

## GCC market performance

### GCC fixed income:

Global benchmark bond index recorded marginal losses over the week (ending 21<sup>st</sup> May 2024). 10Y UST yields jumped over the week despite inflation data matching expectations. As a result, US Treasury Index led the losses last week. Global corporate IG also came under pressure due to its long duration characteristics. Global HY bonds posted marginal positive returns. EM USD were mostly unchanged with gains in EM EMEA and EM Asia partially offset by losses in EM LatAm. All GCC bond indices recorded positive returns with Bahrain and Oman outperforming the most. Kuwait underperformed peers. 5yr CDS spreads mostly tightened across all the GCC countries with the exception of Dubai. In the USD sovereign market, the 10yr bond yields dropped across all the GCC countries- the most in Bahrain and Oman.

### GCC equities:

Most regional indices posted gains last week with the exception of UAE and Kuwait. Qatar posted the largest weekly gains (0.91%), outperforming the rest of regional indices. Kuwait stocks underperformed the most, posting losses of (0.66%). MSCI GCC underperformed MSCI EM and MSCI ACWI last week but all three indices rose.

### GCC key developments:

- **Oman's trade surplus widened by 23% to USD4.4bn in February.**
- **Qatar's industrial production index increased by 4.7% in March.**
- **Qatar's budget recorded a surplus of USD549mn in Q1'24.**
- **Alef education plans to list 20% of shares in Abu Dhabi IPO.**

### GCC bond issuances:

- **Qatar raised USD2.5bn through debut green USD bond.**
- **Emirates Islamic Bank issued new sustainability sukuk.**

#### Prerana Seth, CFA

Fixed Income Strategist  
Tel: +971 (0) 281 264 49  
[prerana.seth@adcb.com](mailto:prerana.seth@adcb.com)

#### Ahmed Al Falahi

Analyst  
Tel: +971 (0) 281 264 98  
[ahmed.a5@adcb.com](mailto:ahmed.a5@adcb.com)

#### Kishore Muktinutalapati

Head - Investment Strategy  
Tel: +971 (0) 281 264 57  
[kishore.muktinutalapati@adcb.com](mailto:kishore.muktinutalapati@adcb.com)

#### Mohammed Al Hemeiri

Senior Analyst  
Tel: +971 (0) 281 264 50  
[mohammed.alhemeiri@adcb.com](mailto:mohammed.alhemeiri@adcb.com)

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## GCC Weekly Market Performance

Index				Rates			
	Latest	-1w %	YTD %		Latest	-1w (bp)	YTD (bp)
Fixed Income				3M interbank			
Global Agg	458.32	-0.29	-1.76	Saudi	6.23	-7.16	-0.05
Global Treasuries	194.15	-0.30	-2.92	UAE	5.30	-2.78	-11.98
EM USD Agg TR	1195.55	0.06	2.99	Kuwait	4.25	0.00	-6.25
EM LatAm TR	1064.16	-0.15	5.24	Bahrain	6.33	1.63	-18.86
EM EMEA TR	355.67	0.19	2.41	Oman	5.80	3.90	-23.60
EM Asia TR	627.20	0.12	1.41	Qatar	6.00	0.00	-12.50
Bahrain TR	195.78	0.47	3.20	US SOFR	5.31	0.00	-8.00
Oman TR	151.32	0.34	1.22	5Y Sov. CDS			
Kuwait TR	150.37	0.17	1.44	Saudi Arabia	50.87	-0.90	-3.50
Qatar TR	134.38	0.32	-0.05	Abu Dhabi	38.27	-0.70	-5.50
Saudi Arabia TR	138.68	0.18	0.18	Dubai	65.51	3.60	-1.80
UAE TR	138.68	0.30	0.28	Kuwait	72.11	0.00	17.00
Equity				Bahrain	183.07	-3.00	-29.60
ADX	9008.64	-0.14	-7.28	Oman	95.36	-2.00	-26.90
DFM	4075.18	-0.44	-0.06	Qatar	38.91	-0.50	-7.90
Tadawul	12122.48	0.16	1.62	10Y yield			
DSM	9716.34	0.91	-6.44	Saudi Arabia	5.11	-11.50	35.70
MSM30	4778.88	0.07	4.35	Abu Dhabi	4.83	-6.00	56.40
BHSE	2014.11	0.19	2.58	Dubai	4.55	-6.90	-13.70
KWSE	7791.36	-0.66	2.11	Kuwait	4.95	-4.20	67.00
MSCI GCC	690.08	0.16	-3.39	Bahrain	6.56	-19.40	-18.90
MSCI EM	1093.38	0.80	9.00	Oman	5.63	-15.70	13.90
MSCI ACWI	795.98	0.28	11.41	Qatar	4.77	-7.30	55.10

