

GCC market performance

GCC fixed Income:

Global benchmark bond index declined over the week (ending 30th April 2024). 10Y UST yields gained over the week. Global aggregate bonds recorded negative returns, led by Global treasuries. In credit, corporate bonds ended the week on a mixed note. Global HY index posted marginal gains. On the other hand, EM bond index was unchanged. All GCC bond markets recorded losses with the exception of Bahrain and Saudi Arabia. 5yr CDS sovereign spreads almost tightened in all GCC countries barring Dubai. Oman and Bahrain tightened the most. In the USD sovereign market, the 10yr bond yields rose across the GCC countries with the exception of Saudi Arabia.

GCC equities:

Most regional indices recorded gains last week with the exception of Dubai and Kuwait. Oman posted most gains (1.64%), outperforming the rest of regional indices. DFM stocks underperformed the most, posting loss of (0.28%). MSCI ACWI was down (0.38%) while MSCI EM and MSCI GCC were up (1.09%) and (0.82%) respectively.

GCC key developments:

- **UAE's economy grew 3.3% in first nine months of 2023.**
- **UAE tourism sector set to boost GDP share to USD64bn in 2024.**
- Saudi Arabia's economy to grow by 4.4% and a rise in non-oil activities.
- Oman's GDP at constant prices increased to USD98.7bn.
- Aldar properties Q1'24 net profit rose to USD436mn, up 88%.
- UAE's Etisalat Q1'24 net profit rose 7% to USD626mn.
- DU recorded 62.7% in Q1'24 net profit.
- **Abu Dhabi Commercial Bank (ADCB) reported a net profit of USD660mn in Q1'24.**
- Emirates NBD posted a Q1'24 net profit of USD1.82bn, up 12%.
- Abu Dhabi Islamic Bank (ADIB) recorded a net profit of AED1.45bn in Q1'24.
- Mashreq bank Q1'24 net profit rose to USD544mn.
- Al Rajhi Bank Q1'24 net profit up to USD1.17bn.
- Saudi National Bank posted a Q1'24 net profit of USD1.3bn, flat yoy.

GCC bond issuances:

- **ADQ plans debut dollar bond sale.**
- **Abu Dhabi successfully issued USD5bn bonds.**

GCC Weekly Market Performance

Index				Rates			
Fixed Income	Latest	-1w %	YTD %	3M interbank	Latest	-1w (bp)	YTD (bp)
Global Agg	449.93	-0.19	-3.56	Saudi	6.24	3.17	1.07
Global Treasuries	190.99	-0.27	-4.50	UAE	5.32	19.71	-10.47
EM USD Agg TR	1169.41	0.01	0.73	Kuwait	4.25	-6.25	-6.25
EM LatAm TR	1038.67	0.00	2.72	Bahrain	6.33	0.35	-19.18
EM EMEA TR	347.63	0.07	0.10	Oman	5.77	-1.25	-26.75
EM Asia TR	615.50	-0.05	-0.48	Qatar	6.00	-	-12.50
Bahrain TR	191.22	0.08	0.80	US SOFR	5.32	1.00	-7.00
Oman TR	148.31	-0.06	-0.80	5Y Sov. CDS	Latest	-1w (bp)	YTD (bp)
Kuwait TR	149.00	-0.02	0.52	Saudi Arabia	56.61	-1.60	2.20
Qatar TR	131.13	-0.17	-2.47	Abu Dhabi	44.12	-3.30	0.40
Saudi Arabia TR	135.03	0.06	-2.46	Dubai	73.72	1.30	6.40
UAE TR	135.92	-0.13	-1.72	Kuwait	72.15	-	17.10
Equity	Latest	-1w %	YTD %	Bahrain	205.54	-5.90	-7.10
ADX	9067.42	0.25	-6.67	Oman	109.78	-6.00	-12.40
DFM	4155.77	-0.28	1.92	Qatar	45.05	-3.40	-1.80
Tadawul	12394.91	0.32	3.91	10Y yield	Latest	-1w (bp)	YTD (bp)
DSM	9727.01	0.63	-6.34	Saudi Arabia	5.43	-0.80	72.80
MSM30	4784.23	1.64	4.47	Abu Dhabi	5.11	4.50	83.90
BHSE	2029.06	0.79	3.34	Dubai	4.76	0.30	7.30
KWSE	7691.50	-0.18	0.80	Kuwait	5.20	11.00	92.00
MSCI GCC	703.74	0.82	-1.48	Bahrain	6.98	2.00	23.40
MSCI EM	1045.95	1.09	4.27	Oman	6.05	0.10	56.20
MSCI ACWI	756.61	-0.38	5.90	Qatar	5.07	10.10	84.50

Note: data from 24th April 2024 to 30th April 2024, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

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UAE economy grew 3.3% in first nine months of 2023

According to the Statistics Centre, United Arab Emirates economy grew 3.3% in the first nine months of 2023. Non-oil GDP surged 5.9% in the same period, representing about 74% of the overall GDP contribution. UAE accelerates plans to diversify its economy away from hydrocarbons and draw foreign investment. Additionally, sectors including financial services, construction, and transport and storage recorded strong growth in the nine months last year.

