

## GCC market performance and activity summary

### GCC fixed income

Global benchmark bond index recorded gains for the week ending 27<sup>th</sup> May. USTs had a volatile week on growing US fiscal concerns. However, UST yields dropped over the week as the sell-off in bond markets eased. In credit, Global corporate IG and Global HY gained over the week. EM bonds rallied, recording positive gains over the week, led by EM Asia.

GCC bond indices mostly rose over the week with the exception of Oman. Qatar and Saudi outperformed peers. The 5yr CDS spreads mostly tightened across all the GCC markets, barring Bahrain and Dubai. In the USD sovereign market, the 10yr USD bond yields declined across all GCC countries, barring Dubai.

### GCC equities

All regional indices mostly gained with Oman and Dubai outperforming the most. Saudi Arabia and Qatar recorded declines and thus underperformed peers. Overall, MSCI GCC posted losses, underperforming both MSCI EM and MSCI ACWI.

### GCC key developments:

- ▶ Saudi Arabia's non-oil exports rose by 10.7% YoY in March 2025 – GASTAT.
- ▶ Bahrain's non-oil exports jumped 22% YoY in April 2025.

### GCC issuances/IPO:

- ▶ Saudi Aramco priced its USD5bn three-part bond offering.
- ▶ ADCB issued price guidance for USD600mn 5-year formosa bond.
- ▶ Abu Dhabi's Mubadala markets 10-year USD-denominated Sukuk.
- ▶ Boubyan bank has mandated banks for 5-year USD-denominated senior unsecured 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	486.9	0.69	5.28	Saudi	5.34	-6.58	-7.47
Global Treasuries	205.9	0.67	5.78	UAE	4.13	0.47	-30.78
EM USD Agg TR	1282.3	0.41	2.66	Kuwait	3.94	0.00	-
EM LatAm TR	1169.2	0.57	3.21	Bahrain	3.94	-170.80	-175.03
EM EMEA TR	377.2	0.18	2.33	Oman	4.67	-	-25.00
EM Asia TR	665.5	0.60	2.49	Qatar	4.65	-	-
Bahrain TR	208.3	0.11	2.50	US SOFR	4.26	0.00	-14.00
Oman TR	160.7	-0.03	2.73	5Y Sov. CDS	Latest	-1w (bp)	YTD (bp)
Kuwait TR	161.3	0.10	2.85	Saudi Arabia	74.62	-3.50	7.70
Qatar TR	140.4	0.31	2.04	Abu Dhabi	36.87	-0.60	-8.30
Saudi Arabia TR	144.9	0.29	2.67	Dubai	61.73	0.90	-4.50
UAE TR	146.3	0.17	2.60	Kuwait	73.51	-	-1.30
Equity	Latest	-1w %	YTD %	Bahrain	226.80	1.70	35.00
ADX	9674.0	0.08	3.78	Oman	118.40	-0.80	9.00
DFM	5524.3	1.22	6.82	Qatar	36.48	-0.20	-9.50
Tadawul	10925.2	-3.35	-9.73	10Y yield	Latest	-1w (bp)	YTD (bp)
DSM	10648.4	-1.15	0.73	Saudi Arabia	5.18	-11.40	-22.50
MSM30	4529.7	1.31	-0.95	Abu Dhabi	4.63	-6.90	-41.40
BHSE	1922.5	0.08	-2.87	Dubai	4.59	1.50	-27.60
KWSE	8744.2	0.10	11.55	Bahrain	7.00	-5.00	4.30
MSCI GCC	712.5	-1.88	-1.88	Oman	5.46	-3.10	-28.10
MSCI EM	1164.1	-0.89	8.69	Qatar	4.68	-6.70	-16.70
MSCI ACWI	881.2	0.82	4.91				

Note: data from 21<sup>st</sup> May 2025 to 27<sup>th</sup> May 2025, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

## Key developments

### ► Saudi Arabia's non-oil exports rose by 10.7% YoY in March 2025 – GASTAT

According to the General Authority for Statistics (GASTAT), Saudi Arabia's non-oil exports, including re-exports, rose by 10.7% YoY in March 2025 to approximately SAR27bn. Non-oil national exports, excluding re-exports, grew by 6.7% to SAR18.6bn, while the value of re-exported goods surged by 21% over the same period.