Note: data from 15<sup>th</sup> May 2024 to 21<sup>st</sup> May 2024, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

## Qatar raised USD2.5bn through debut green USD bond

Qatar tapped the international bond market for the first time in four years, selling USD2.5bn in its first ever green bond sale. The bond sale consisted of USD1bn in 5yr maturity and USD1.5bn in 10yr maturity. The proceeds from the bond sale will be diverted towards financing of eligible green projects. The 5yr bond was priced at a spread of 30bp over similar maturity US Treasuries, equating to a yield of 4.74%, tighter than the initial price guidance of 70bp. The 10yr bond was priced at a spread of 40bp and yield of 4.82%, tighter than the initial price guidance of 80bp. The last time Qatar raised money from the bond market was in April 2020.

(Source: Zawya)

## Emirates Islamic Bank issued new sustainability sukuk

Emirates Islamic Bank, the Islamic arm of Dubai's Emirates NBD raised USD750mn in its debut 5yr sustainability sukuk. The bond sale witnessed strong demand with bid orders exceeding USD2.10bn. The bond was priced at 5.431%, at a spread of 100bp, tighter than initial price guidance of 130bp.

(Source: Zawya)

## Alef education plans to list 20% of shares in Abu Dhabi IPO

Alef education holding, a UAE-based education technology company, plans to list its shares on the Abu Dhabi Securities Exchange as it seeks to boost its domestic business and expand its international footprint. Alef will sell 1.4bn shares or 20 percent of the company's issued share capital, through an initial public offering on the main bourse of the ADX.

(Source: The National)

## Qatar's recorded a budget surplus of USD549mn in Q1'24

Qatar recorded a budget surplus of QAR2bn in Q1'24. The total revenues amounted to QAR53.4bn in Q1'24, QAR47.3bn of which were oil revenues while USD6.1bn were from non-oil revenues. The total expenditures in the first quarter of 2024 amounted to QAR51.4bn.

(Source: Zawya)

## Oman's trade surplus widened by 23% to USD4.4bn in February

Oman recorded a trade surplus of OMR1.693bn for the first two months of 2024, up 22.9% y-o-y during the same period in 2023, according to preliminary statistics from the National Center for Statistics and Information(NCSI). The increase was mainly driven by a robust growth in non-oil exports.

(Source: Zawya)

## Qatar's industrial production index increased by 4.7% in March

The data from the Planning and Statistics Authority of Qatar showed that the industrial production index (IPI) for March 2024 reached 100.2 points, increasing by 4.7% compared to the previous month.

(Source: Zawya)

