

GCC market performance

GCC fixed income:

Global aggregate bond index declined over the week (ending 12th November 2024). The underperformance was led by DM Treasuries as UST yields jumped on concerns over Trump's possible reflationary policy agenda. DM corporate and Global HY rallied on the back of the positive risk sentiment. EM bonds also posted strong performance, led by EM LatAm.

All GCC bond indices rose with Saudi Arabia outperforming the most. 5yr CDS spreads tightened across all GCC countries. In the USD sovereign market, the 10yr USD bond yields fell across the GCC countries with the exception of Dubai. Saudi Arabia bond yields declined the most.

GCC equities:

MSCI GCC posted marginal returns, performing in line with MSCI ACWI while outperforming MSCI EM. Dubai equities outperformed rising 1.84% while Qatar equities fell the most falling 1.04%.

GCC key developments:

- **GCC central banks cut interest rates following US Fed rate cut.**
- **Talabat Holding plc announced its intention to float on the Dubai Financial Market**
- **Lulu IPO raised USD1.72bn in UAE's largest listing this year.**
- OPEC: UAE continues to exhibit solid economic growth.
- Oman recorded lowest inflation in GCC for September.

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)
Fixed Income				3M interbank			
Global Agg	467.4	-0.20	0.19	Saudi	5.51	-4.65	-71.80
Global Treasuries	197.0	-0.28	-1.50	UAE	4.61	15.94	-80.58
EM USD Agg TR	1251.4	0.66	7.79	Kuwait	3.94	0.0	-37.50
EM LatAm TR	1131.1	0.87	11.85	Bahrain	5.84	-17.48	-68.00
EM EMEA TR	369.8	0.67	6.49	Oman	5.03	-23.50	-101.00
EM Asia TR	651.5	0.38	5.34	Qatar	4.93	-	-120.00
Bahrain TR	203.7	0.41	7.39	US SOFR	4.60	-21.00	-79.00
Oman TR	157.3	0.57	5.22	5Y Sov. CDS			
Kuwait TR	156.7	0.15	5.69	Saudi Arabia	64.97	-0.70	10.60
Qatar TR	139.1	0.58	3.47	Abu Dhabi	44.09	-0.70	0.40
Saudi Arabia TR	142.3	0.70	2.77	Dubai	66.36	-0.30	-
UAE TR	143.2	0.40	3.58	Kuwait	71.34	-4.00	16.30
Equity				Bahrain	191.49	-1.70	-21.20
ADX	9419.7	-0.06	-3.04	Oman	102.16	-0.90	-20.10
DFM	4687.5	1.84	15.30	Qatar	43.53	-0.80	-3.30
Tadawul	12047.7	-0.38	1.00	10Y yield			
DSM	10458.2	-1.04	0.70	Saudi Arabia	5.07	-7.30	32.50
MSM30	4672.0	-0.89	2.02	Abu Dhabi	4.78	-5.10	50.60
BHSE	2028.5	0.41	3.31	Dubai	4.71	2.00	3.00
KWSE	7798.6	1.08	2.21	Kuwait	4.57	-1.50	28.90
MSCI GCC	713.8	0.25	-0.07	Bahrain	6.51	-0.30	-24.00
MSCI EM	1103.2	-2.53	9.97	Oman	5.45	-3.60	-4.20
MSCI ACWI	856.8	0.25	19.92	Qatar	4.61	-3.20	39.10

Note: data from 6th November 2024 to 12th November 2024, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

GCC central banks cut interest rates following US Fed rate cut

Central banks in the GCC cut interest rates by 25bp after the US federal reserve announced its second interest rate cut this year. The Saudi Central Bank (SAMA) reduced its repurchase agreement (Repo) rate and reverse repo rate by 25bp each to 5.25% and 4.75% respectively. The UAE central bank (CBUAE) decided to cut the base rate applicable to the Overnight Deposit Facility (ODF) by 25bp, from 4.90% to 4.65%. The CBUAE decided to maintain the interest rate applicable to borrowing short-term liquidity from the CBUAE at 50bp above the Base Rate for all standing credit facilities. The central bank of Bahrain cut overnight deposit rate by 25bp from 5.50% to 5.25%. The Qatar central bank also reduced the current interest rates on the QCB deposit rate, QCB lending rate and QCB repo rate. The QCB deposit rate was cut by 30bp to 4.90%, QCB lending rate was reduced by 30bp to 5.40% and QCB repo rate by 30bp to 5.15%.