(Source: Zawya)

### ► Bahrain's non-oil exports jumped 22% YoY in April 2025

Bahrain recorded a 22% YoY increase in non-oil exports in April 2025, reaching BHD338mn (USD896.59mn), up from BHD277mn in April 2024. Meanwhile, non-oil imports rose by 20% YoY to BHD575mn, compared to BHD481mn in the same month in 2024.

(Source: Zawya)

### ► Saudi Aramco priced its USD5bn three-part bond offering

Saudi Aramco has successfully priced a USD5bn three-tranche bond issuance. The 5-year tranche was priced at USD1.5bn with a spread of 80bp over US Treasuries, tighter than the initial guidance of 115bp. The 10-year tranche was priced at USD1.25bn with a 95bp spread, while the 30-year tranche totaled USD2.25bn with a spread of 155bp, both tightened from earlier guidance of 130bp and 185bp, respectively. Aramco stated in a regulatory filing that the proceeds will be used for general corporate purposes.

(Source: Zawya)

### ► ADCB issued price guidance for USD600mn 5-Year formosa bond

Abu Dhabi Commercial Bank (ADCB) has launched a USD600mn 5-year Formosa bond, with a final price guidance of 100bp above the secured overnight financing rate (SOFR), with a coupon paid quarterly in arrear. The Regulation S senior unsecured notes are rated A+ Stable (S&P) / A+ Stable (Fitch), in line with the lender's rating. The senior unsecured notes are issued under the bank's USD15bn Global Medium Term Note Programme.

(Source: Zawya)

### ► Abu Dhabi's Mubadala markets 10-Year USD-denominated Sukuk

Abu Dhabi's sovereign wealth fund, Mubadala, has opened books for a 10-year USD-denominated Islamic bond (sukuk) issuance. The offering is being conducted through Mamoura Diversified Global Holding, Mubadala's debt-raising vehicle, which has set initial price guidance around 95bp over US Treasuries. This comes amid a surge in bond issuance from the Gulf region, as issuers move ahead with deals despite market volatility triggered by US President Donald Trump's recent tariff actions.

(Source: Zawya)

### ► Boubyan bank has mandated banks for 5-year USD-denominated senior unsecured sukuk

Boubyan Bank, a leading Islamic bank based in Kuwait and 60.4% owned by National Bank of Kuwait, has mandated banks to arrange a global investor call to market a 5-year benchmark Regulation S USD-denominated senior unsecured Sukuk offering under Boubyan Sukuk Limited's USD3bn Trust Certificate Issuance Programme.

(Source: Bloomberg)