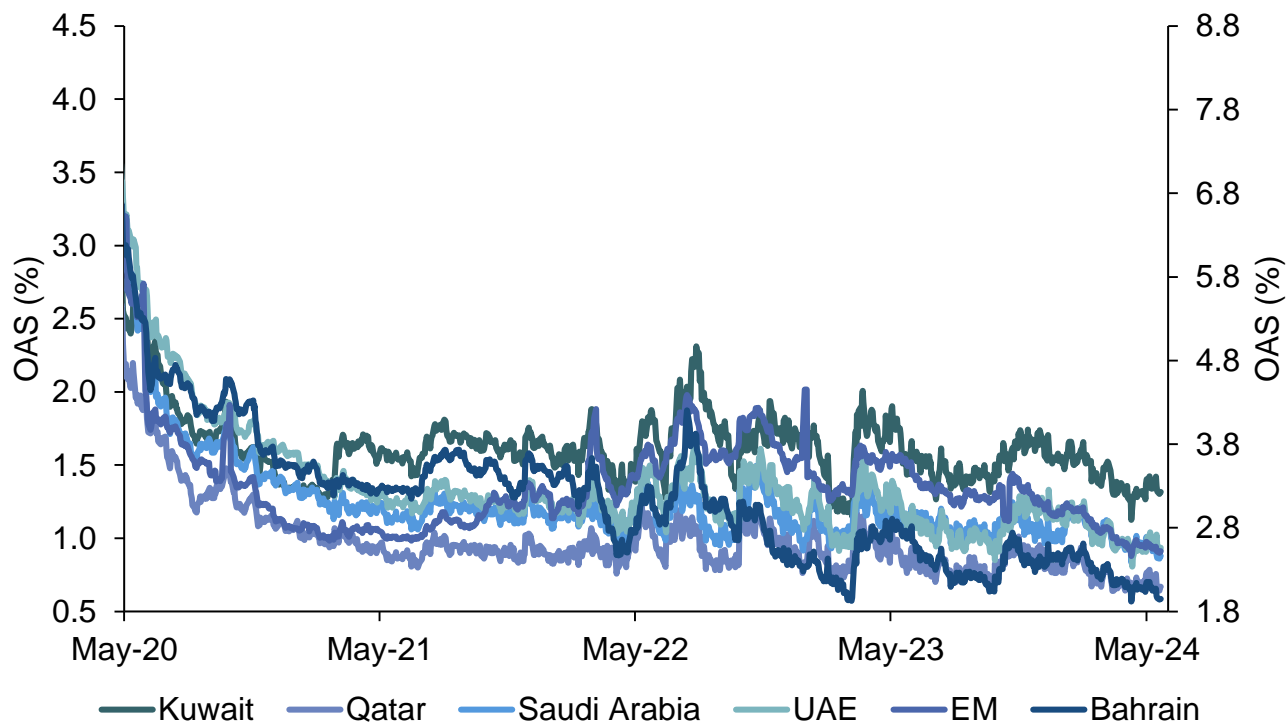
## GCC bond issuances table

Issuer	BBG	Sector	Country	Issue Amt*	Cpn	Maturity	Maturity Type	Currency	Issue Date	Rtg <sup>^</sup>	YTM (mid)	YTC (mid)
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	-
KIB Tier 1 Sukuk 2 Ltd	KIBKK	Financial Institutions	KW	300	6.625	-	PERP/CALL	USD	5/1/2024	-	6.48	6.59
Abu Dhabi Developmental	ADQABU	Financials	AE	1250	5.375	05/08/2029	CALLABLE	USD	04/30/2024	AA	5.18	-
Abu Dhabi Developmental	ADQABU	Financials	AE	1250	5.50	05/08/2034	CALLABLE	USD	04/30/2024	AA	5.288	-

