

## GCC market performance

### GCC fixed income:

Global benchmark bond index recorded marginal gains over the week (ending 5th November 2024). 10Y UST yields rose over the week on increased odds of Trump winning the election. In credit, Global corporate IG recorded gains, but Global HY posted marginal losses. EM bonds had a negative week, led by EM EMEA.

GCC bonds lacked appetite amidst the Middle-east concerns and higher UST yields. All GCC bond indices recorded negative returns with Saudi Arabia underperforming the most. However, 5yr CDS spreads widened across all GCC countries except for Kuwait. In the USD sovereign market, the 10yr bond yields rose across the GCC countries barring Dubai.

### GCC equities:

Most regional indices posted mixed gains last week with Oman, Dubai and Saudi Arabia posting declines, while the rest of the GCC recorded gains. Kuwait posted the largest weekly gains (0.64%), outperforming the rest of regional indices. On the other hand, Oman underperformed the most, posting loss of (0.72%). MSCI GCC was down (-0.21%), underperforming MSCI EM (1.12%) and MSCI ACWI (0.02%) respectively.

### GCC key developments:

- **UAE's non-oil sector grew in October, as per PMI.**
- **Saudi non-oil sector grew October, as per PMI.**
- **Saudi Arabia's GDP grew by 2.8% in Q3'24.**
- GCC economy is set to reach USD3tn by 2030.
- IMF Forecasted 4% growth rebound in MENA in 2025.
- Saudi Arabia posted a budget deficit of USD8bn in Q3'24.
- Oman's oil production dropped by 5.1% in 2024.

### GCC bond issuances:

- It was a quiet week in terms of issuance activity.

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## GCC Weekly Market Performance

Index				Rates			
	Latest	-1w %	YTD %		Latest	-1w (bp)	YTD (bp)
<b>Fixed Income</b>				<b>3M interbank</b>			
Global Agg	473.2	0.23	1.43	Saudi	5.55	-21.87	-68.30
Global Treasuries	199.9	0.28	-0.03	UAE	4.68	6.90	-73.62
EM USD Agg TR	1247.5	-0.31	7.46	Kuwait	3.94	0.0	-37.50
EM LatAm TR	1122.9	-0.40	11.04	Bahrain	6.02	-0.09	-50.63
EM EMEA TR	368.8	-0.45	6.18	Oman	5.13	-15.35	-90.60
EM Asia TR	652.3	-0.02	5.47	Qatar	5.20	-	-92.50
Bahrain TR	203.5	-0.47	7.27	US SOFR	4.82	1.00	-57.00
Oman TR	156.7	-0.17	4.85	<b>5Y Sov. CDS</b>			
Kuwait TR	156.6	-0.24	5.64	Saudi Arabia	65.01	2.40	10.60
Qatar TR	139.3	-0.40	3.61	Abu Dhabi	45.19	1.40	1.50
Saudi Arabia TR	142.2	-0.46	2.69	Dubai	66.57	2.00	-
UAE TR	143.3	-0.35	3.65	Kuwait	0.35	-2.60	20.30
<b>Equity</b>				Bahrain	193.15	3.00	-19.50
ADX	9383.9	0.60	-3.41	Oman	104.07	2.20	-18.10
DFM	4594.5	-0.22	12.68	Qatar	44.56	1.30	-2.30
Tadawul	12014.9	-0.03	0.72	<b>10Y yield</b>			
DSM	10568.5	1.00	1.76	Saudi Arabia	5.01	4.70	25.80
MSM30	4722.3	-0.72	3.12	Abu Dhabi	4.70	5.70	42.90
BHSE	2019.5	0.06	2.85	Dubai	4.60	-2.60	-8.50
KWSE	7666.5	0.64	0.48	Kuwait	4.51	25.10	22.60
MSCI GCC	707.4	0.02	-0.97	Bahrain	6.45	11.90	-30.30
MSCI EM	1139.1	1.12	13.56	Oman	5.44	4.70	-5.20
MSCI ACWI	843.2	-0.21	18.01	Qatar	4.55	10.10	32.50

Note: data from 30<sup>th</sup> October 2024 to 5<sup>th</sup> November 2024. Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

## UAE's non-oil sector grew in October, as per PMI

In October, the UAE's non-oil sector saw continued growth, driven by increased output. However, demand growth softened to its lowest level since February 2023, resulting in weaker job creation and a reduction in selling prices. **The UAE Purchasing Managers' Index (PMI) rose slightly from 53.8 in September to 54.1 in October**, signaling expansion in the non-oil economy.

(Source: Zawya)

## Saudi non-oil sector grew October, as per PMI

Saudi Arabia's non-oil private sector grew at its fastest rate in six months in October, driven by an uptick in sales. This momentum fueled expansions in business activity, employment, purchasing, and inventory levels. **The Saudi Arabia Purchasing Managers' Index (PMI) increased from 56.3 in September to 56.9 in October**, marking the third consecutive month of growth.