# GCC Weekly Market View

Investment Strategy | May 27 2025

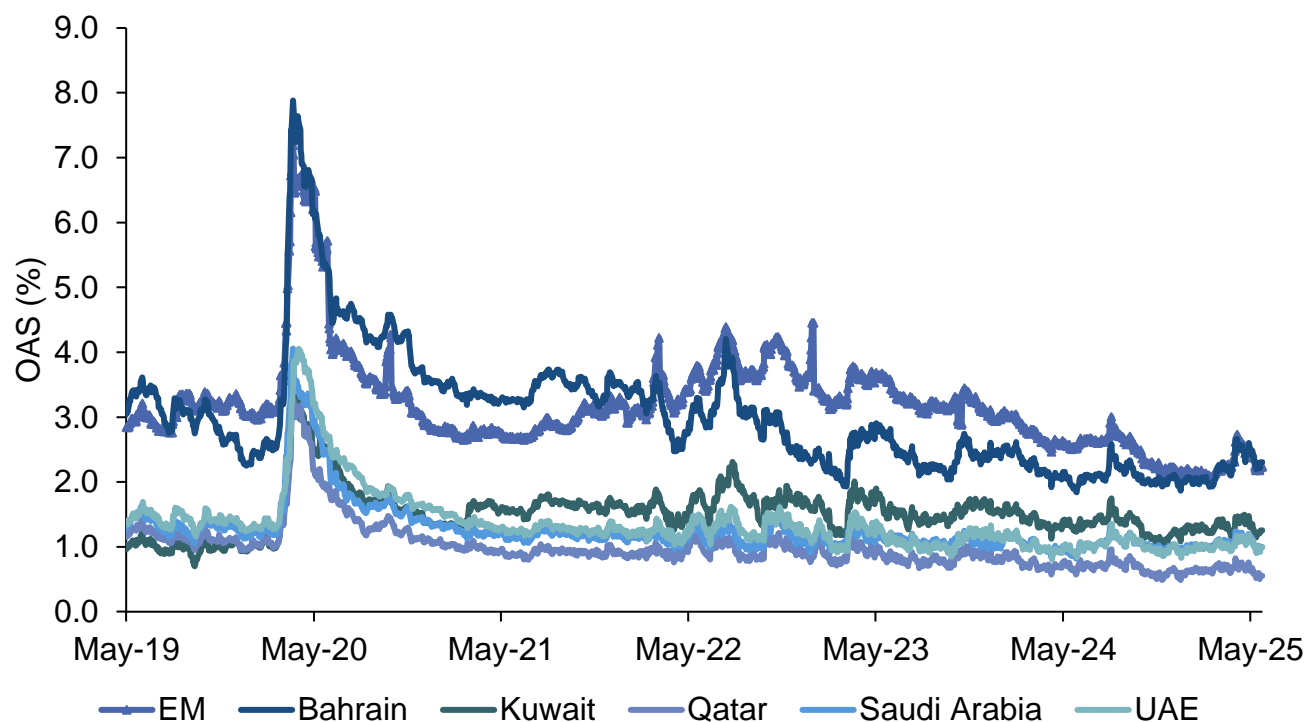
## GCC bond issuances

Issuer	BBG	Sector	Cou ntry	Issue Amt*	Cpn	Maturity	Maturity Type	Curr ency	Issue Date	Rtg^	YTM (mid)	YTC (mid)
SNB Funding Ltd	SNBAB	Financial Institutions	SA	300	4.9581 236	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	5.0870 58	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	-
Warba Tier 1 Sukuk 3 Ltd	WARBAB	Financial Institutions	KW	250	6.25	-	PERP/CALL	USD	5/20/2025	-	6.13	6.33
Masdar Abu Dhabi Future Energy Co	MASDAR	Agency	AE	500	5.375	5/21/2035	AT MATURITY	USD	5/21/2025	AA-	5.33	-
Masdar Abu Dhabi Future Energy Co	MASDAR	Agency	AE	500	4.875	5/21/2030	AT MATURITY	USD	5/21/2025	AA-	4.83	-
SAB AT1 Ltd	SABBAB	Financial Institutions	SA	650	6.5	-	PERP/CALL	USD	5/21/2025	-	6.39	6.50
BAB Usd At1 Sukuk Ltd	ALBIAB	Financial Institutions	SA	650	6.5	-	PERP/CALL	USD	5/22/2025	-	6.51	6.65
First Abu Dhabi Bank PJSC	FABUH	Agency	AE	750	5.2534 549	5/27/2030	AT MATURITY	USD	5/27/2025	AA-	5.21	-
Alinma At1 Sukuk Ltd	ALINMA	Financial Institutions	SA	500	6.5	-	PERP/CALL	USD	5/28/2025	-	6.43	6.50