\*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

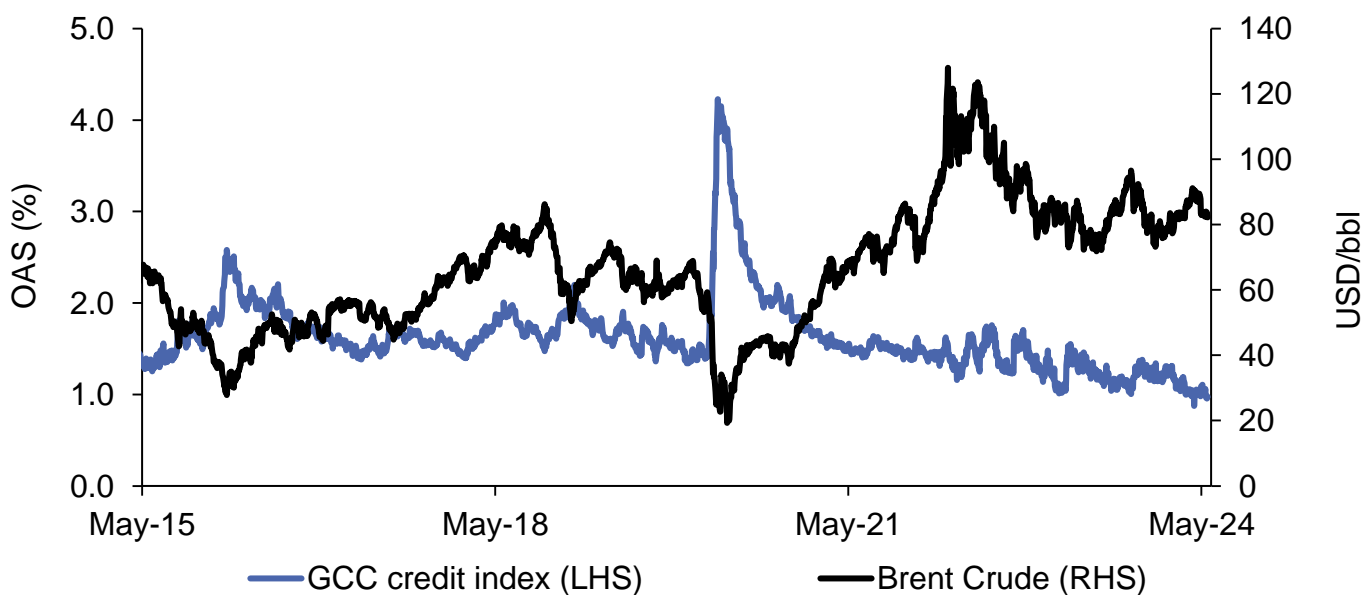
## Appendix

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



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

### GCC corporate OAS spread versus Brent Crude



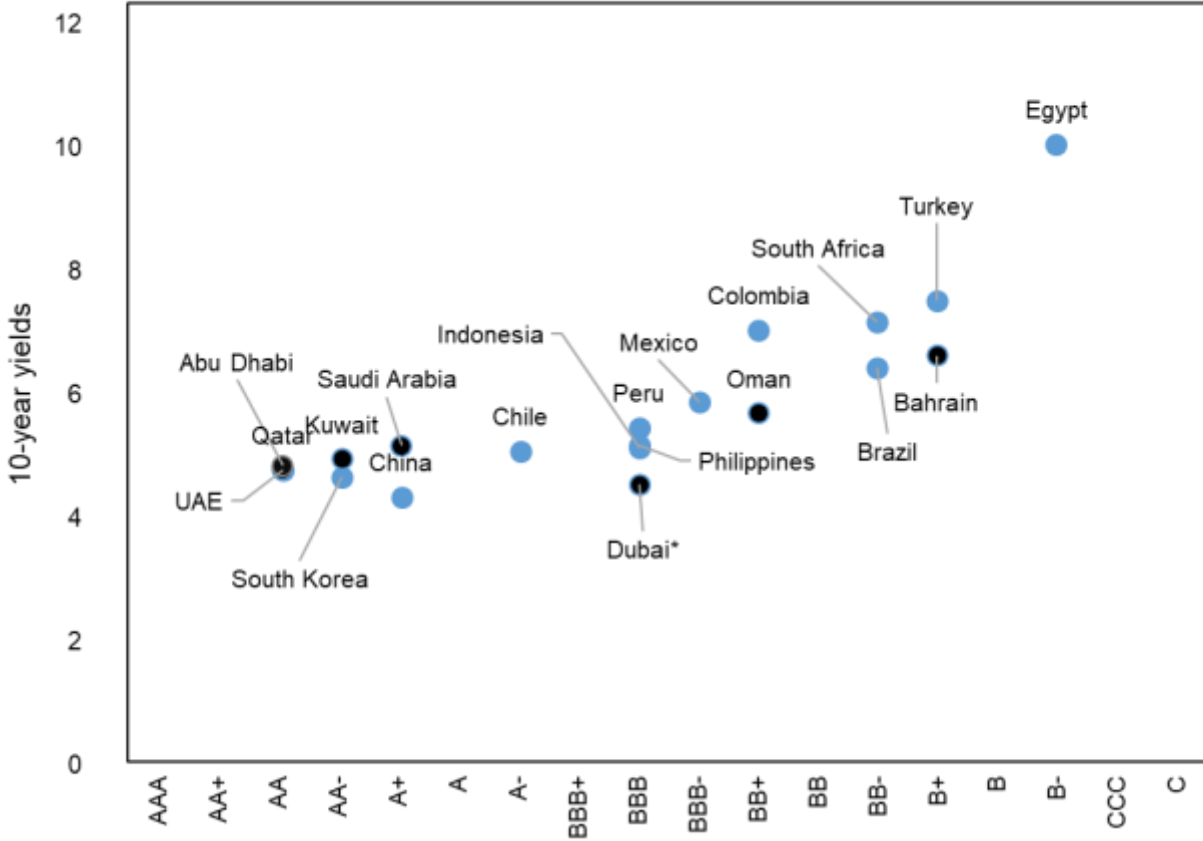
Source: Bloomberg, ADCB Asset Management