(Source: Zawya)

## GCC economy is set to reach USD3tn by 2030

According to Bahrain Finance and National Economy Minister, Shaikh Salman bin Khalifa, Saudi Arabia's Minister of Investment Khalid Al Falih, and former UK Minister for Investment Lord Gerry Grimstone, the Gulf Cooperation Council (GCC) region is on track for remarkable economic growth, with projections indicating its GDP will hit USD3tn by 2030 and potentially reach USD6tn by 2050. This outlook was highlighted during the opening panel discussion on 'Investing for Resilience in a Fast-Changing Global Reality' at Gateway Gulf 2024.

(Source: Zawya)

## IMF forecasted 4% growth rebound in MENA in 2025

The International Monetary Fund (IMF) projects that the Middle East and North Africa (MENA) region will see a 4% economic growth rebound in 2025, contingent on the phasing out of oil production cuts and the subsiding of regional conflicts. However, growth is expected to remain sluggish at just 2.1% in 2024, a downward revision from earlier estimates due to ongoing geopolitical tensions, including the Israel-Hamas conflict, and prolonged OPEC+ oil production cuts. Despite these challenges, oil-exporting in the region, particularly in the GCC, are expected to fare better, with strong performance in their non-oil sectors, driven by government-led investment initiatives that are bolstering domestic demand.

(Source: Zawya)

## Saudi Arabia's GDP grew by 2.8% in Q3'24

Saudi Arabia's real GDP grew by 2.8% year-on-year in Q3'24, according to the General Authority for Statistics (GASTAT). While the oil sector grew modestly by 0.3% year-on-year, non-oil activities surged by 4.2% year-on-year. Government activities also saw positive growth, increasing by 3.1%. Seasonally adjusted data showed a 0.8% increase in GDP from Q2'24 to Q3'24, reflecting steady economic momentum.

(Source: Zawya)

## Saudi Arabia posted a budget deficit of USD8bn in Q3'24

Saudi Arabia reported a budget deficit of SAR30bn (USD8bn) for Q3'24, as lower oil prices impacted revenue. Government spending reached SAR339bn, driven by investments in the Vision 2030 transformation plan, which aims to diversify the economy. Total revenue for the quarter stood at SAR309bn, with oil revenue accounting for SAR191bn and non-oil revenue at SAR118bn.

(Source: Zawya)

## Oman's oil production dropped by 5.1% in 2024

Oman's oil output declined by 5.1% in 2024, according to the National Center for Statistics and Information (NCSI). The country produced 272.4 million barrels of oil in the first nine months of the year, down from 287 million barrels during the same period in 2023.

(Source: Zawya)