\*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

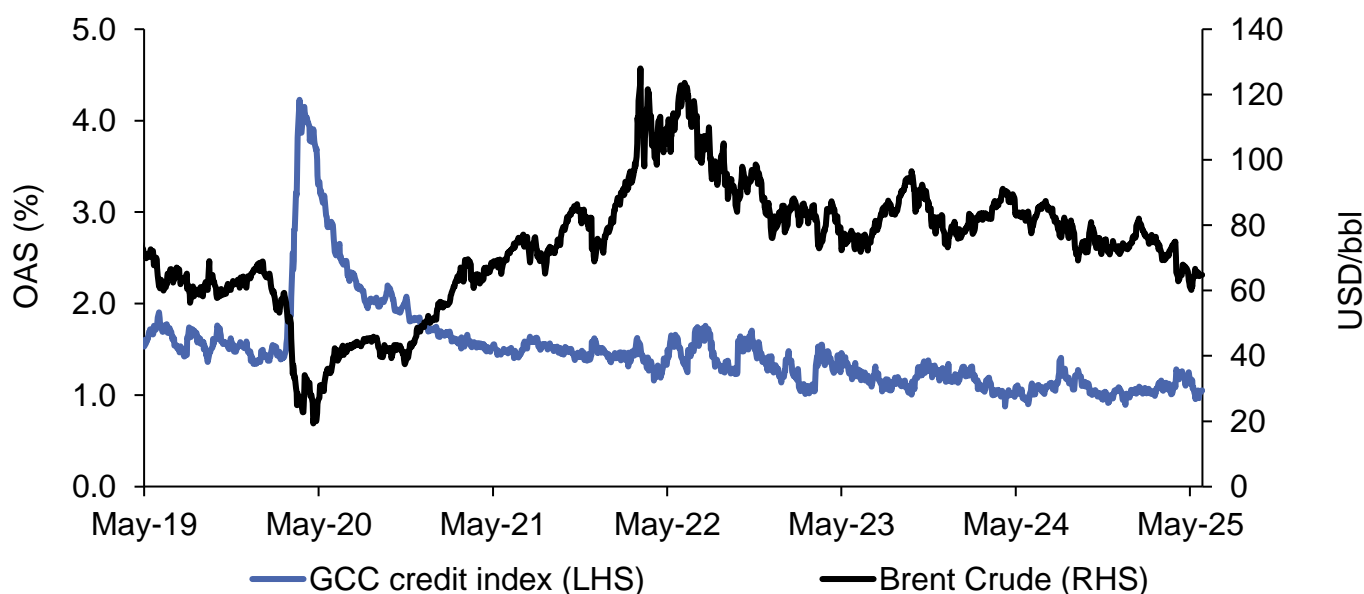
## Appendix

### Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

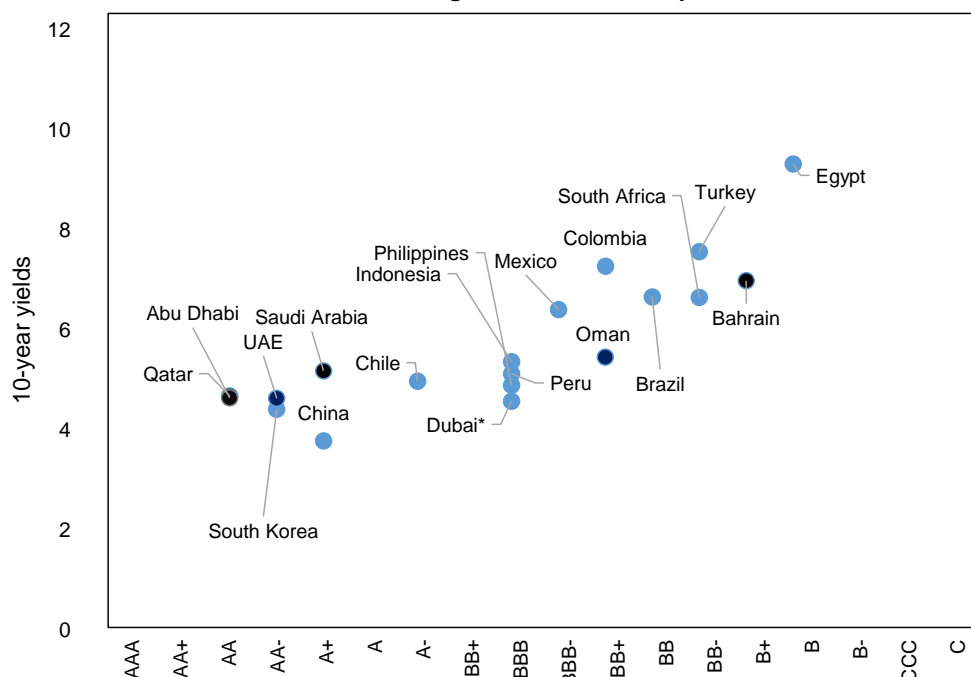
### GCC corporate OAS spread versus Brent Crude