# GCC Weekly Market View

May 22 2024

## 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

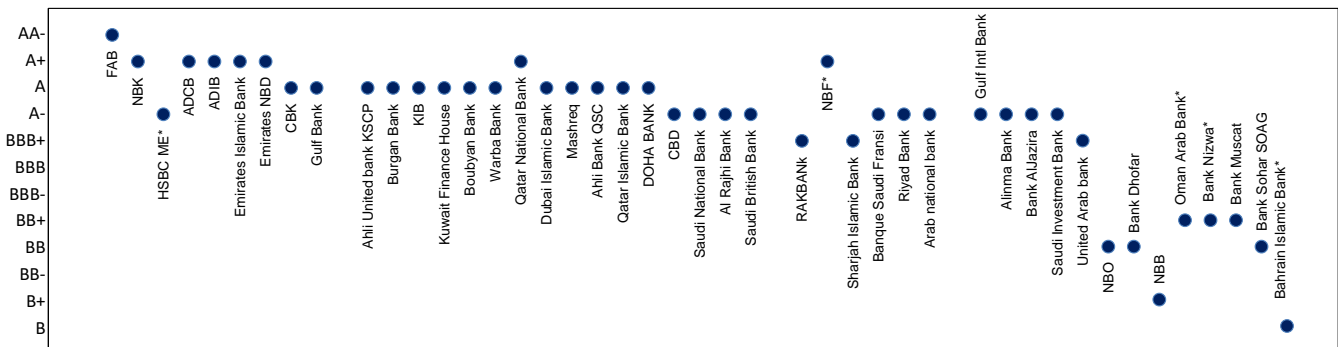
## GCC Sovereign Rating

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

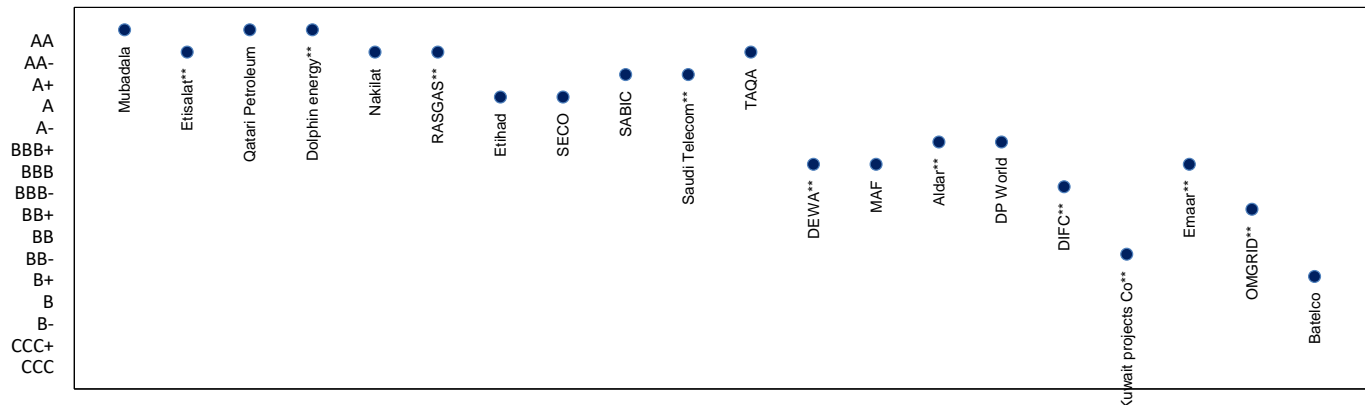
GCC Financials



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	14.7x	1.2%	2.2%
DFM	7.8x	27.2%	5.9%
Tadawul	17.4x	0.5%	3.4%
DSM	10.5x	5.2%	4.9%
MSM30	9.6x	-35.2%	5.5%
BHSE	7.3x	-	8.3%
KWSE	12.1x	12.3%	2.8%
MSCI GCC	13.7x	5.4%	3.9%
MSCI EM	13.2x	7.6%	2.7%
MSCI ACWI	18.7x	6.9%	1.9%