(Source: Zawya)

UAE tourism sector set to boost GDP share to USD64bn in 2024

According to the Abdulla bin Touq Al Marri, the Minister of Economy, the tourism sectors contribution to the UAE's economy is expected to rise to AED236bn in 2024, positioning the country right on track to achieve its goal of boosting tourism's GDP share to AED450bn by 2031. Tourism's contribution to the country's GDP amounted to AED220bn, accounting for 11.7%. This is expected to rise in 2024 to AED236bn, to 12% of the country's GDP.

(Source: Zawya)

Saudi Arabia's economy to grow by 4.4% and a rise in non-oil activities

According to Faisal Alibrahim, Minister of Economy and Planning, Saudi Arabia's economy is very healthy, and growth in non-oil activities is very promising. In 2023, non-oil activities, accounted for about 50% of the real gross domestic product (GDP), indicating serious transformation and effective performance. Faisal Alibrahim forecasted a 4.4% growth in the Kingdom's GDP and a rise of between 4% and 5% in non-oil activities in 2024.

(Source: Zawya)

Oman's GDP at constant prices increased to USD98.7bn

According to the National Center for Statistics and Information (NCSI), the gross domestic product (GDP) at constant prices of Oman at the end of the Q4 of 2023 increased by 1.3% to reach OMR38.3bn. This increase is attributed to the rise in oil activities by 0.4% to OMR12.4bn by the end of Q4 of 2023, where the contribution of oil activities reached 33%. Crude oil activities recorded OMR10.6bn, and natural gas activities increased by 3.1% to OMR1.8bn. Non-oil activities rose by 2.4% to OMR27.3bn by the end of Q4 of 2023, compared to OMR26.7bn at the end of Q4 of 2022.

(Source: Zawya)

Aldar properties Q1'24 net profit rose to USD436mn, up 88%

Aldar Group's Q1'24 net profit rose to AED1.6bn (USD436mn) in Q1 2024, up 88% year-on-year (YoY), on continued growth in demand for homes in the UAE.

(Source: Zawya)

UAE's Etisalat Q1'24 net profit rose 7% to USD626mn

UAE telecom operator Emirates Telecommunications Group (e&), also known as Etisalat, reported a net profit of AED2.3bn (USD626mn) for Q1'24.

(Source: Zawya)

DU recorded 62.7% rise in Q1'24 net profit

Emirates Integrated Telecommunications, known as Du recorded more than 62% in Q1'24 net profit during, which the company attributed to robust top line growth and significant margin improvement.

(Source: Zawya)

Abu Dhabi Commercial Bank (ADCB) reported a net profit of USD660mn in Q1'24

ADCB has continued its growth momentum into 2024, recorded a Q1'24 net profit before tax of AED2.431bn (USD660mn), an increase of 26% y-o-y. Net profit after tax was AED2.139bn, with a return on average tangible equity of 14.1%.

(Source: Zawya)

Emirates NBD posted a Q1'24 net profit of USD1.82bn, up 12%

Emirates NBD recorded a net profit of AED6.72bn (USD1.82bn) in Q1 2024, up 12% from AED6.02bn in the same period last year on higher income coupled with recoveries on impaired loans.

(Source: Zawya)

Abu Dhabi Islamic Bank (ADIB) recorded a net profit of AED1.45bn in Q1'24

Abu Dhabi Islamic Bank (ADIB) reported a growth in net profit after tax of 32% for Q1'24 to AED1.45bn from AED1.1bn in Q1'23, reflecting a consistent trend of strong growth. Net profit before tax was AED1.64bn, up 41% versus Q1 2023.

(Source: Zawya)

Mashreq bank Q1'24 net profit rose to USD544mn

Mashreq bank's posted a net profit of AED2.0bn (USD544.5mn), up 25% year-on-year for **Q1'24**, supported by higher net interest income.

(Source: Zawya)

Al Rajhi Bank Q1'24 net profit up to USD1.17bn

Al Rajhi Bank reported a 6% year-on-year rise in **Q1'24** net profit to SAR4.40bn (USD1.17bn), driven primarily by an increase in net financing and investment income.

