

GCC market performance and activity summary

GCC fixed income

Global benchmark bond index recorded gains for the week ending 20th May 2025. Bond yields fluctuated as markets digested soft economic data coming out of the US while Moody's downgrade of US sovereign rating brought fiscal concerns to the forefront. In credit, Global corporate IG and Global HY gained over the week. EM bonds also advanced, led by EM LatAm.

GCC bond indices mostly rose over the week with the exception of Oman and UAE. Qatar and Saudi outperformed peers. The 5yr CDS spreads mostly widened across all the GCC markets, barring Abu Dhabi and Qatar. In the USD sovereign market, the 10yr USD bond yields declined across all GCC countries, barring Oman. Dubai saw the largest drop in yields.

GCC equities

All regional indices also mostly gained with Saudi and Kuwait not participating in the rally. Dubai was the best performer. Overall, MSCI GCC outperformed MSCI EM but underperformed MSCI ACWI.

GCC key developments:

- Liquidity in Saudi economy rose by over USD35.73bn in Q1'25

GCC issuances/IPO:

- Dubai Holding raised AED2.1bn to become GCC's largest listed REIT
- Saudi Bank Alinma raised USD500mn in USD-denominated AT1 sukuk
- Masdar raised USD1bn through green bonds
- Saudi Awwal Bank issued USD650mn in AT1 green sukuk

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GCC Weekly Market Performance

Index				Rates			
Fixed Income	Latest	-1w %	YTD %	3M interbank	Latest	-1w (bp)	YTD (bp)
Global Agg	483.8	0.49	4.60	Saudi	5.44	3.99	2.14
Global Treasuries	204.3	0.50	4.99	UAE	4.12	-26.42	-32.33
EM USD Agg TR	1281.3	0.27	2.58	Kuwait	3.94	0.00	0.00
EM LatAm TR	1168.0	0.41	3.11	Bahrain	3.94	-171.46	-175.03
EM EMEA TR	377.4	0.20	2.39	Oman	4.65	-3.60	-26.35
EM Asia TR	663.8	0.23	2.24	Qatar	4.65	-	0.02
Bahrain TR	208.2	0.10	2.45	US SOFR	4.29	0.00	-11.00
Oman TR	160.9	-0.11	2.82	5Y Sov. CDS	Latest	-1w (bp)	YTD (bp)
Kuwait TR	161.2	0.09	2.77	Saudi Arabia	76.18	4.16	-11.38
Qatar TR	140.3	0.25	1.95	Abu Dhabi	37.14	-0.68	6.77
Saudi Arabia TR	144.7	0.13	2.55	Dubai	60.25	0.61	2.49
UAE TR	146.2	-0.03	2.53	Kuwait	40.84	0.00	-4.50
Equity	Latest	-1w %	YTD %	Bahrain	221.13	6.90	-32.86
ADX	9707.0	0.89	4.13	Oman	116.73	2.00	-14.46
DFM	5467.3	2.01	6.09	Qatar	36.77	-0.07	7.27
Tadawul	11438.2	-0.81	-5.49	10Y yield	Latest	-1w (bp)	YTD (bp)
DSM	10763.3	1.60	1.82	Saudi Arabia	5.23	-4.90	-17.00
MSM30	4457.3	1.37	-2.54	Abu Dhabi	4.63	-2.40	-41.80
BHSE	1922.0	0.09	-2.89	Dubai	4.35	-28.40	-51.30
KWSE	8701.3	-0.61	11.00	Bahrain	7.00	-1.30	4.30
MSCI GCC	732.5	0.23	0.87	Oman	5.46	2.30	-28.40
MSCI EM	1167.5	-0.53	9.01	Qatar	4.67	-2.60	-17.20
MSCI ACWI	881.6	0.86	4.96				

Note: data from 14th May 2025 to 20th May 2025, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

Key developments

► **Liquidity in Saudi economy rose by over USD35.73bn in Q1'25**

According to data published in the monthly statistical bulletin issued by the Saudi Central Bank (SAMA) for March 2025, domestic liquidity in the Saudi economy recorded strong growth during Q1'25, increasing by SAR134.4bn, or 4.6%. Total liquidity reached SAR3tn by the end of the quarter, compared to SAR2.9tn at the end of Q4'24. On an annual basis, liquidity rose by SAR232bn, representing a growth rate of 8.2% compared to the same period in 2024, when liquidity stood at SAR2.82tn.