# GCC Weekly Market View

November 06 2024

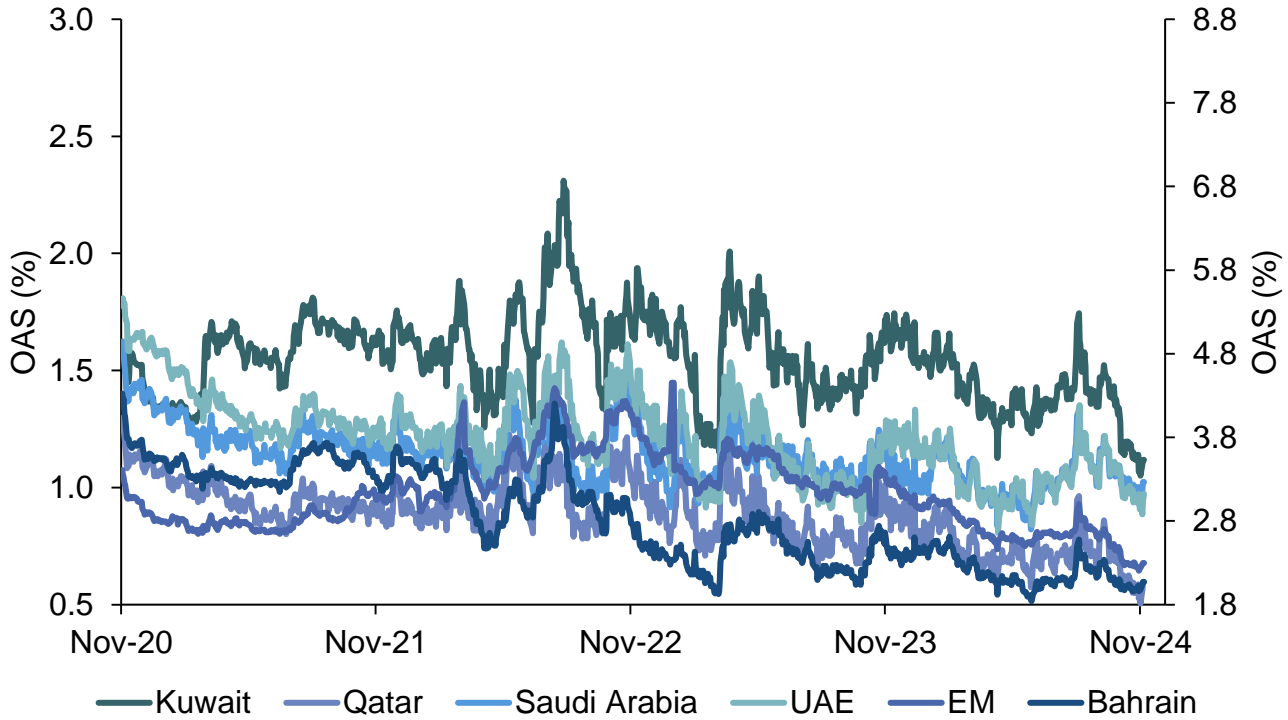
## GCC bond issuances table

Issuer	BBG	Sector	Country	Issue Amt*	Cpn	Maturity	Maturity Type	Currency	Issue Date	Rtg^	YTM	YTC (mid)
Equate Sukuk Spc Ltd	EQPCKW	Agency	KW	750	5	9/5/2031	CALLABLE	USD	9/5/2024	BBB	4.94	4.94
Abu Dhabi Commercial Bank	ADCBUH	Agency	AE	500	5.361	3/10/2035	CALLABLE	USD	9/10/2024	A-	5.14	5.11
Suci Second Investment Co	PIFKSA	Agency	SA	1500	4.375	9/10/2027	AT MATURITY	USD	9/10/2024	A+	4.50	-
National Bank of Ras Al-Khaimah PSC/The	RAKBNK	Financial Institutions	AE	250	5.873	12/10/2034	CALLABLE	USD	9/10/2024	BBB-	6.42	5.73
Gaci First Investment Co	PIFKSA	Agency	SA	500	5.25	10/13/2032	CALLABLE	USD	9/10/2024		4.83	4.82
Adnoc Murban Rsc Ltd	ADNOCM	Agency	AE	1500	5.125	9/11/2054	CALLABLE	USD	9/11/2024	AA	5.19	5.19
Adnoc Murban Rsc Ltd	ADNOCM	Agency	AE	1500	4.5	9/11/2034	CALLABLE	USD	9/11/2024	AA	4.61	4.62
Adnoc Murban Rsc Ltd	ADNOCM	Agency	AE	1000	4.25	9/11/2029	CALLABLE	USD	9/11/2024	AA	4.24	4.24
BOS Funding Ltd	BOSUH	Financial Institutions	AE	500	5.25	9/12/2029	AT MATURITY	USD	9/12/2024	BBB+	5.49	-
Al Ahli Bank of Kuwait KSCP	ALAHKW	Financial Institutions	KW	300	6.5	-	PERP/CALL	USD	9/12/2024		6.38	6.42
QIB Sukuk Ltd	QIBKQD	Financial Institutions	QA	750	4.485	9/17/2029	AT MATURITY	USD	9/17/2024	A	4.40	-
Qiiib Tier 1 Sukuk LLC	QIIKQD	Financial Institutions	QA	300	5.45	-	PERP/CALL	USD	10/2/2024		5.42	5.32
SA Global Sukuk Ltd	ARAMCO	Agency	SA	1500	4.75	10/2/2034	CALLABLE	USD	10/2/2024	A+	4.80	4.80
SA Global Sukuk Ltd	ARAMCO	Agency	SA	1500	4.25	10/2/2029	CALLABLE	USD	10/2/2024	A+	4.39	4.39
Abu Dhabi Developmental	ADQABU	Agency	AE	1000	5.25	10/2/2054	CALLABLE	USD	10/2/2024	AA	5.28	5.28