(Source: *Zawya*)

Talabat Holding plc announced its intention to float on the Dubai Financial Market

Talabat Holding plc, the leading on-demand online food ordering, delivery, takeaway and groceries and convenience retail marketplace in the MENA region, announced its intention to proceed with an initial public offering and to list its ordinary shares for trading on the Dubai Financial Market ("DFM"). A total of 3,493,236,093 shares, each with a nominal value of AED0.04, will be made available in the offering.

(Source: *Zawya*)

Lulu IPO raised USD1.72bn in UAE's largest listing this year

UAE retail major Lulu Group has raised AED6.32bn (USD1.72bn) through its initial public offering, making it the country's largest listing so far this year. The hypermarket chain operator priced its shares at the top of the indicated range amidst strong investor demand for listings in the region. The retailer set the final price at AED2.04 per share for its public float on the Abu Dhabi Securities Exchange. It offered 30% of its total share capital, implying a market valuation on listing of AED21.07bn. The float, received aggregate demand of over AED135bn from local, regional and international investors.

(Source: *The National*)

OPEC says UAE continues to exhibit solid economic growth

The Organization of Petroleum Exporting Countries (OPEC) has said that the UAE continues to exhibit solid economic growth, particularly in the non-oil sector. UAE central government finances showed continued strength in 2Q'24 with revenues increasing by 9.1% YoY from 4.3% YoY in 1Q'24. This increase was primarily driven by improvements in tax revenue. Similarly, the report finds tax revenues in 2Q'24 reached AED95.5bn (approximately USD25.9bn), while total revenue stood at AED143.2bn (approximately USD38.9 bn)

(Source: *Zawya*)

Oman recorded lowest inflation in GCC for September

Oman recorded the lowest inflation rate in the GCC for September with CPI rising 0.4% YoY from 1.1% in August. Other GCC countries reported relatively higher inflation rates. Kuwait saw a 2.8% YoY increase in CPI, Dubai stood at 2.5% YoY and Saudi Arabia inflation was 1.7% YoY in September respectively.

(Source: *Zawya*)