► **Dubai Holding raised AED2.1bn to become GCC's largest listed REIT**

Dubai Holding, through its wholly owned subsidiary DHAM REIT Management LLC (the "Fund Manager"), announced the successful completion of the book building and subscription process for the initial public offering ("IPO" or the "Offering") of Dubai Residential REIT on the Dubai Financial Market (the "DFM") and set the final offer price at AED 1.10 per offer Unit. This implies a market capitalisation upon listing of AED14.3bn (USD3.9bn) and a gross dividend yield of 7.7% for 2025. The offering attracted strong demand across both institutional and UAE retail tranches, allowing to increase the size of the offering from 12.5% to 15.0% of Dubai Residential REIT's total issued unit capital. The total gross demand reached over AED56bn (USD15bn), resulting in an overall oversubscription of over 26 times at the final offer price. Reflecting the exceptionally strong demand, the final offer price was set at the top end of the price range, enabling the company to raise AED2.1bn (USD584mn) through the IPO.

(Source: Government of Dubai media office)

► **Saudi Bank Alinma raised USD500mn in USD-denominated AT1 sukuk**

Saudi Arabia's Alinma Bank raised USD500mn in its US dollar-denominated sukuk with a yield set at 6.5%. Its IPTs were in the 7% area. The sustainable perpetual non-call 5.5-year AT1 offering received strong demand with orders exceeding USD1.75bn. The sukuk, which is issued under Alinma's USD1bn AT1 Capital Certificate Issuance Programme, will be listed on the London Stock Exchange's International Securities Market.

(Source: Zawya)

► **Masdar raised USD1bn through green bonds**

Abu Dhabi Future Energy Company, Masdar, issued another USD1bn green bond, bringing the total outstanding under its green bond program to USD2.75bn. The bond was issued in two equal tranches of USD500mn, with tenors of 5 and 10 years and coupons of 4.875% and 5.375% respectively. The bond attracted significant oversubscription with a peak orderbook of USD6.6bn, with strong demand from both regional and international investors, including dedicated green funds. Spreads over US Treasuries landed at 80bp for the 5-year tranche and 90bp for the 10-year, representing the tightest pricing achieved on Masdar's issuances to date. Allocation was finalized with a split of 85% to international investors and 15% to MENA investors.

(Source: Masdar)

► **Saudi Awwal Bank issued USD650mn in AT1 green sukuk**

Saudi Awwal bank issued USD650mn in perpetual non-call 5.5-year AT1 green sukuk. The annual yield was set at 6.5% versus the initial pricing thought of 6.875%.

(Source: Bloomberg)