SA Global Sukuk Ltd	ARAMCO	Agency	SA	1500	4.75	10/2/2034	CALLABLE	USD	10/2/2024	A+	5.02	5.02
Abu Dhabi Developmental	ADQABU	Agency	AE	1000	5.25	10/2/2054	CALLABLE	USD	10/2/2024	AA	5.47	5.47
SA Global Sukuk Ltd	ARAMCO	Agency	SA	1500	4.25	10/2/2029	CALLABLE	USD	10/2/2024	A+	4.65	4.65
Abu Dhabi Developmental	ADQABU	Agency	AE	1000	4.375	10/2/2031	CALLABLE	USD	10/2/2024	AA	4.68	4.69
Qiiib Tier 1 Sukuk LLC	QIIKQD	Financial Institutions	QA	300	5.45	-	PERP/CALL	USD	10/2/2024	-	5.64	5.37
QNB Finance Ltd	QNBK	Agency	QA	300	6.012	10/8/2029	AT MATURITY	USD	10/8/2024	-	5.99	-
Abu Dhabi National Energy Co PJSC	TAQAUH	Agency	AE	850	4.75	3/9/2037	AT MATURITY	USD	10/9/2024	AA	5.01	-
Abu Dhabi National Energy Co PJSC	TAQAUH	Agency	AE	900	4.375	10/9/2031	AT MATURITY	USD	10/9/2024	AA	4.70	-
Mazoon Assets Co SAOC	MAZOOM	Agency	OM	750	5.25	10/9/2031	AT MATURITY	USD	10/9/2024	BB+	5.37	-
BBG Sukuk Ltd	DUKHAN	Financial Institutions	QA	800	4.56	10/9/2029	AT MATURITY	USD	10/9/2024	A	4.65	-
Ooredoo International Finance Ltd	QTELQD	Agency	QA	500	4.625	10/10/2034	AT MATURITY	USD	10/10/2024	A	4.77	-
Commercial Bank of Dubai PSC	CBDUH	Financial Institutions	AE	500	4.864	10/10/2029	AT MATURITY	USD	10/10/2024	A-	4.93	-
DIB Tier 1 Sukuk 6 Ltd	DIBUH	Financial Institutions	AE	500	5.25	-	PERP/CALL	USD	10/16/2024		5.26	5.32
Sharjah Sukuk Program Ltd	SHARSK	Sovereign	AE	750	5.433	4/17/2035	AT MATURITY	USD	10/17/2024	BB+	5.49	-
National Bank of Kuwait/New York NY	NTBKKK	Financial Institutions	KW	263	5	1/17/2025	AT MATURITY	USD	10/17/2024		5.34	-
GFH Senior Sukuk Ltd	GFHSUK	Financial Institutions	BH	500	7.5	11/6/2029	AT MATURITY	USD	11/6/2024		8.32	-