(Source: Zawya)

Saudi National Bank posted a Q1'24 net profit of USD1.3bn, flat y-o-y

Saudi National Bank (SNB), posted a **Q1'24** net profit of SAR5.04bn (USD1.3bn), flat year-on-year due to higher impairment expenses. Total assets expanded by 9.8% to SAR1.07tn y-o-y. Loans and advances portfolio rose 10% to SAR625bn while client deposits rose 7% to SAR65bn.

(Source: Zawya)

Abu Dhabi successfully issued a USD5bn bonds

Abu Dhabi has successfully issued USD5bn USD-denominated bonds across three maturity periods. The issuance included a USD1.75bn tranche maturing in 5 years with a coupon rate of 4.875%, a USD1.5bn tranche maturing in 10 years with a coupon rate of 5.0%, and a USD1.75bn tranche maturing in 30 years with a coupon rate of 5.5%. The rates represent a 35bp spread over 5-year US Treasuries, a 45bp spread over 10-year Treasuries, and a 90bp spread over 30-year Treasuries. The issuance was 4.8x oversubscribed and the pricing landed meaningfully inside fair value.

(Source: Zawya)

ADQ plans debut dollar bond sale

ADQ, the sovereign wealth fund of Abu Dhabi, garnered significant interest for its inaugural USD-denominated bond sale. This strong demand enabled ADQ to tighten its price guidance before the launch of the sale, which will be offered in two tranches. Amidst order books of almost USD10bn, price guidance for the 5-year tranche was given at 85/90bp over US Treasuries and at 95/100bp over US Treasuries for the 10-year portion.

(Source: Bloomberg)

GCC Weekly Market View

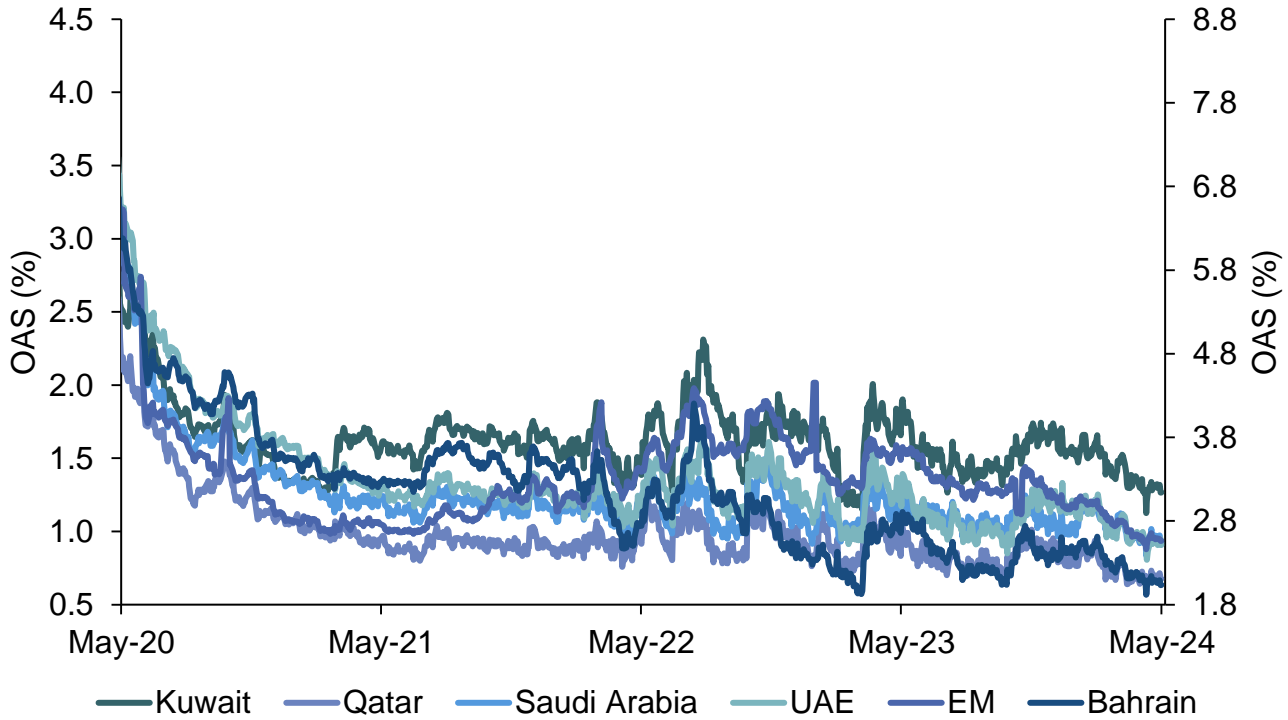
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Issuer	BBG	Sector	Country	Issue Amt*	Cpn	Maturity	Maturity Type	Currency	Issue Date	Rtg^	YTM (mid)	YTC (mid)
Saudi Government International Bond	KSA	Sovereign	SA	4750	5.75	1/16/2054	AT MATURITY	USD	1/16/2024	A+	5.84	-
Saudi Government International 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	MAZOOON	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	-
CBQ Finance Ltd	COMQAT	Financial Institutions	QA	750	5.375	3/28/2029	AT MATURITY	USD	3/28/2024	A-	5.48	-
MDGH SUKUK LTD	MUBAUH	Financial Institutions	AE	100	4.959	4/4/2034	AT MATURITY	USD	3/26/2024	AA	4.98	-
Abu Dhabi Government	ADGB	Sovereign	AE	1750	5.5	4/30/2054	AT MATURITY	USD	4/30/2024	AA	5.69	-
Abu Dhabi Government	ADGB	Sovereign	AE	1750	4.875	4/30/2029	AT MATURITY	USD	4/30/2024	AA	5.05	-
Abu Dhabi Government	ADGB	Sovereign	AE	1500	5	4/30/2034	AT MATURITY	USD	4/30/2024	AA	5.10	-