GCC Weekly Market View

Investment Strategy | May 21 2025

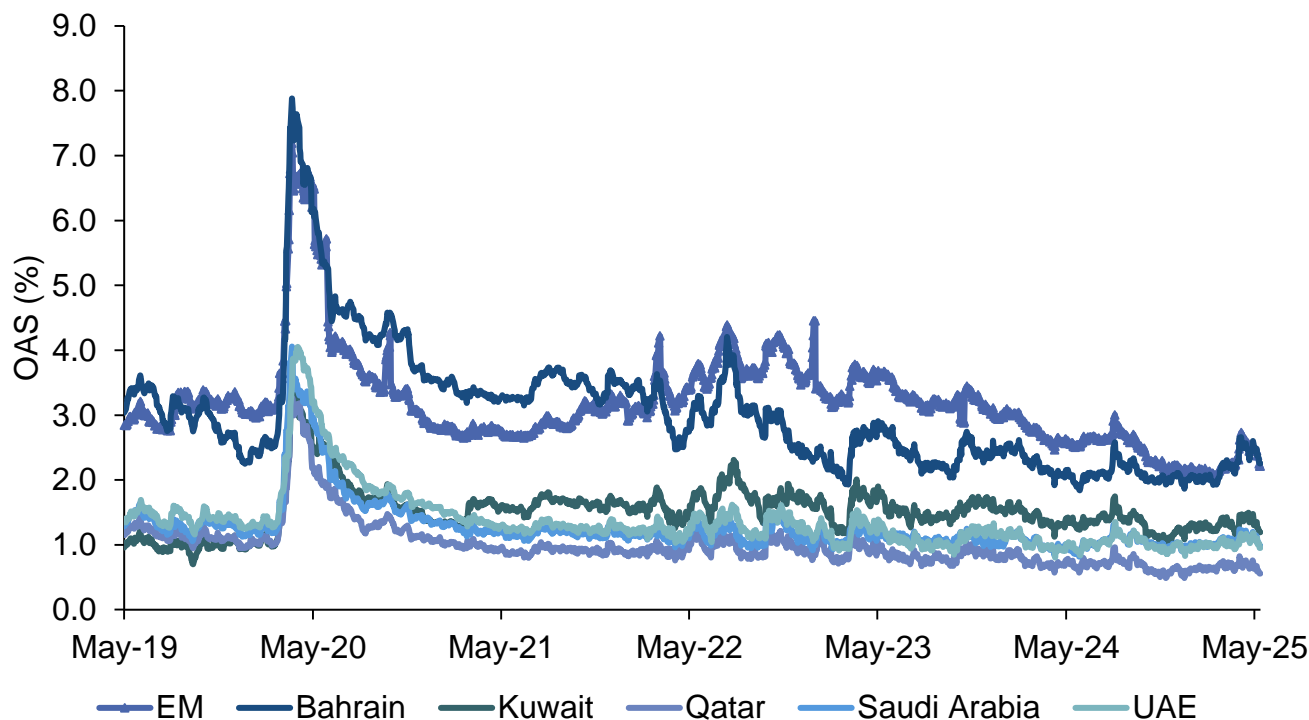
GCC bond issuances

Issuer	BBG	Sector	Country	Issue Amt*	Cpn	Maturity	Maturity Type	Currency	Issue Date	Rtg^	YTM (mid)	YTC (mid)
SNB Funding Ltd	SNBAB	Financial Institutions	SA	300	4.9581236	10/10/2026	AT MATURITY	USD	4/10/2025	A-	5.06	-
Mashreq AL Islami Sukuk Co Ltd	MASQUH	Financial Institutions	AE	500	5.03	4/22/2030	AT MATURITY	USD	4/22/2025	A	4.96	-
AUB Sukuk Ltd	AUBBI	Financial Institutions	BH	400	6.709		PERP/CALL	USD	4/22/2025	BB+	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	-
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	A-	6.51	6.45
Bahrain Government International Bond	BHRAIN	Sovereign	BH	750	7.5	7/7/2037	AT MATURITY	USD	5/7/2025	B+	7.55	-
CBB International Sukuk Programme Co	BHRAIN	Sovereign	BH	1750	6.25	7/7/2033	AT MATURITY	USD	5/7/2025	B+	6.32	-
Al Rajhi Sukuk Ltd	RJHIAB	Financial Institutions	SA	300	5.087058	11/7/2026	AT MATURITY	USD	5/7/2025	A-	5.39	-
Suci Second Investment Co	PIFKSA	Agency	SA	1250	4.875	5/8/2032	AT MATURITY	USD	5/8/2025	A+	5.09	-
DP World Crescent Ltd	DPWDU	Agency	AE	1500	5.5	5/8/2035	AT MATURITY	USD	5/8/2025	BBB+	5.61	-
Saudi National Bank/Singapore	NCBKSG	Financial Institutions	SA	300	4.62	8/15/2025	AT MATURITY	USD	5/15/2025	-	4.24	-
Saudi National Bank/Singapore	NCBKSG	Financial Institutions	SA	300	4.62	8/15/2025	AT MATURITY	USD	5/15/2025	-	4.23	-
Sobha Sukuk Ltd	SOBHA	Financial Institutions	AE	500	7.9955	2/19/2029	AT MATURITY	USD	5/19/2025	BB	7.73	-
Al Rajhi Sukuk Ltd	RJHIAB	Financial Institutions	SA	500	4.865	5/19/2030	AT MATURITY	USD	5/19/2025	AA-	4.96	-