\*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

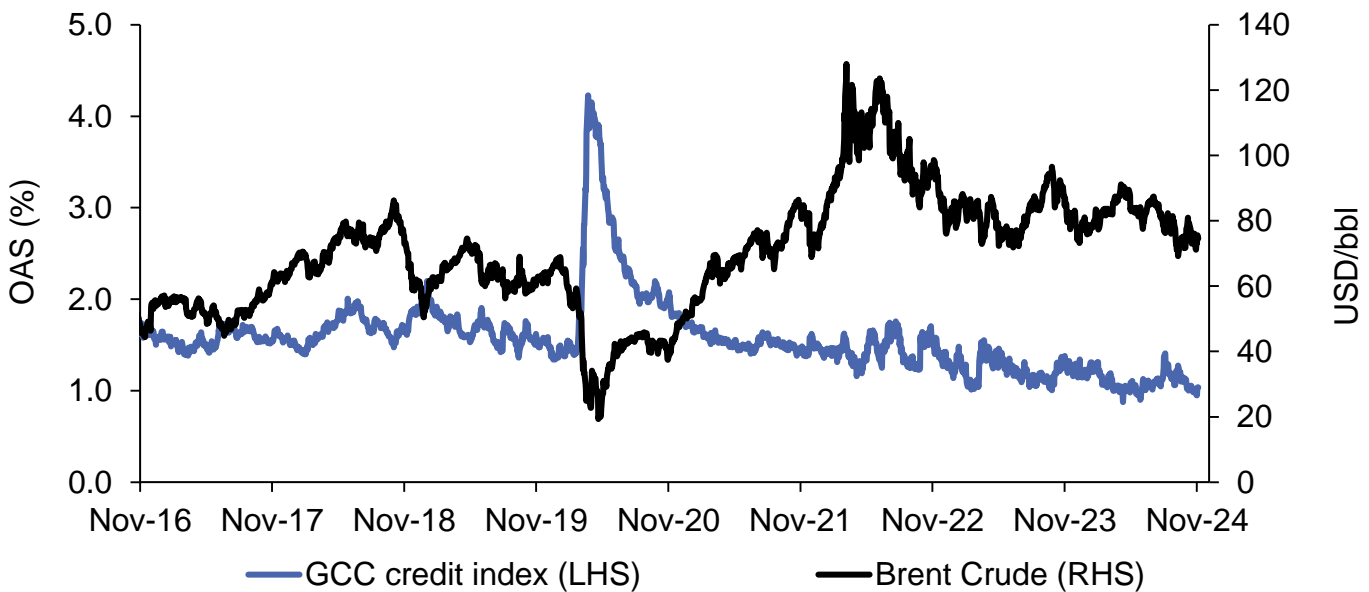
## Appendix

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



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

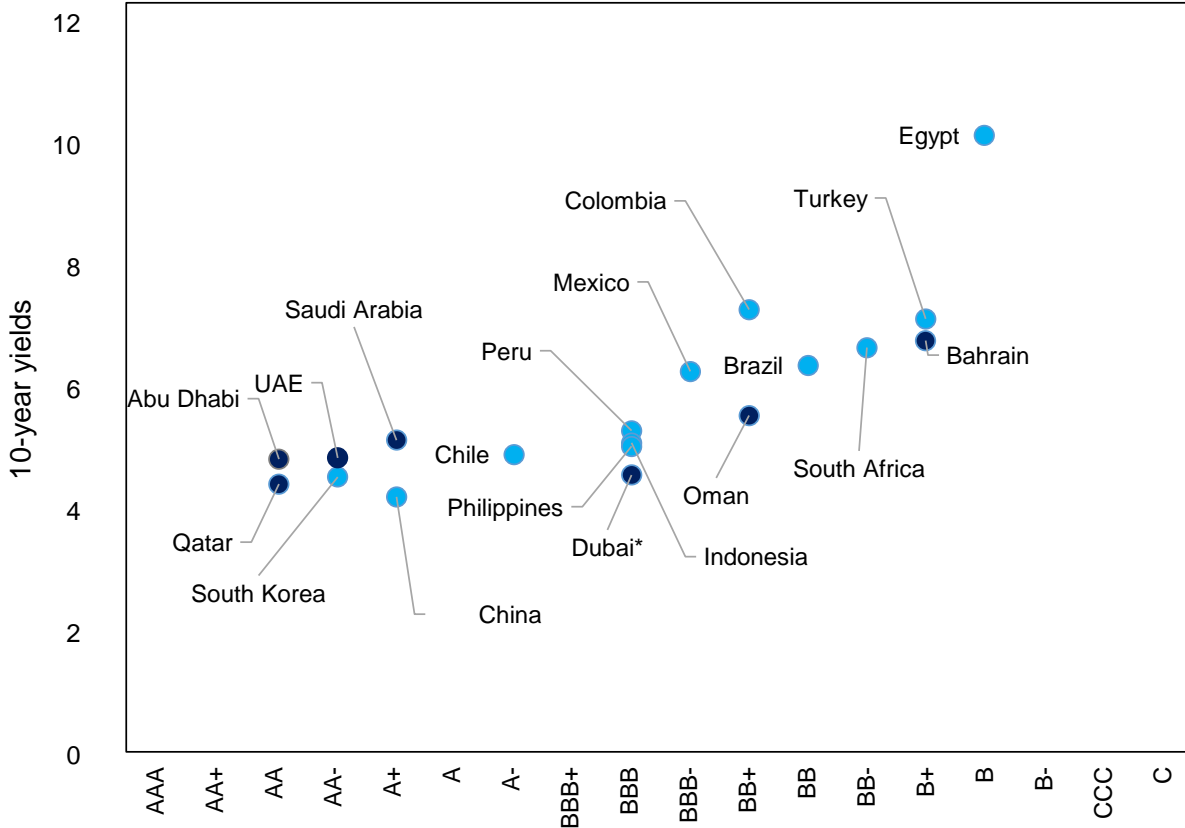
### GCC corporate OAS spread versus Brent Crude