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

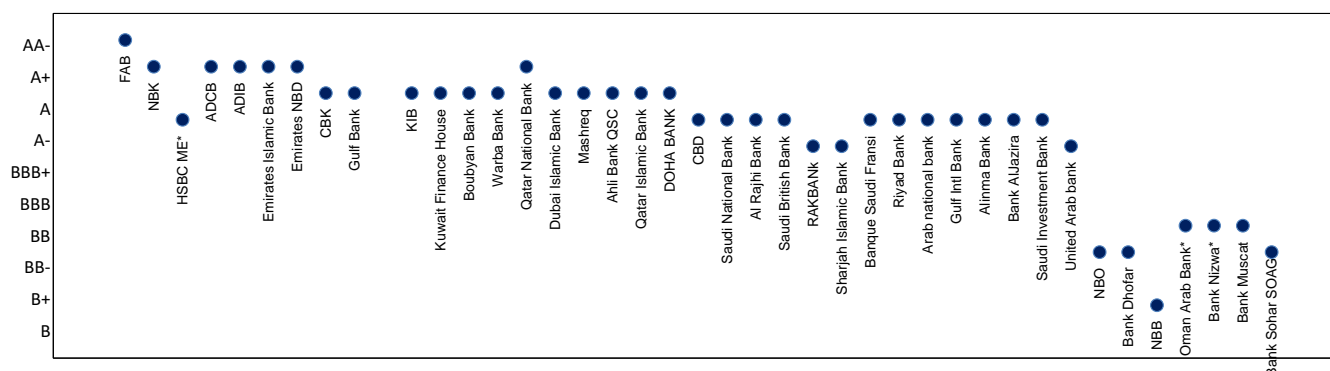
## GCC Sovereign Rating

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

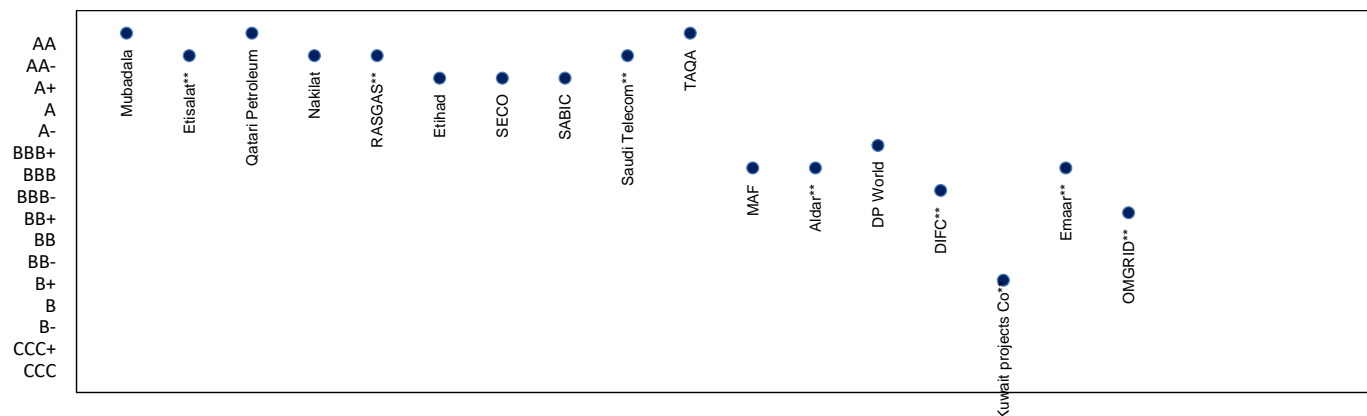


Note: The ratings refer to Fitch ratings, \*Moody's rating used as substitute where the corporate/bank not rated by Fitch rating | Source: Bloomberg, ADCB