*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

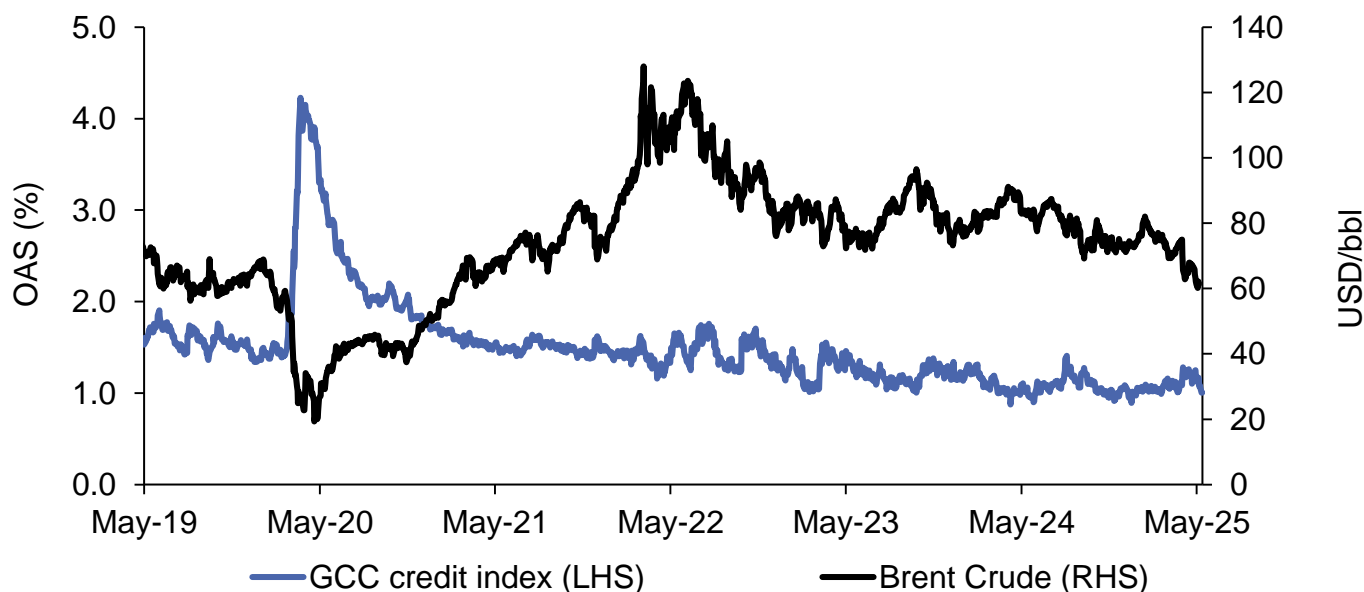
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

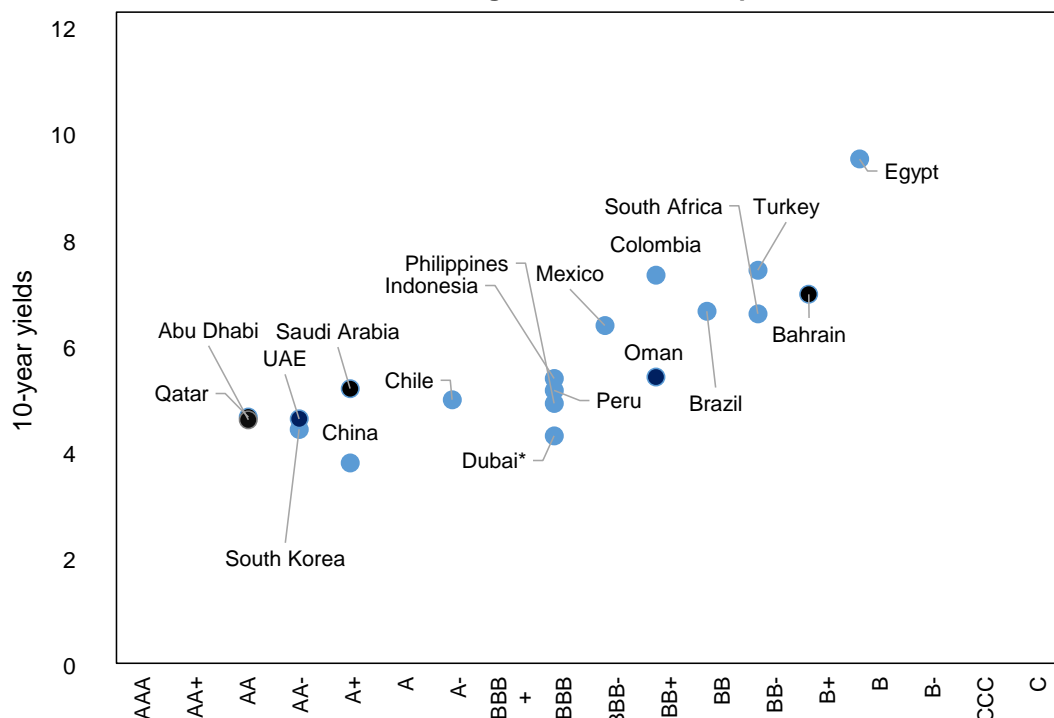
GCC corporate OAS spread versus Brent Crude