*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

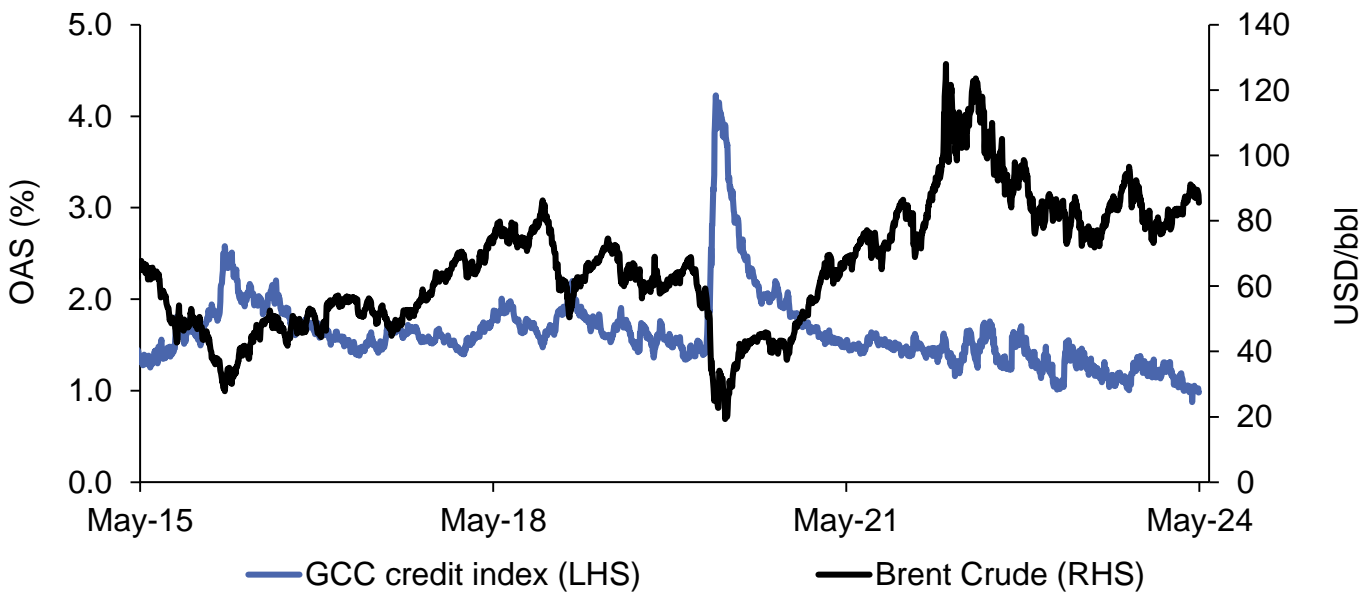
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