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

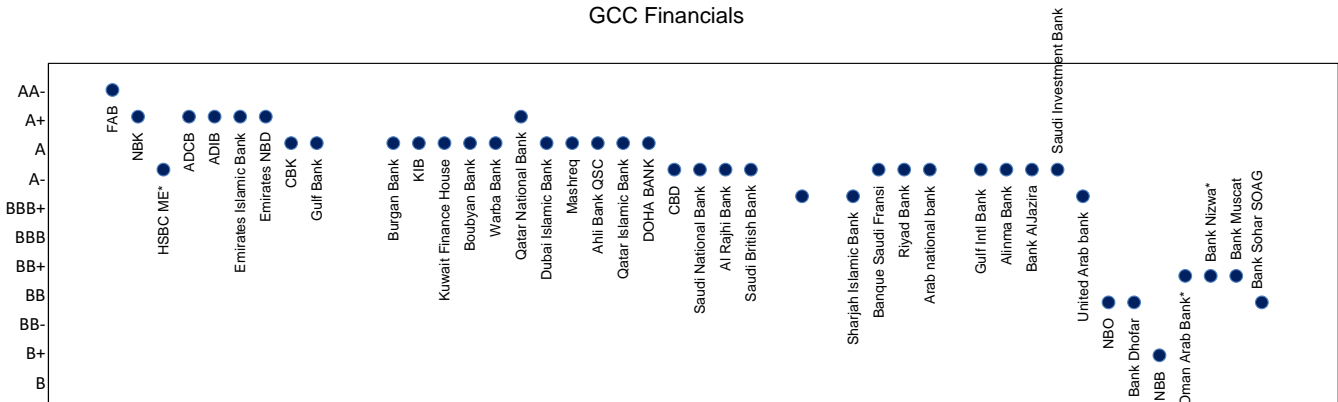
## GCC Sovereign Rating

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

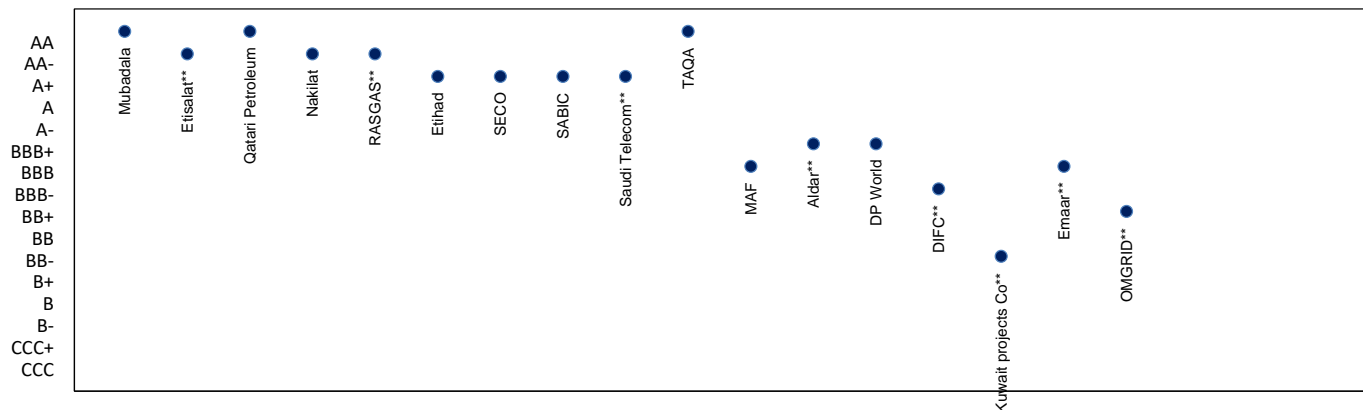
GCC Financials



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

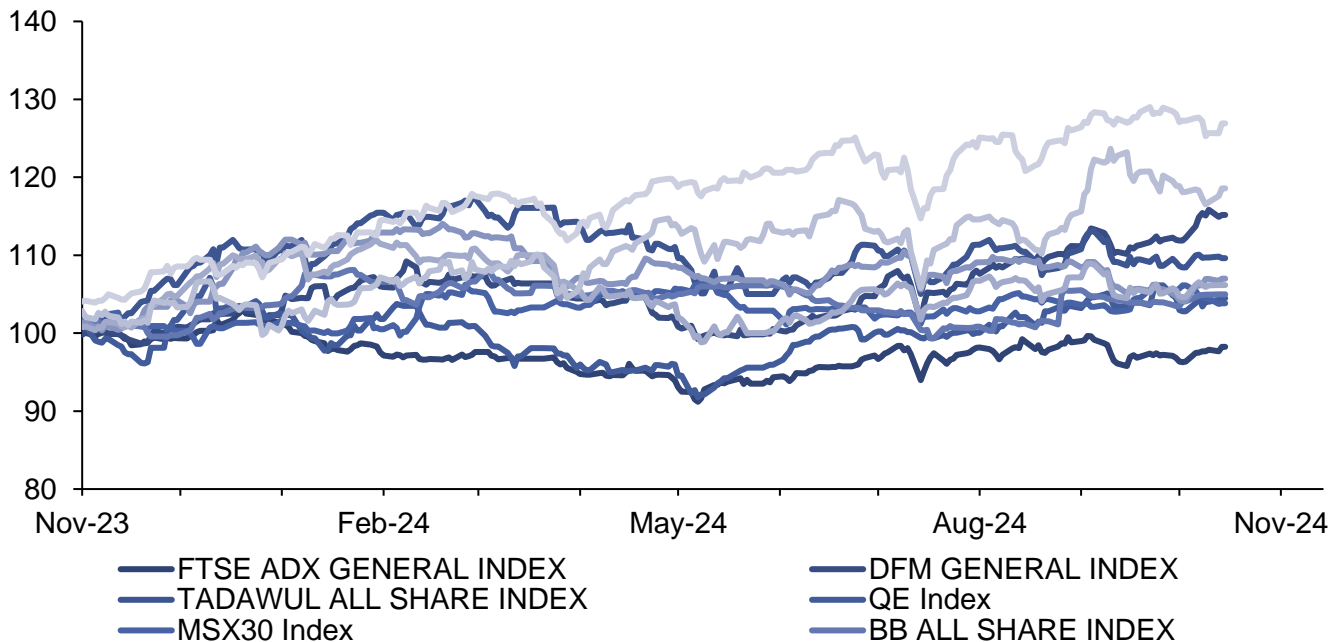
## GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	15.2x	1.8%	2.1%
DFM	9.1x	-	5.3%
Tadawul	17.2x	19.7%	3.7%
DSM	11.6x	8.1%	4.0%
MSM30	10.3x	-47.2%	5.5%
BHSE	7.8x	-	3.6%
KWSE	12.8x	2.5%	4.1%
MSCI GCC	14.4x	7.0%	3.8%
MSCI EM	13.7x	14.4%	2.5%
MSCI ACWI	19.8x	8.4%	1.8%