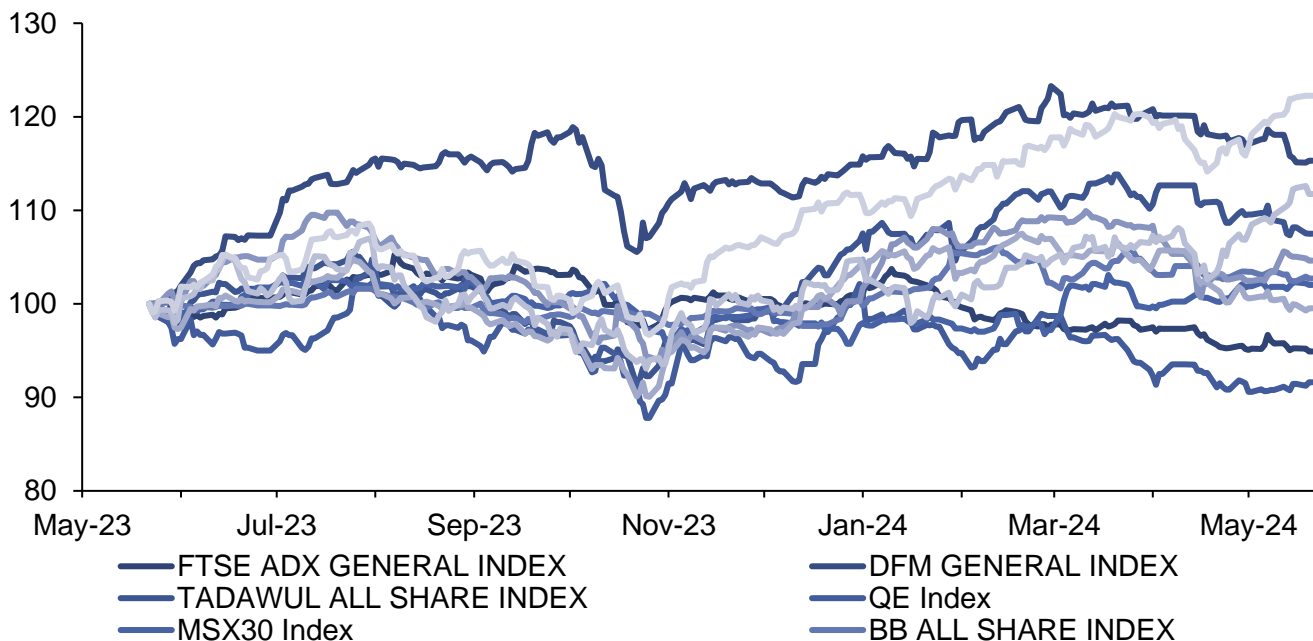
Notes: \*data as of 22 May 2024  
Source: Bloomberg, ADCB