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

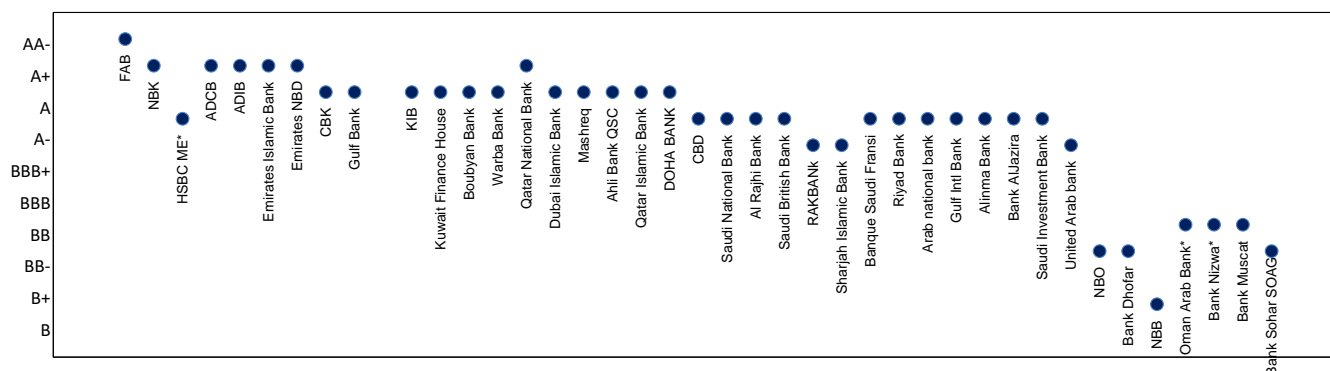
GCC Sovereign Rating

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

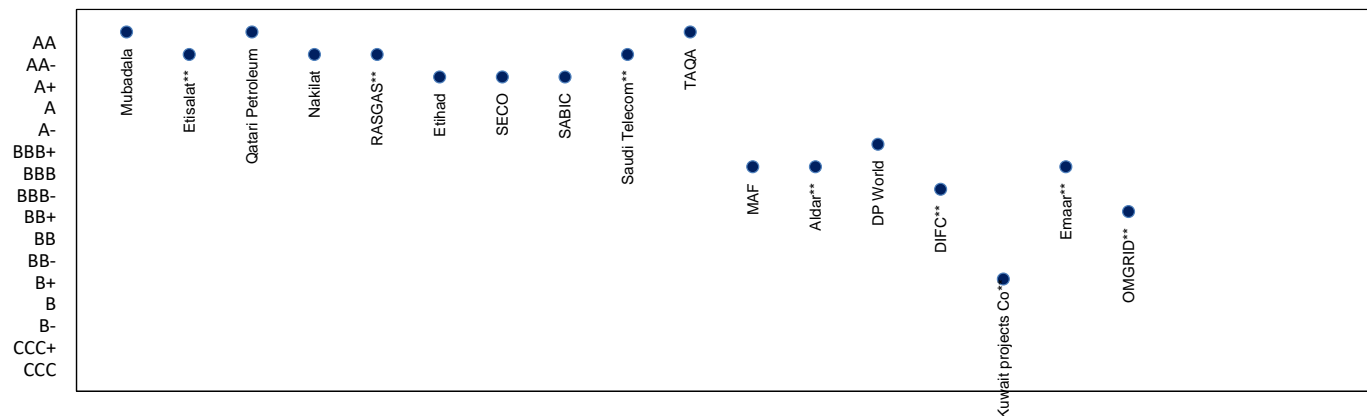
GCC Financials



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