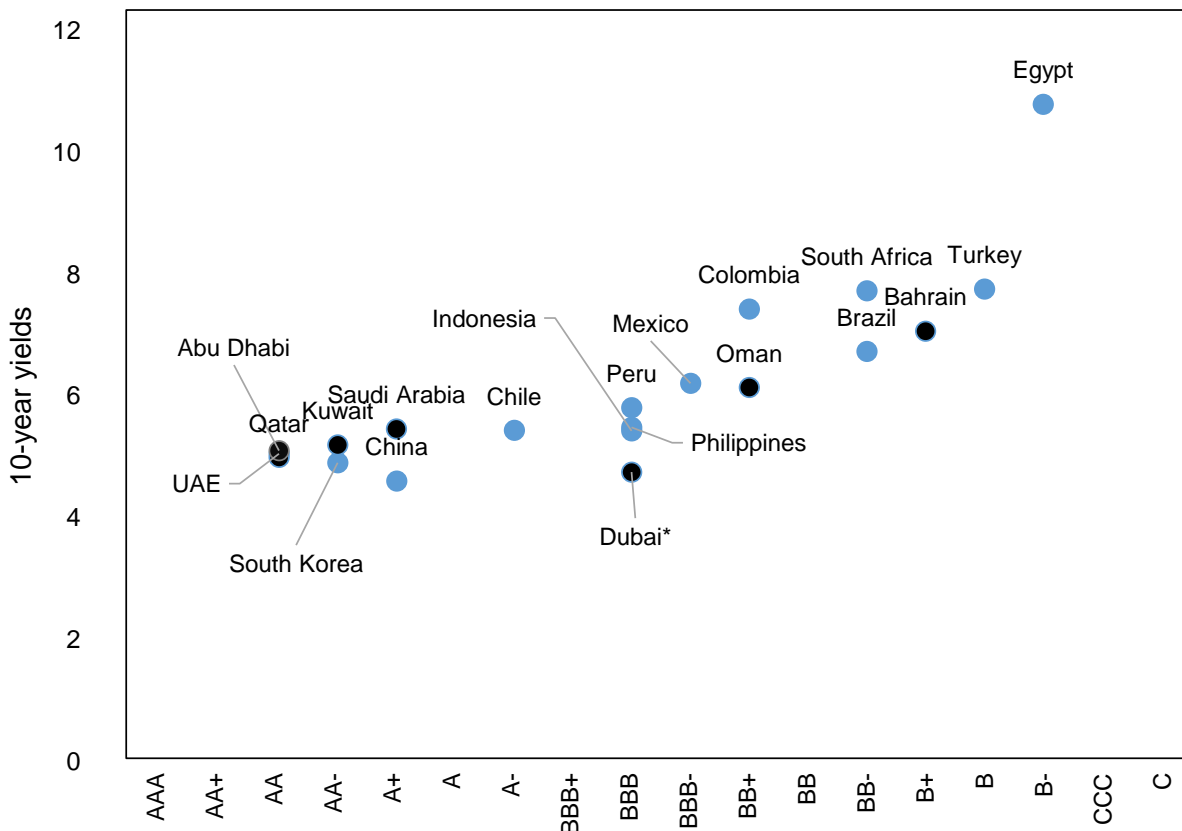
GCC corporate OAS spread versus Brent Crude