# GCC Weekly Market View

May 22 2024

## GCC equity 1Y Performance

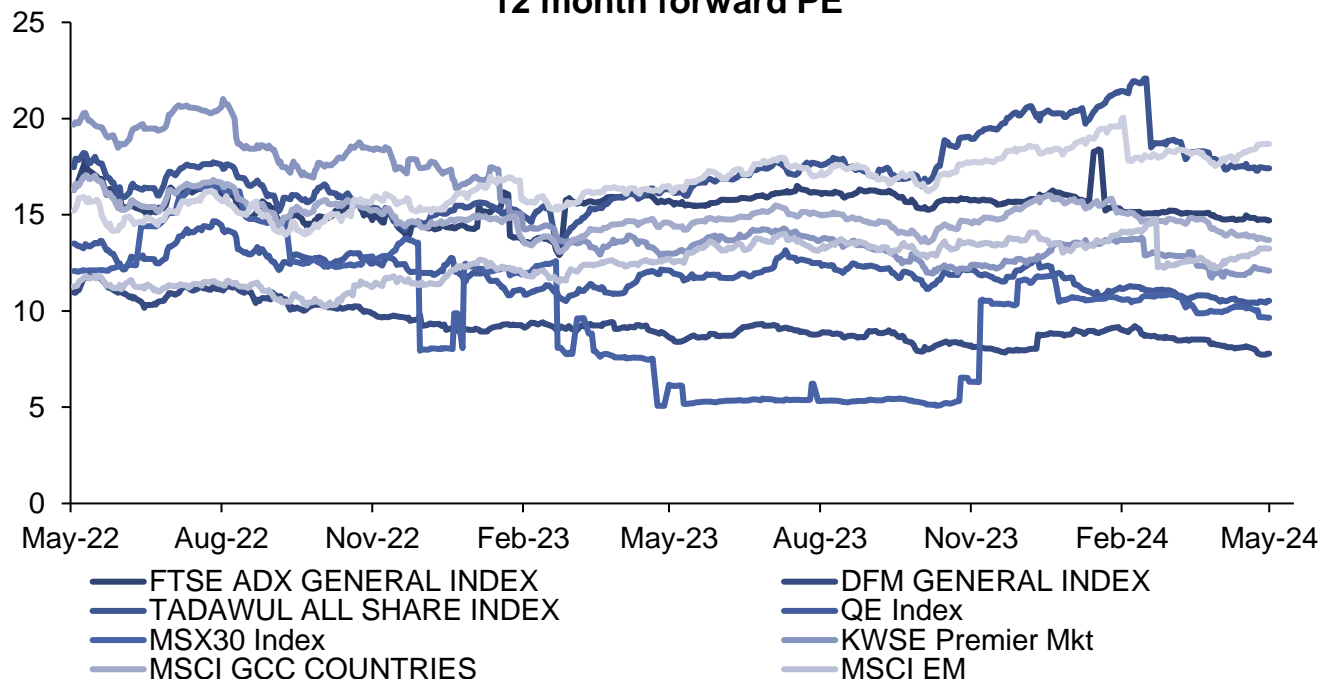
### 1Y performance



Source: Bloomberg, ADCB

## GCC equity 12m forward PE

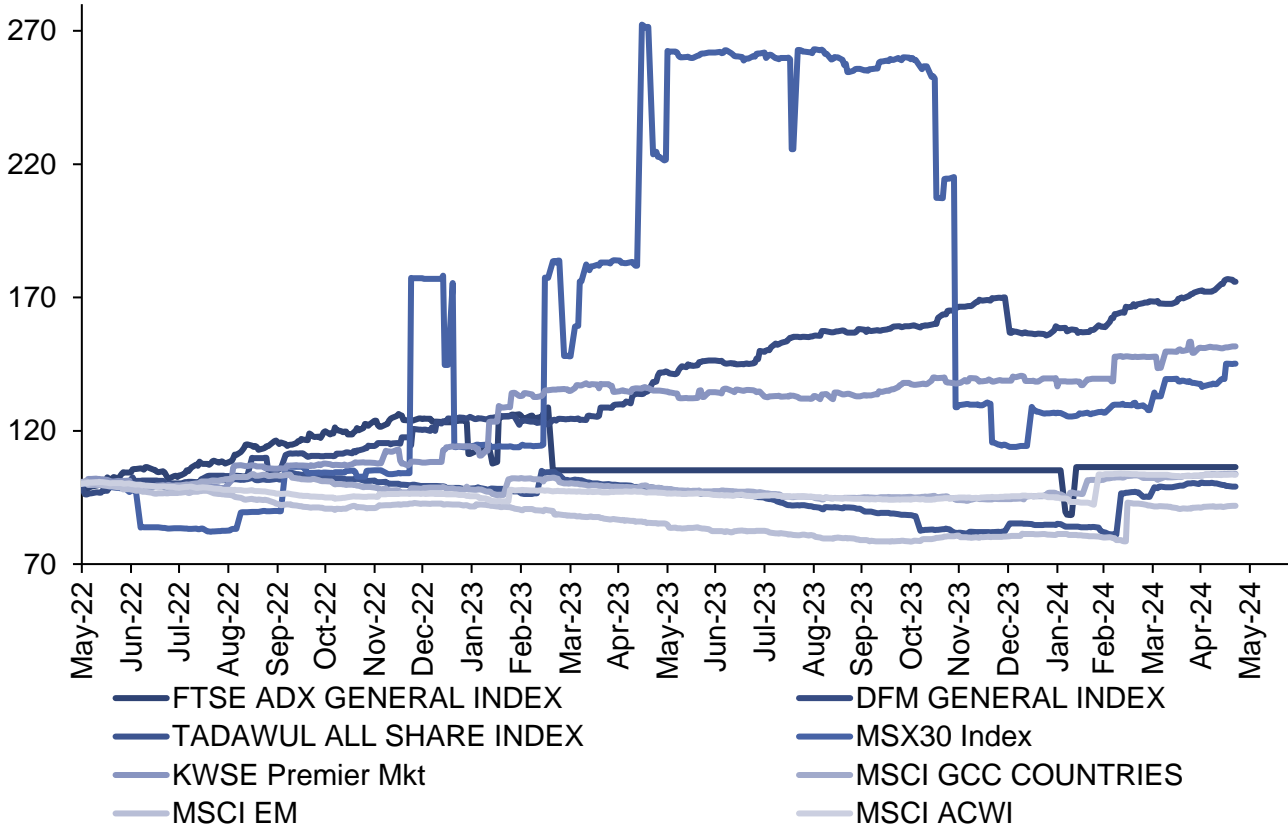
### 12 month forward PE



Source: Bloomberg, ADCB