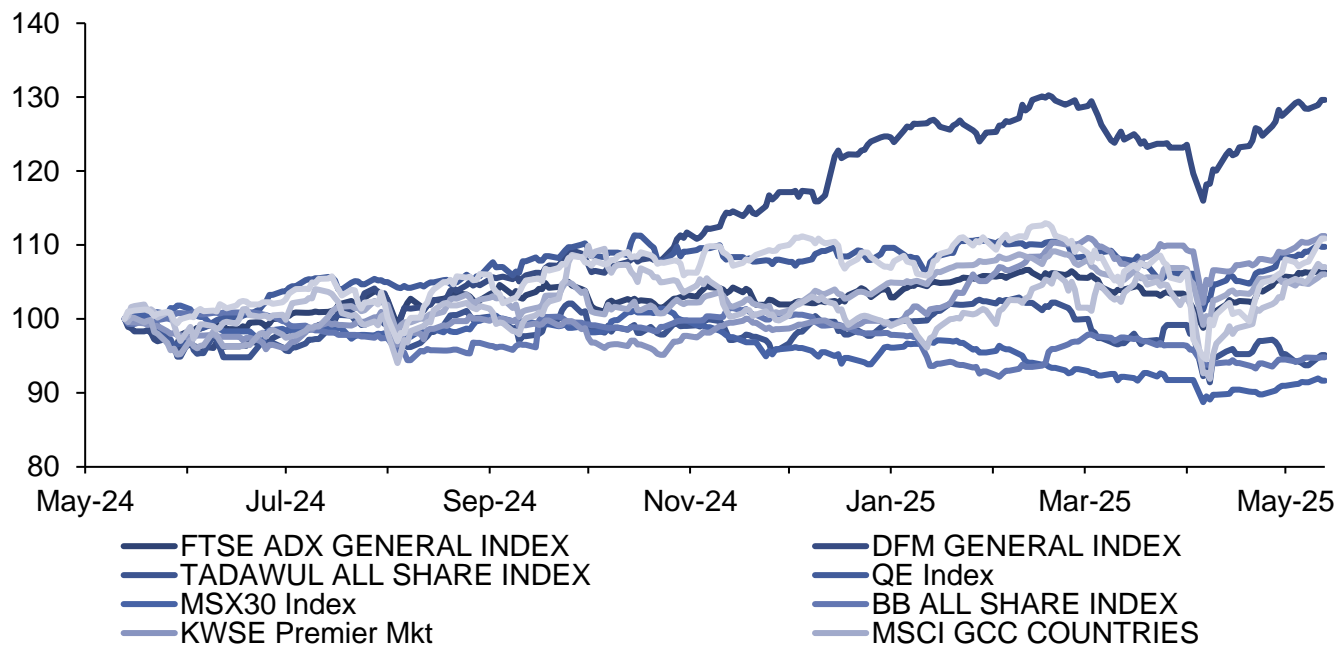
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	14.9x	5.5%	2.4%
DFM	9.4x	-	5.4%
Tadawul	15.0x	10.2%	4.0%
DSM	11.8x	-0.9%	4.6%
MSM30	9.1x	1.7%	6.2%
BHSE	6.8x	NM	4.1%
KWSE	18.1x	-24.5%	3.2%
MSCI GCC	13.6x	7.2%	4.2%
MSCI EM	12.9x	8.4%	2.6%
MSCI ACWI	19.3x	6.9%	1.8%