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

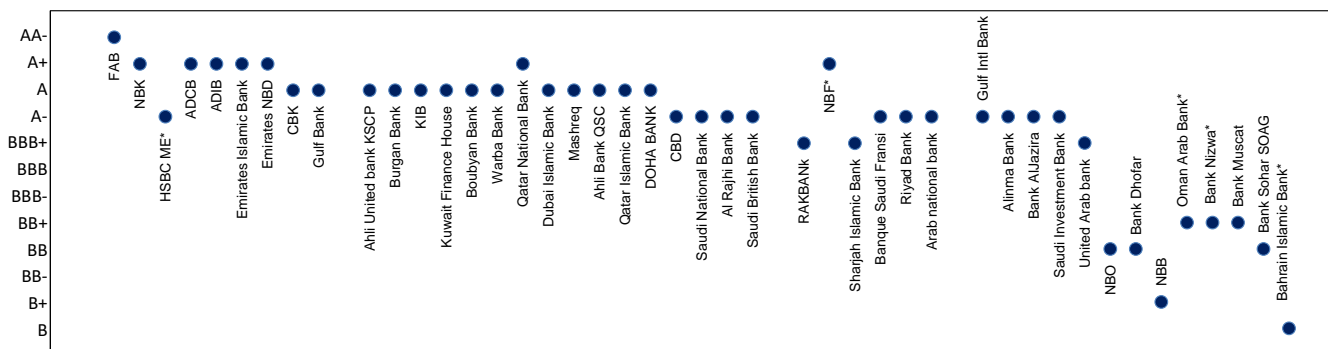
GCC Sovereign Rating

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

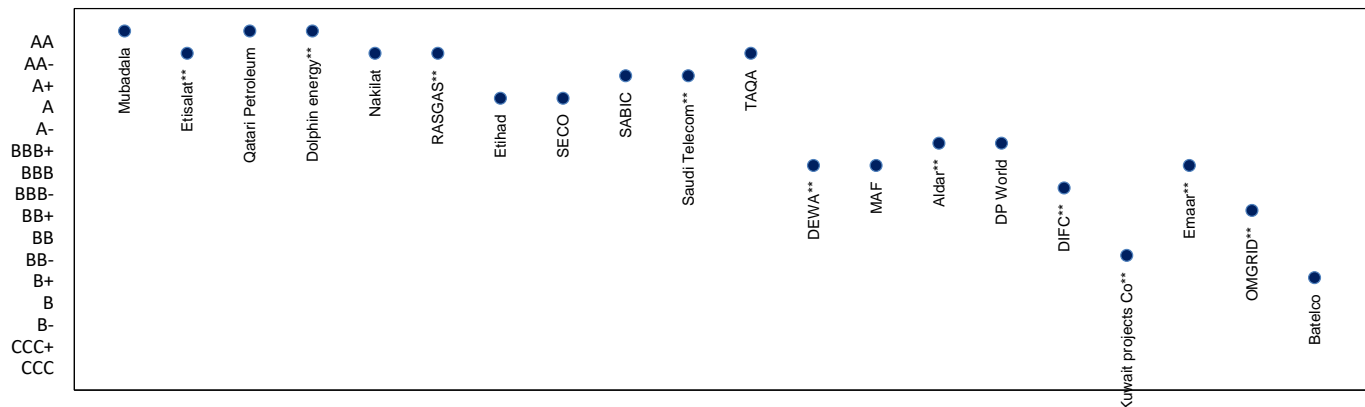
GCC Financials



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

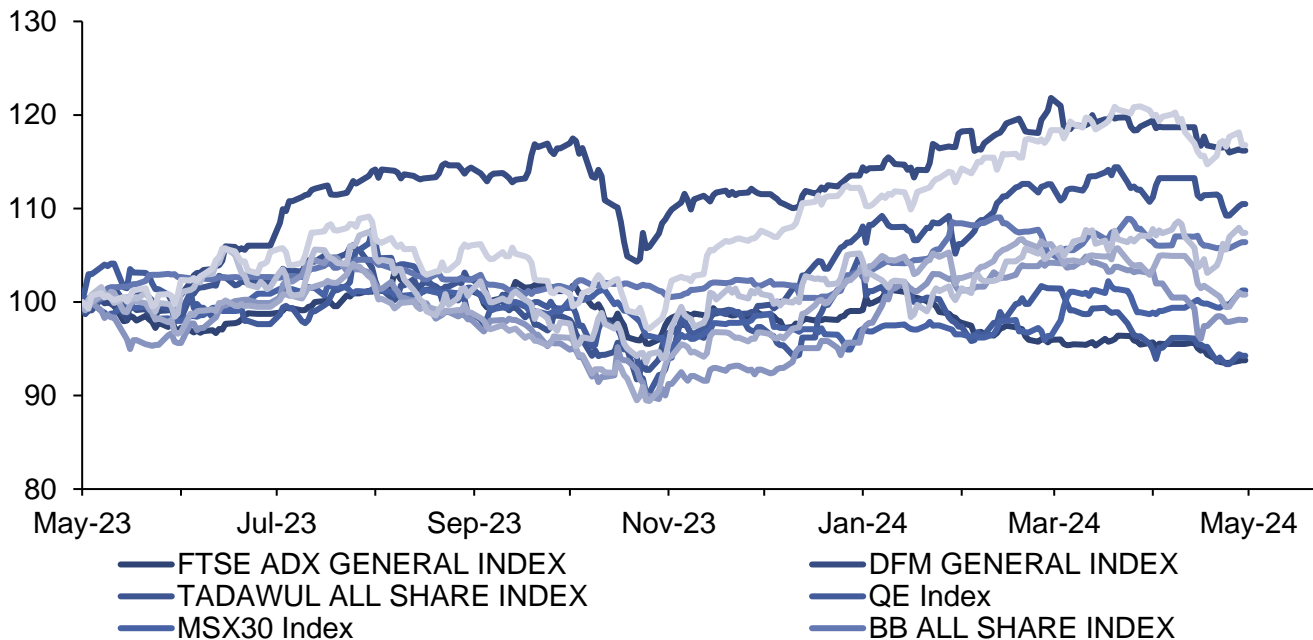
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	14.8x	1.2%	2.2%
DFM	8.1x	33.6%	5.4%
Tadawul	17.5x	1.0%	3.2%
DSM	10.7x	1.8%	4.9%
MSM30	9.9x	-23.1%	5.5%
BHSE	7.9x	-	8.3%
KWSE	12.3x	8.3%	2.7%
MSCI GCC	14.2x	4.1%	3.6%
MSCI EM	12.7x	5.6%	2.7%
MSCI ACWI	18.0x	6.3%	1.9%

