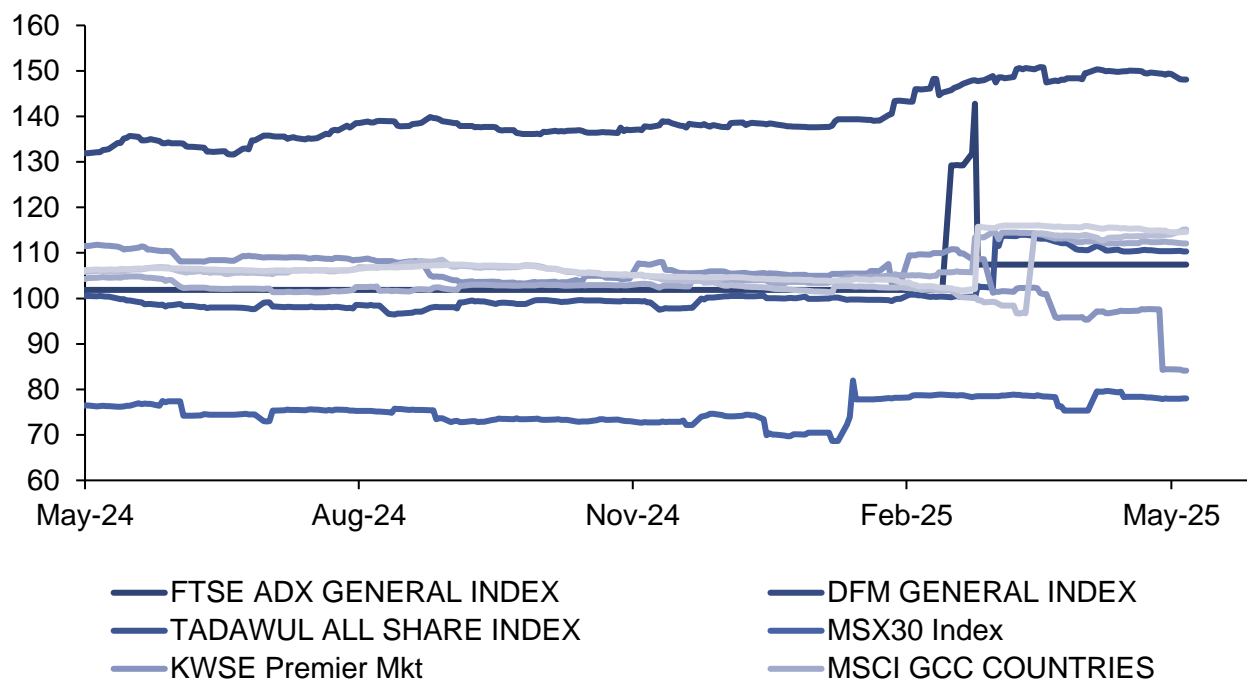
GCC equity 12m forward PE

12 month forward PE



GCC equity 12m forward EPS

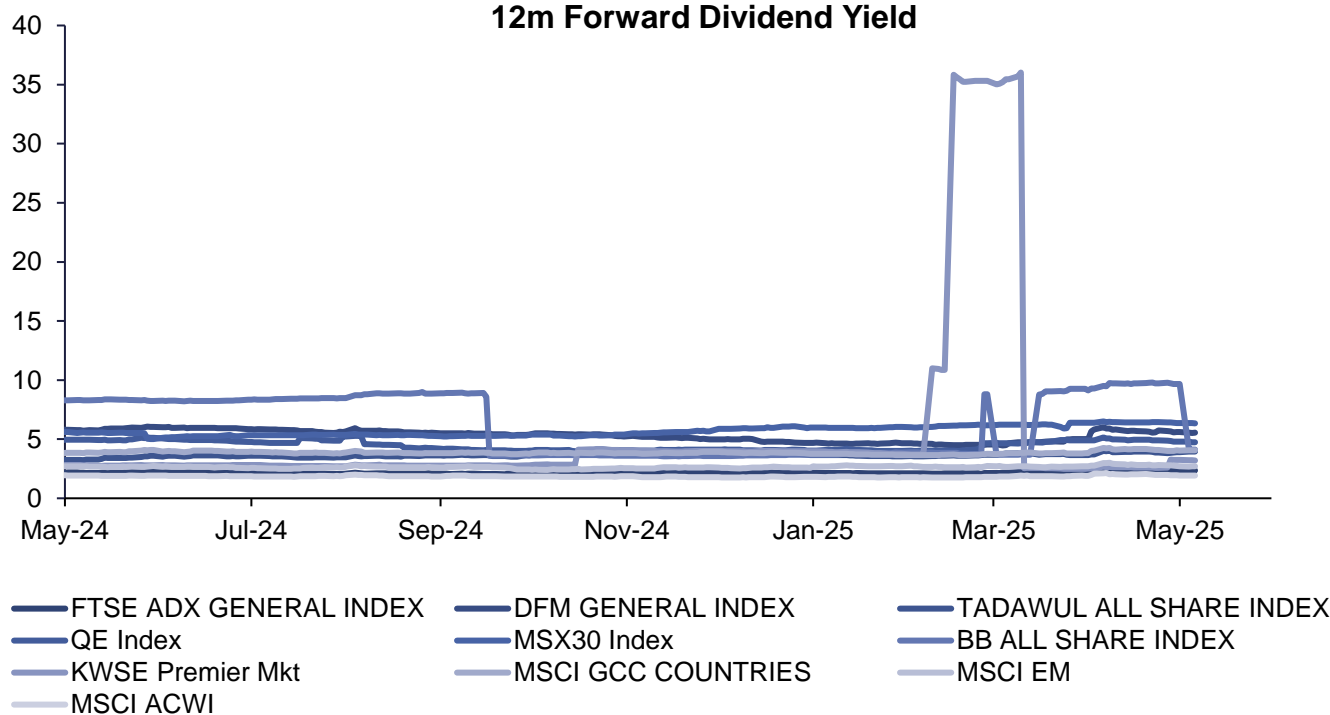
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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