Notes: *data as of 21 May 2025 | Source: Bloomberg, ADCB

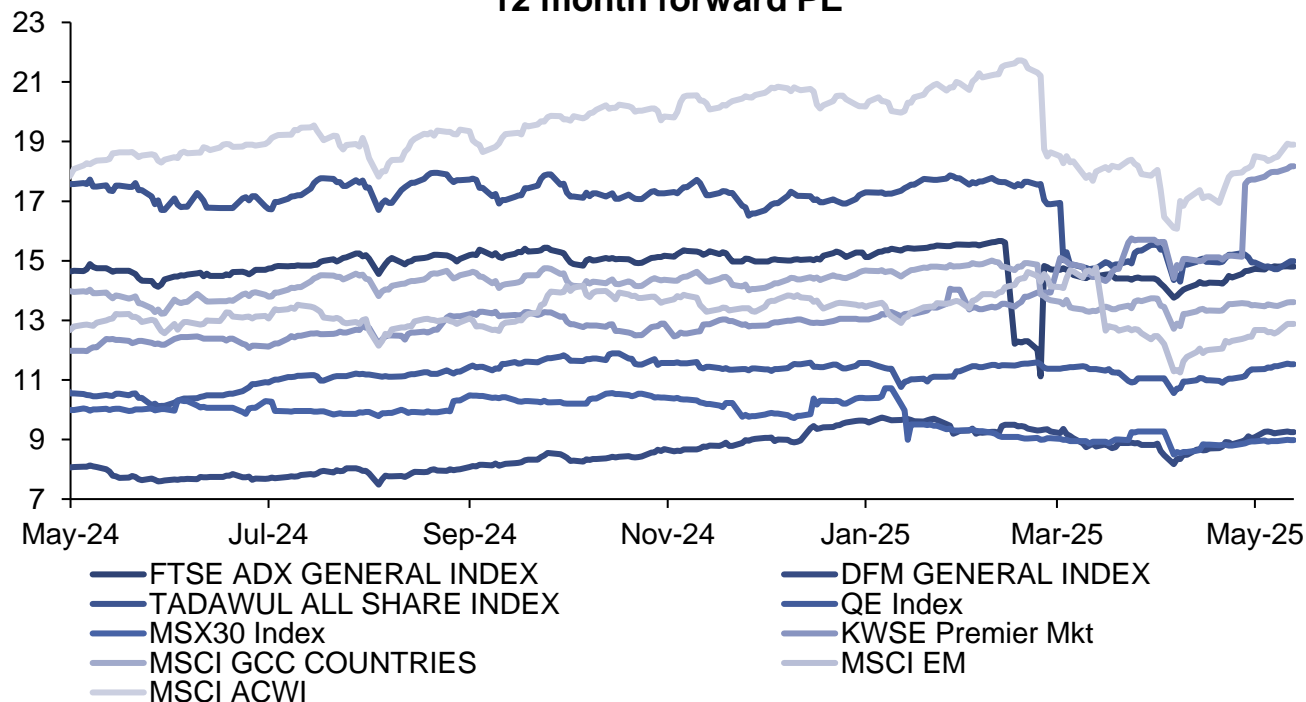
GCC equity 1Y Performance

1Y performance



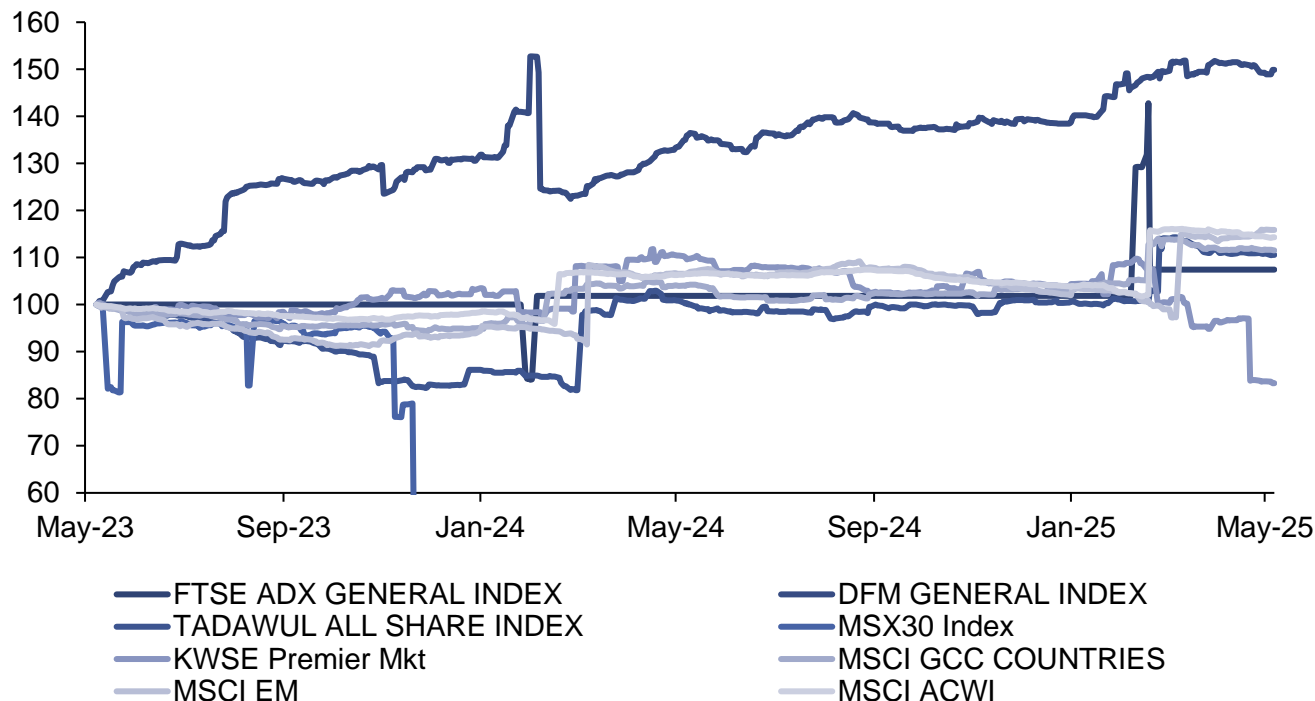
GCC equity 12m forward PE