## 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

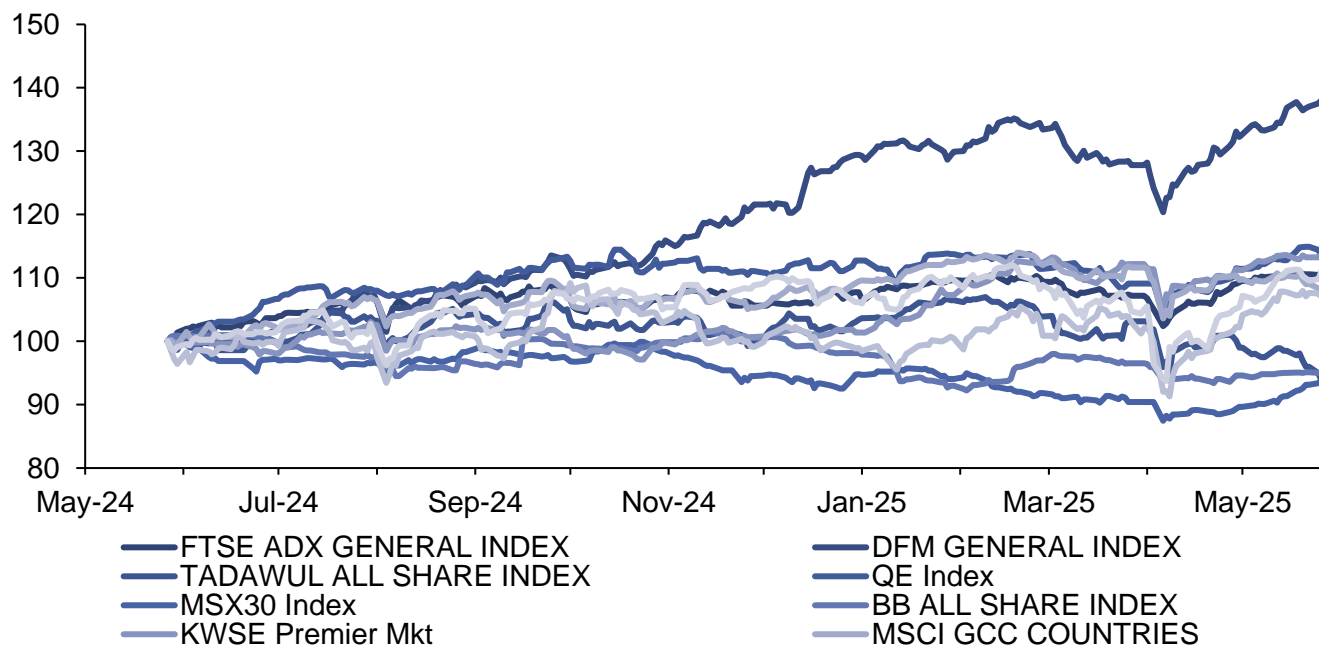
## GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	14.9x	5.6%	2.4%
DFM	9.5x	-	5.4%
Tadawul	14.3x	10.6%	4.3%
DSM	11.6x	-0.2%	4.7%
MSM30	9.3x	1.0%	6.1%
BHSE	6.8x	NM	9.9%
KWSE	18.0x	-22.8%	3.2%
MSCI GCC	13.4x	7.7%	4.3%
MSCI EM	13.0x	8.0%	2.7%
MSCI ACWI	19.0x	7.1%	1.9%