Notes: \*data as of 06 November 2024  
Source: Bloomberg, ADCB

## GCC equity 1Y Performance

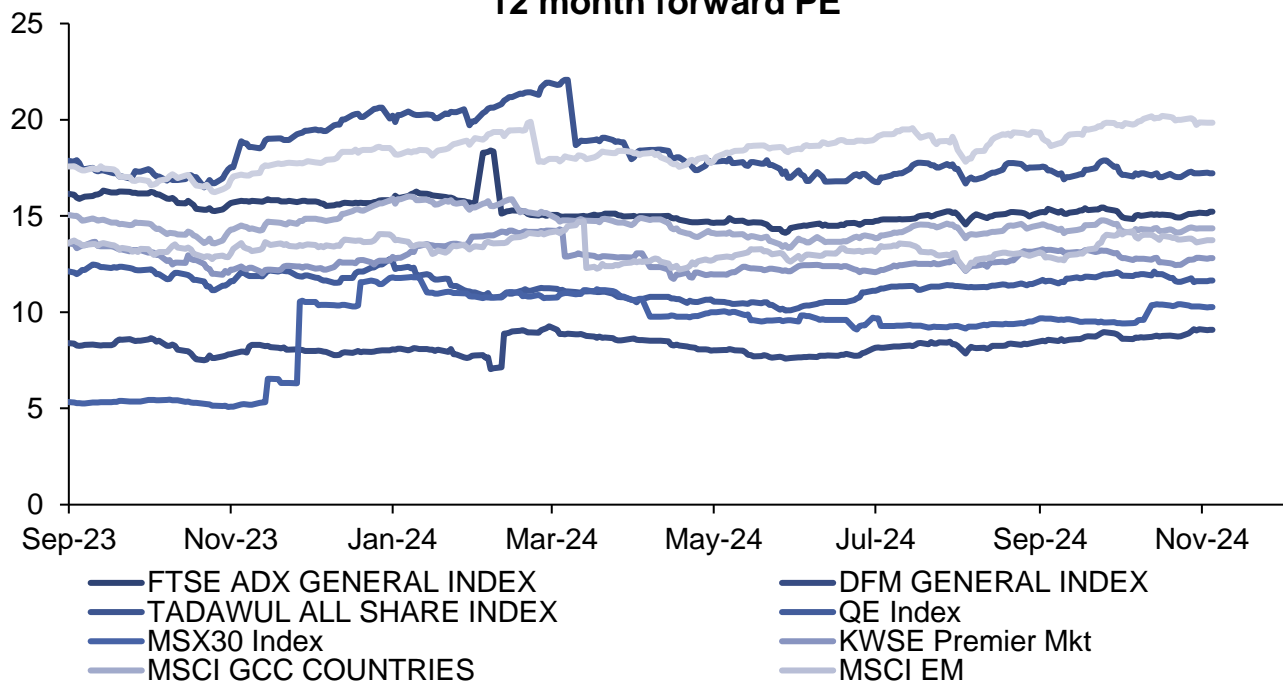
### 1Y performance



Source: Bloomberg, ADCB

## GCC equity 12m forward PE

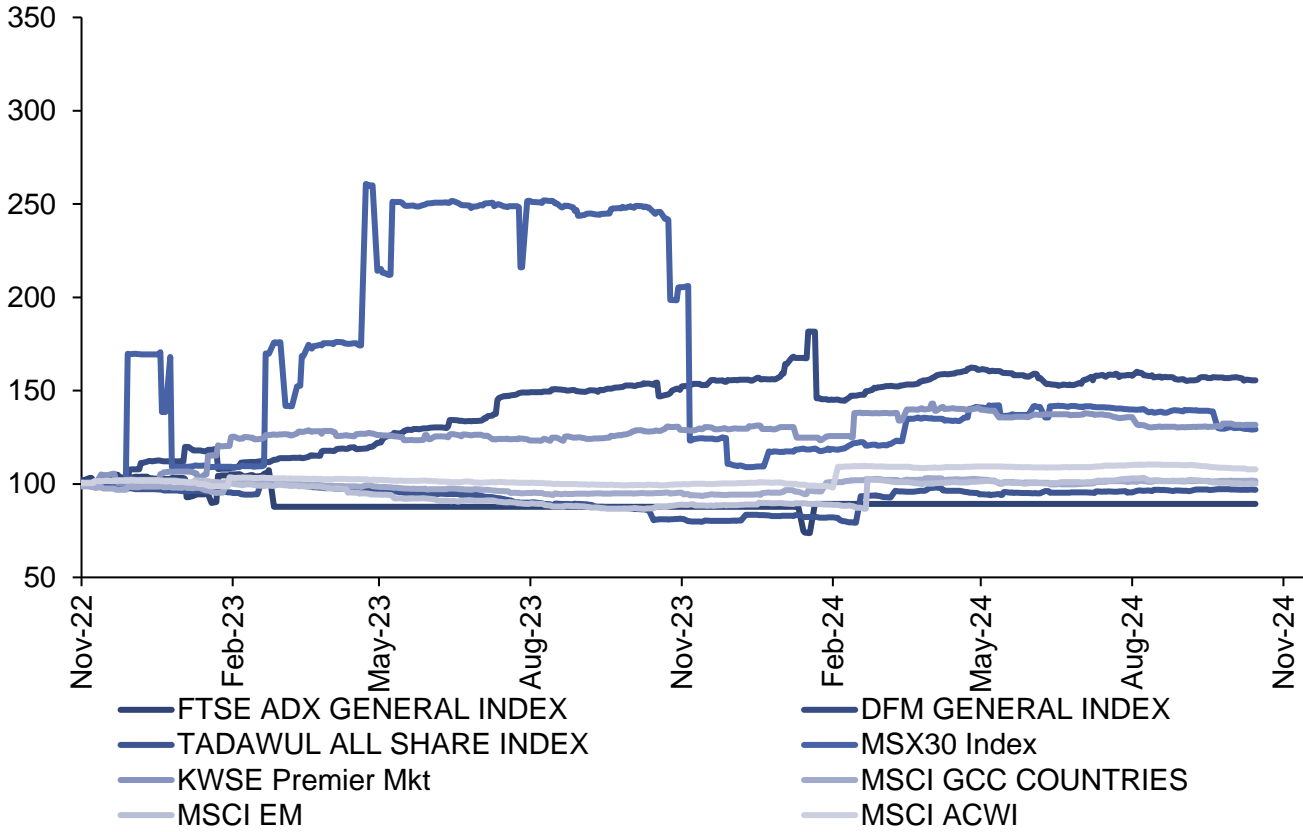