GCC Weekly Market View

November 13 2024

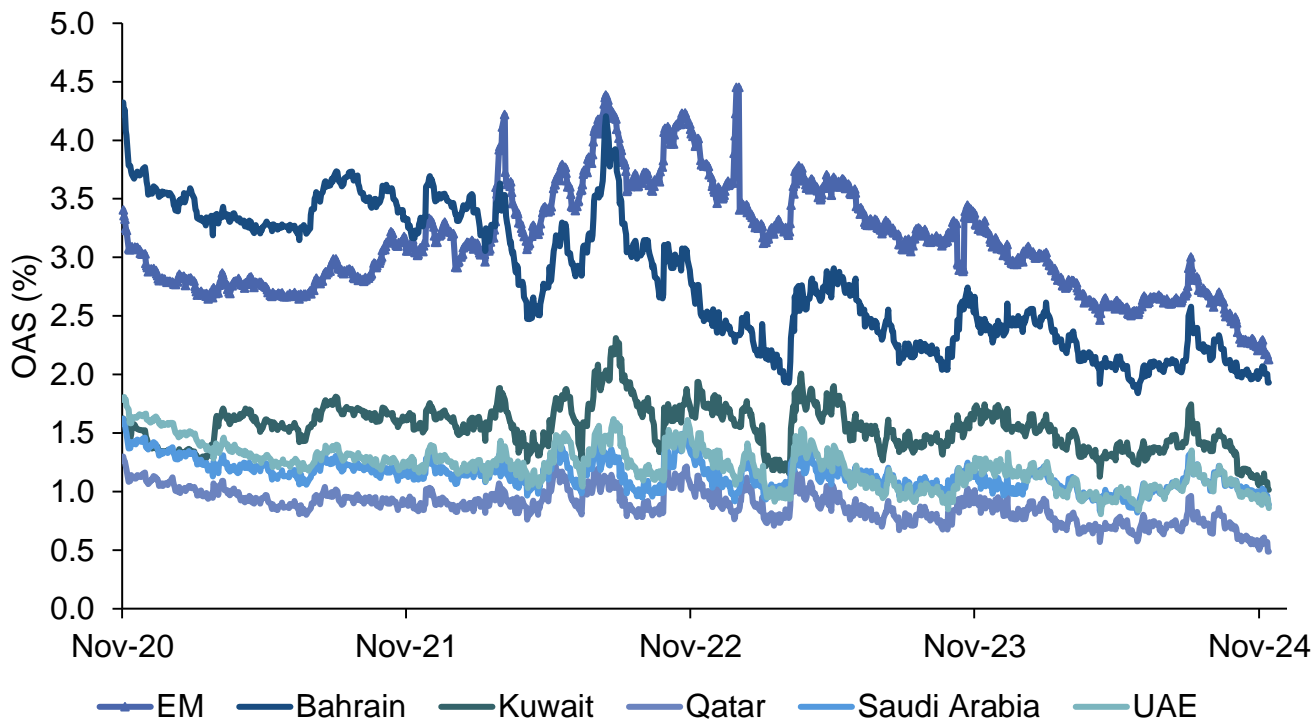
GCC bond issuances table

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

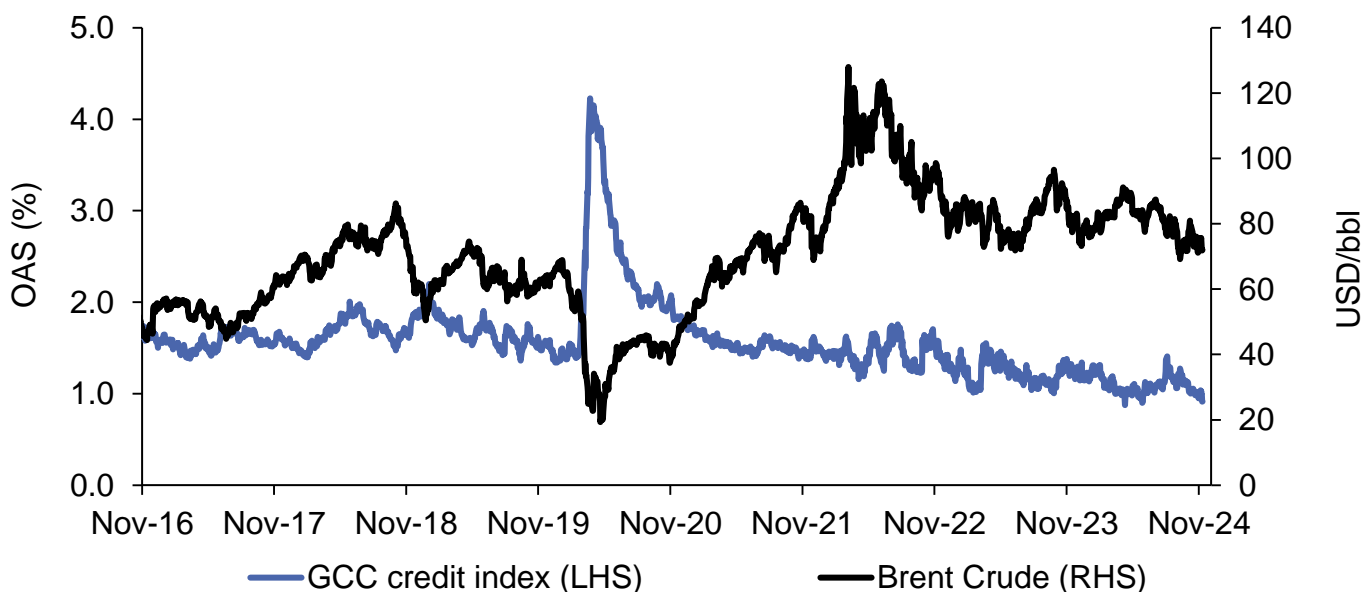
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