Notes: *data as of 01 May 2024
Source: Bloomberg, ADCB

GCC equity 1Y Performance

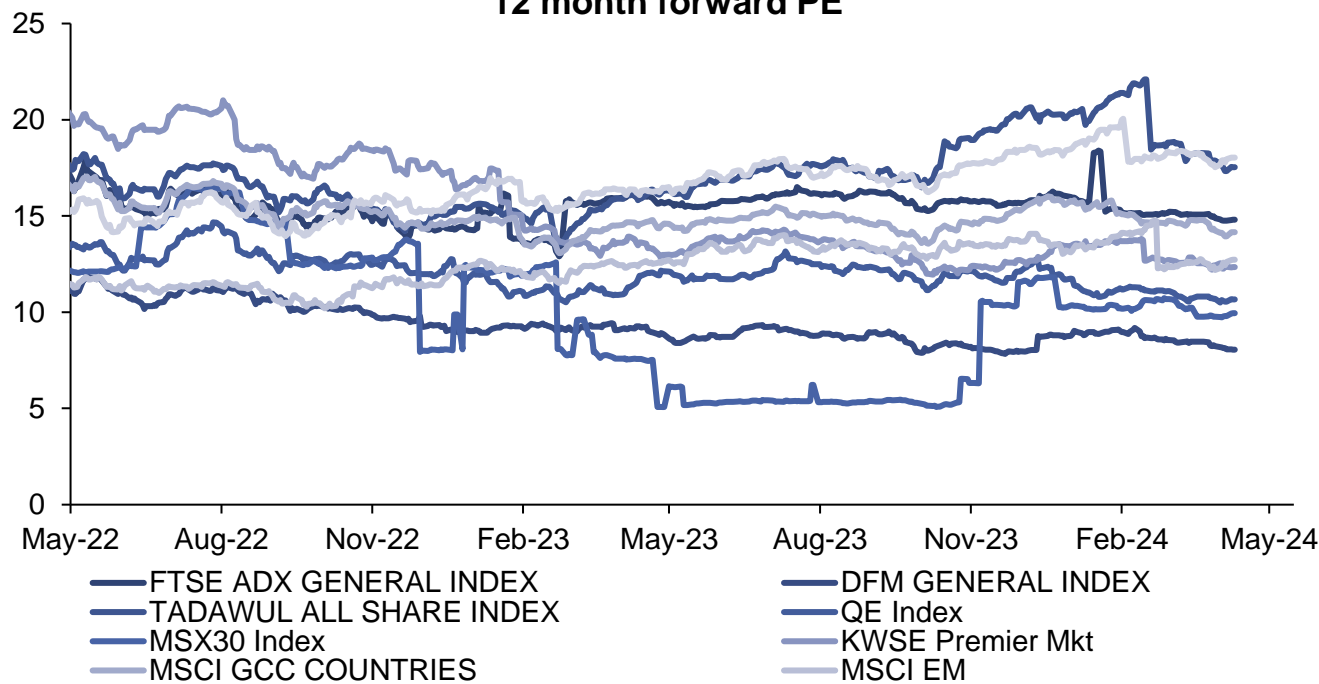
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