### 12 month forward PE



Source: Bloomberg, ADCB

## GCC equity 12m forward EPS

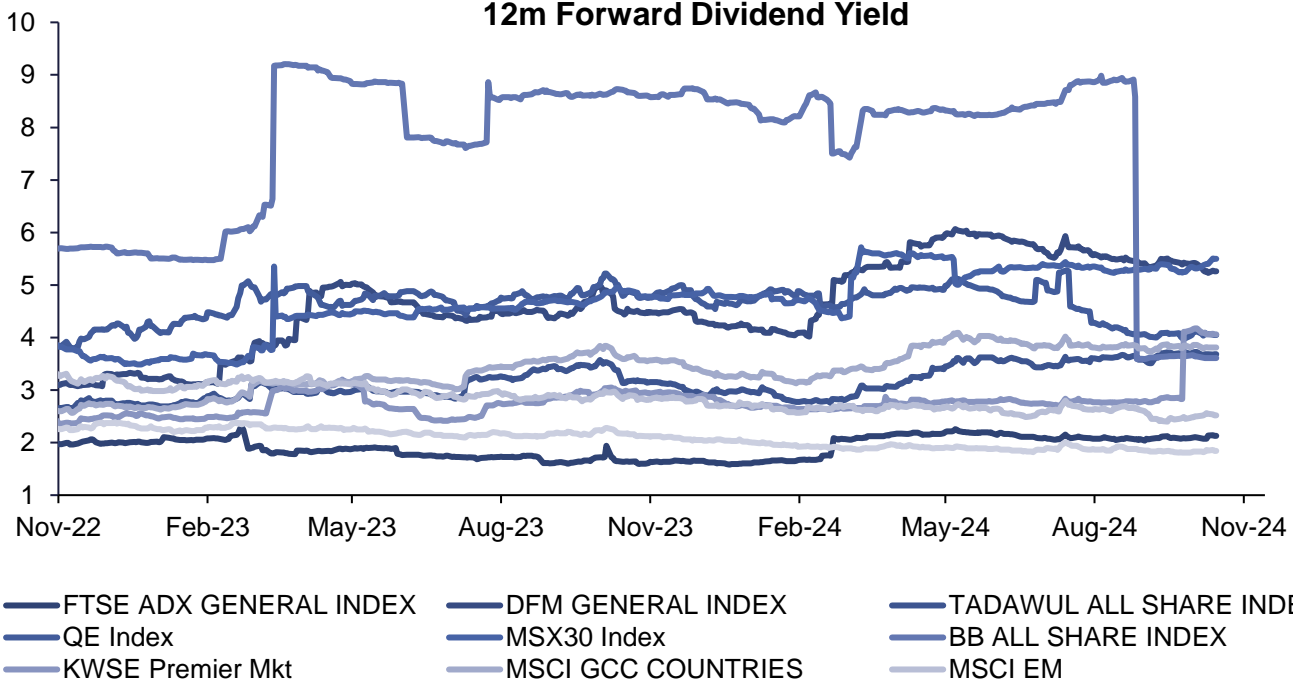
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

## GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB



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