Notes: \*data as of 28 May 2025 | Source: Bloomberg, ADCB

## GCC equity 1Y Performance

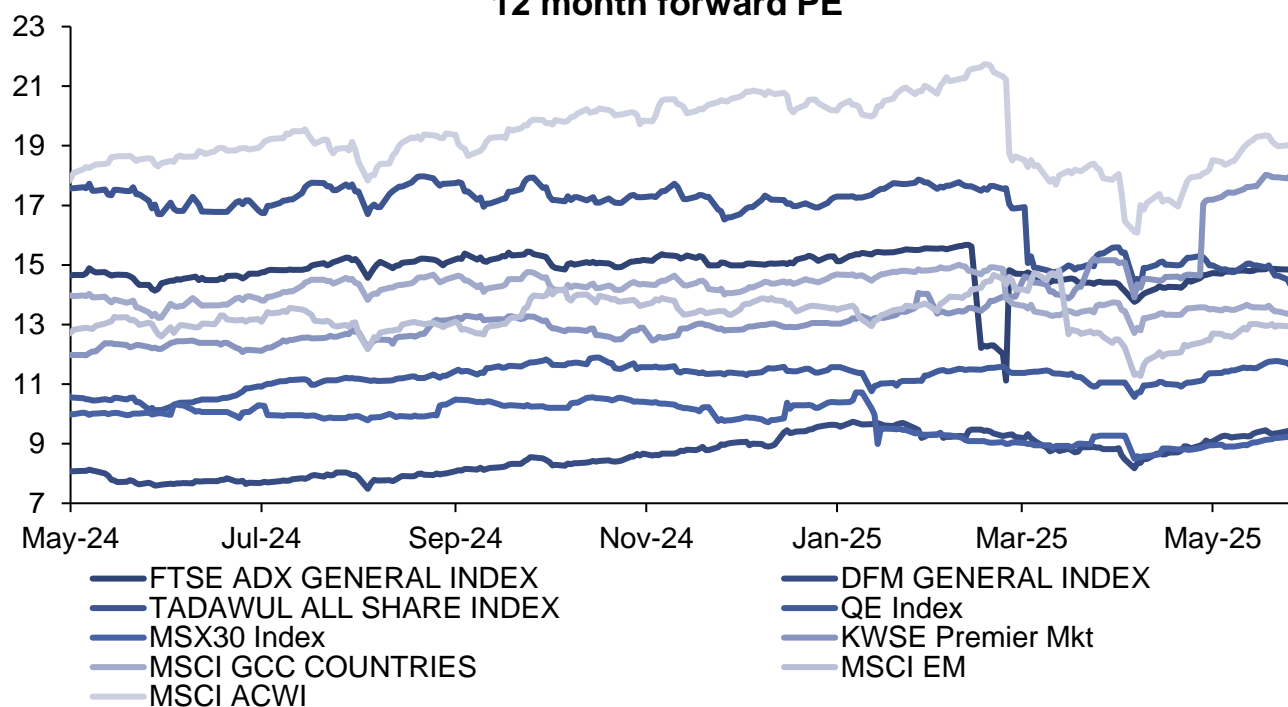
### 1Y performance



Source: Bloomberg, ADCB

## GCC equity 12m forward PE

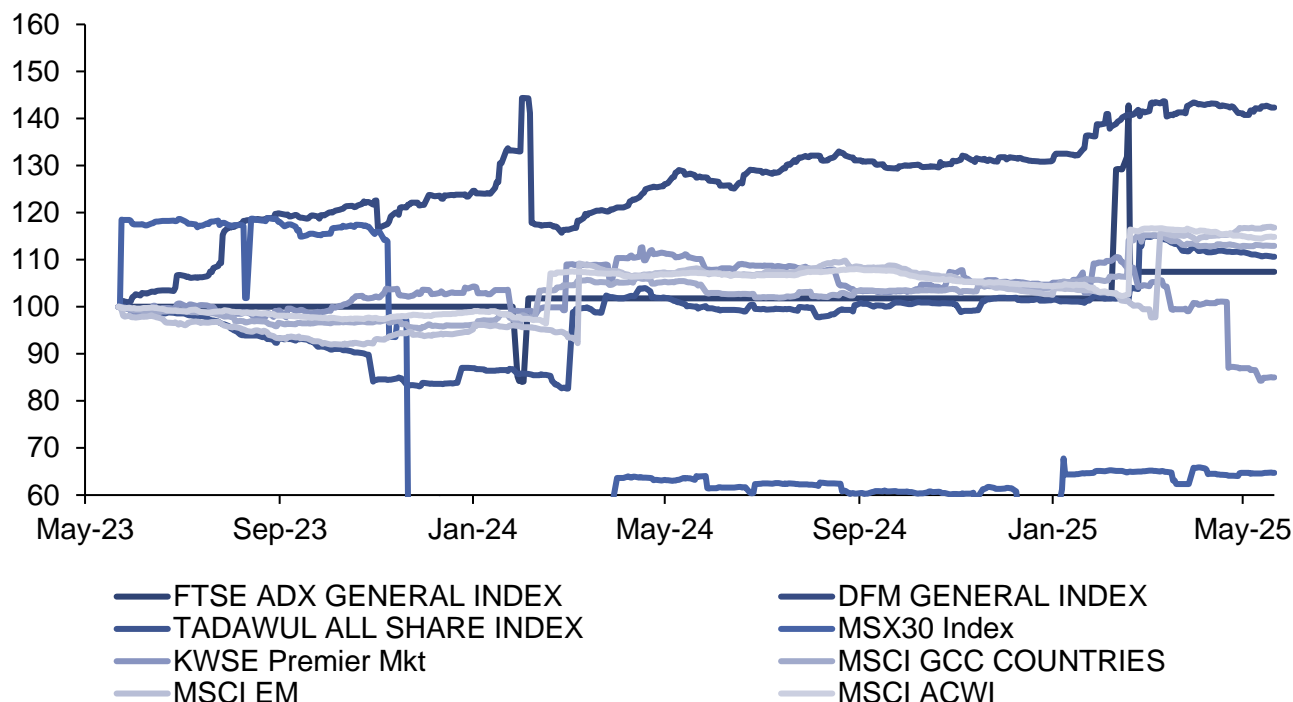
### 12 month forward PE



Source: Bloomberg, ADCB