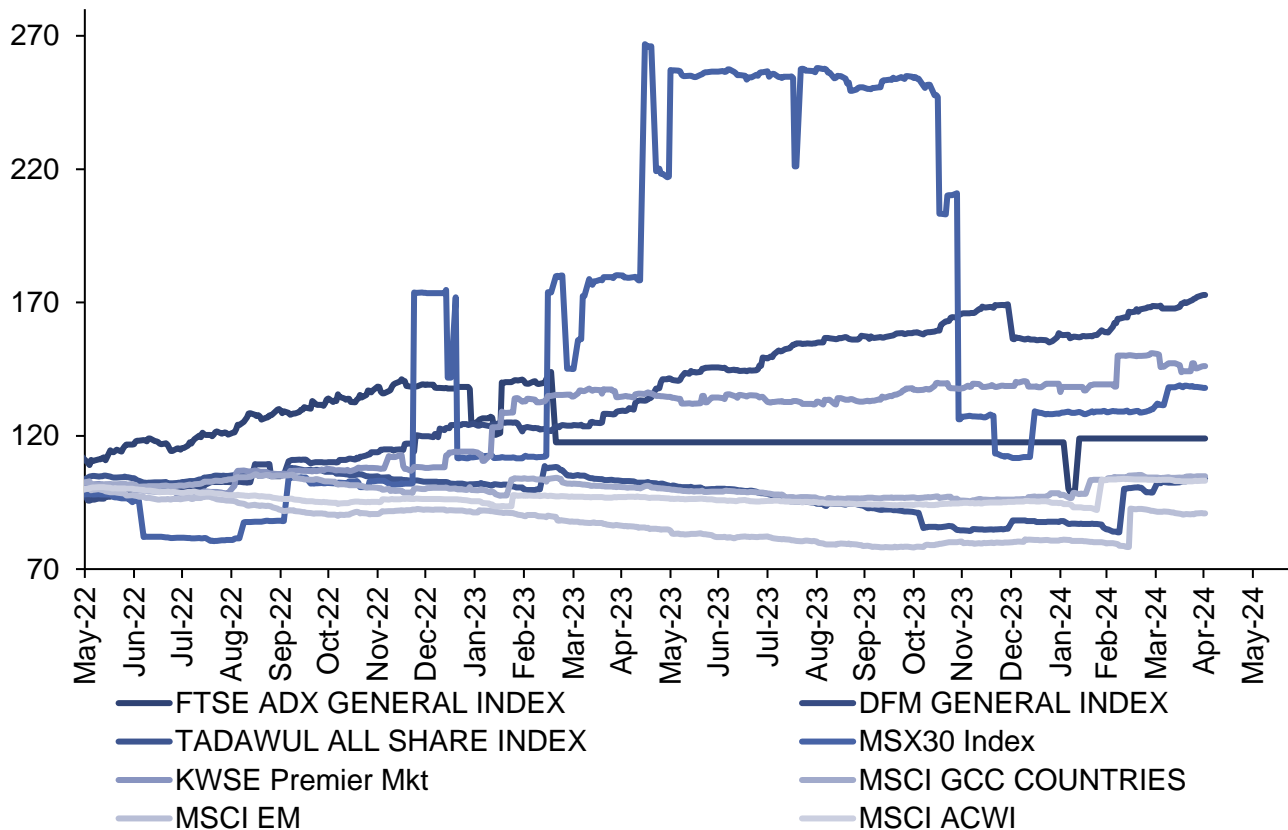
12 month forward PE



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

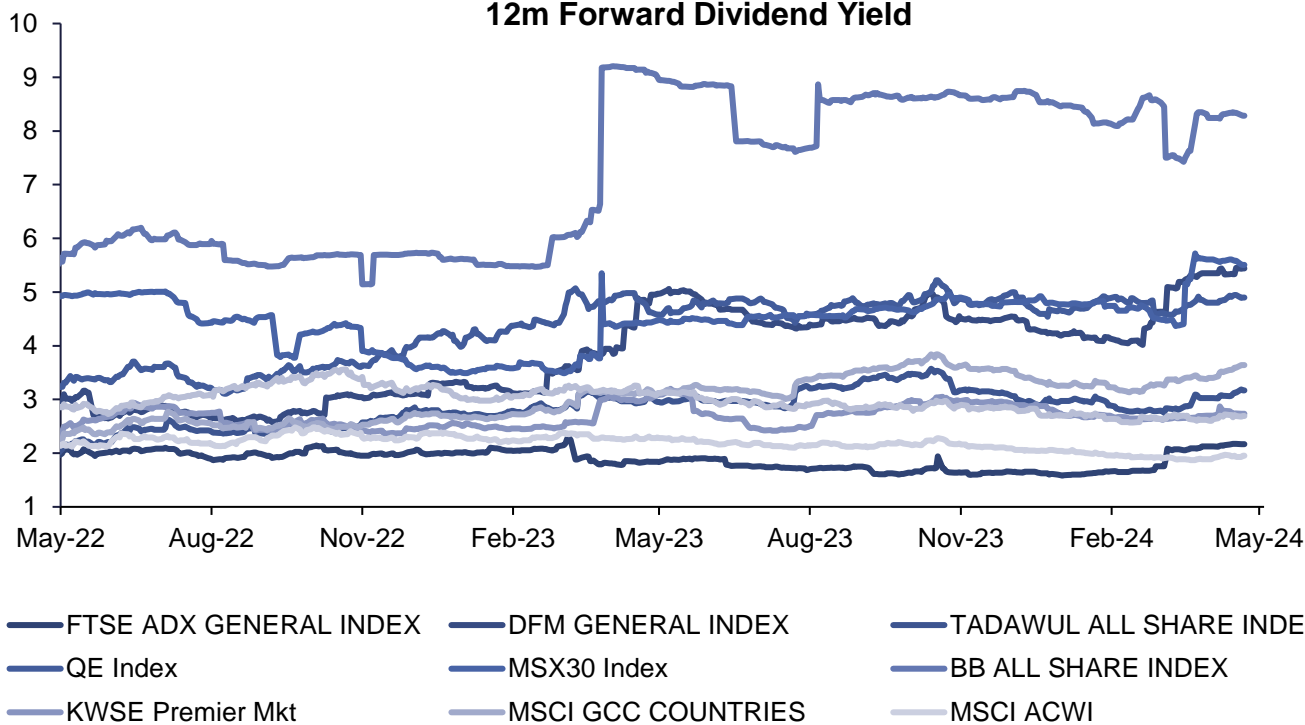
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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