12 month forward PE



GCC equity 12m forward EPS

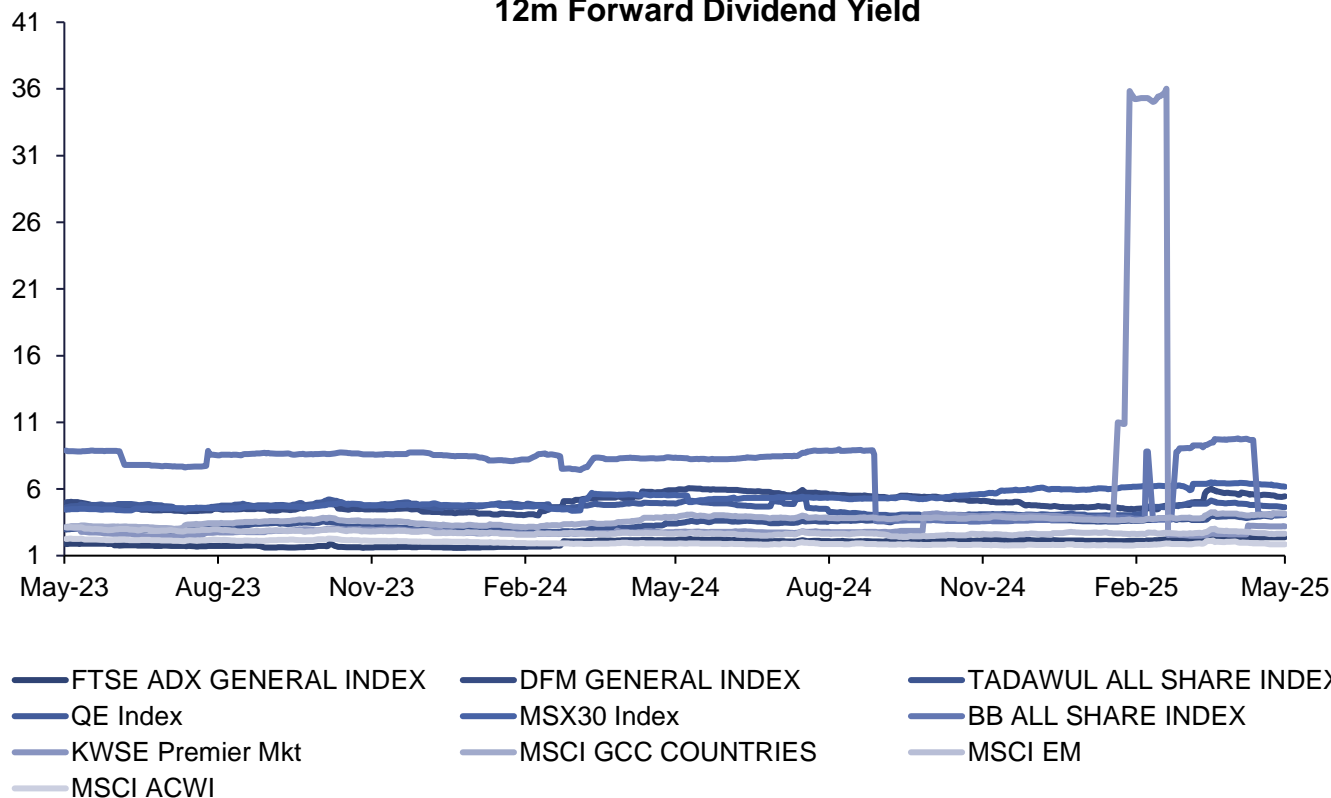
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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