## GCC equity 12m forward EPS

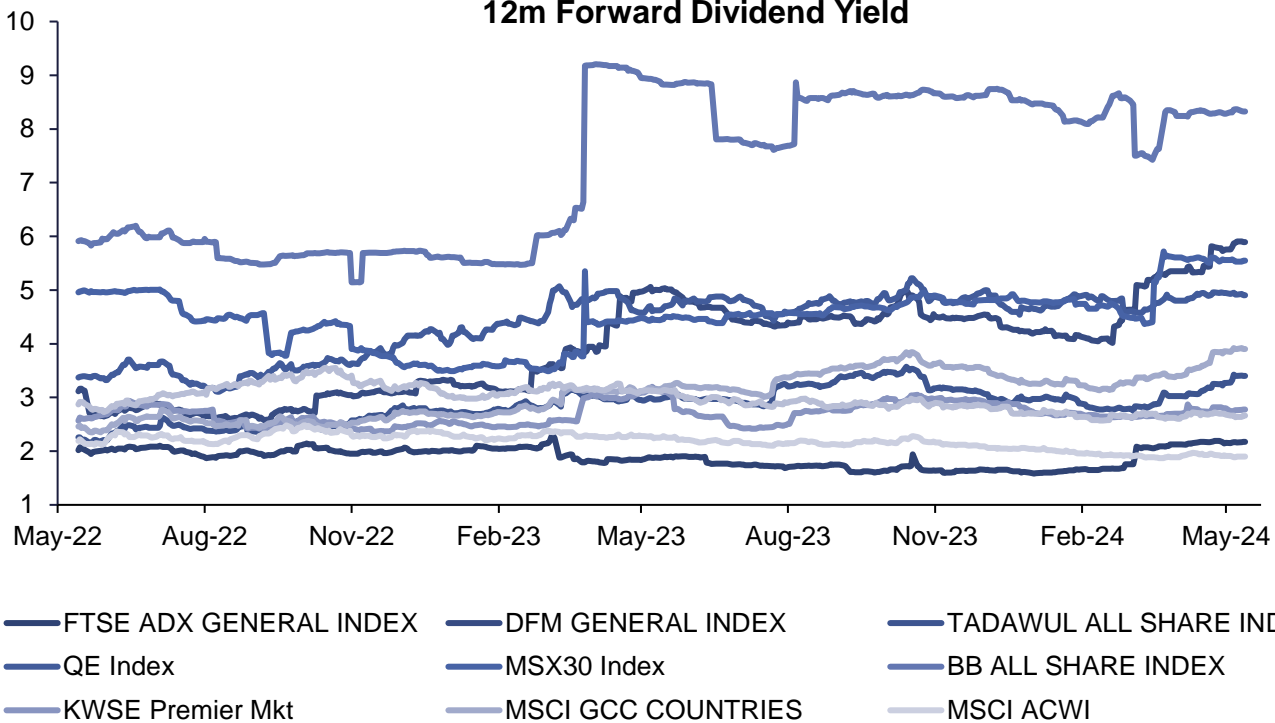
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

## GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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