## GCC equity 12m forward EPS

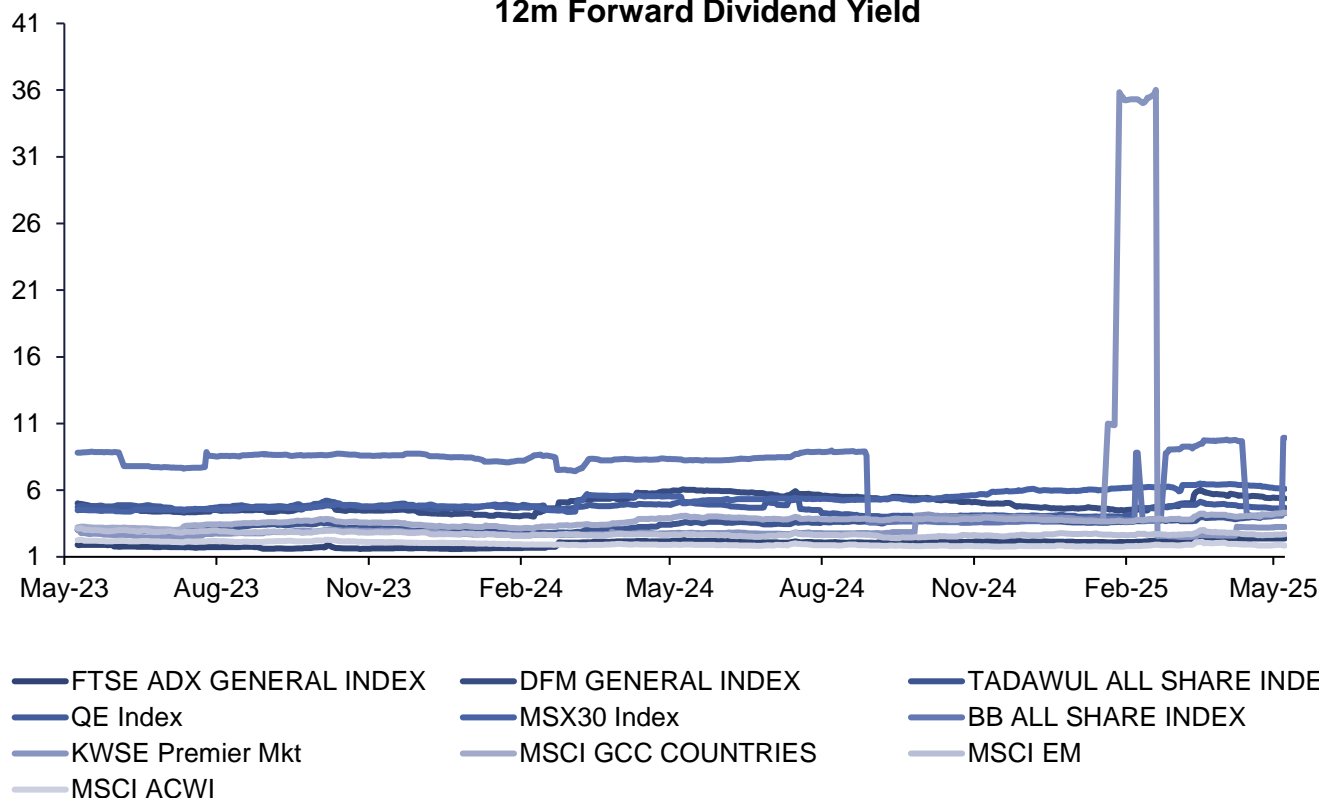
### 12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

## GCC equity 12m forward dividend yields

### 12m Forward Dividend Yield



Source: Bloomberg, ADCB



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