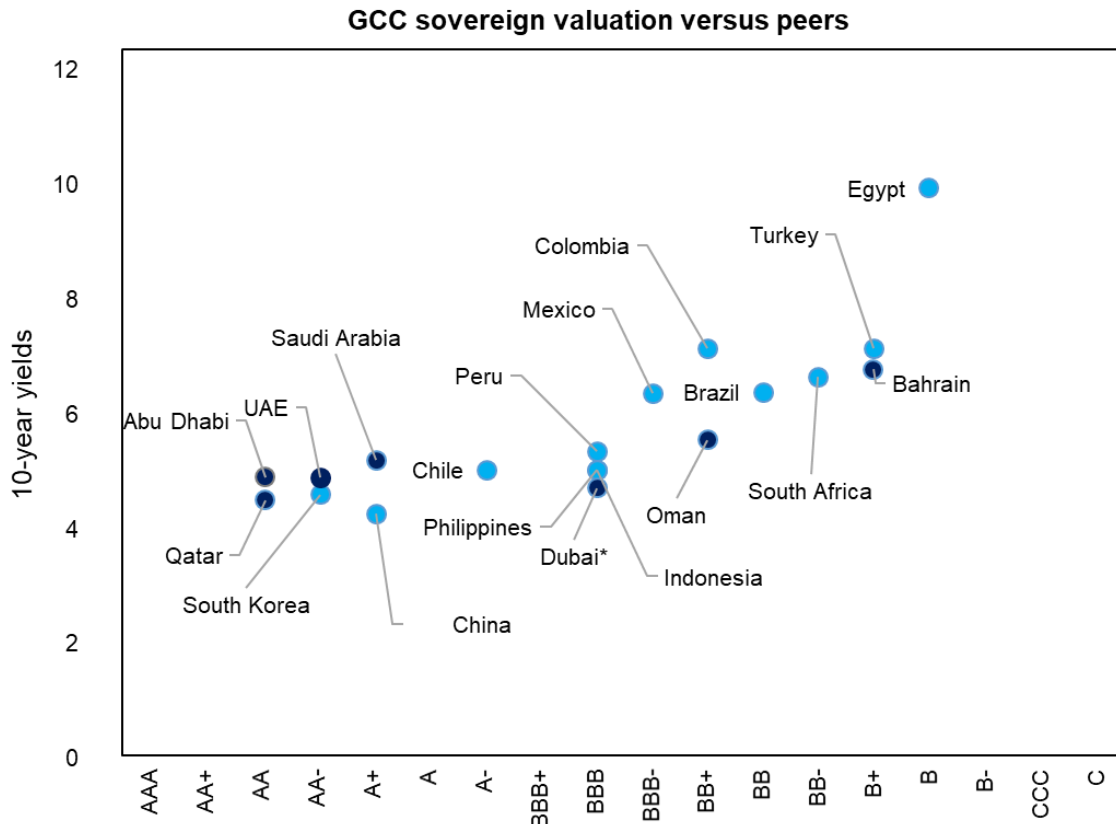
Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

GCC corporate OAS spread versus Brent Crude



Source: Bloomberg, ADCB Asset Management

10yr yield versus Credit ratings (EM vs GCC)



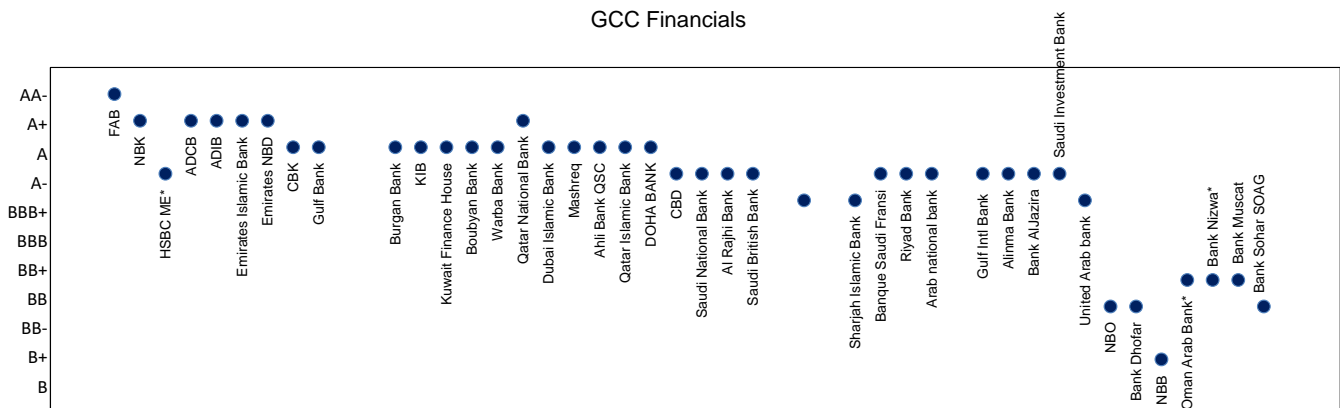
Source: Bloomberg, ADCB Asset Management, *Dewa rating used as a substitute for Dubai, Fitch ratings are used for all countries

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

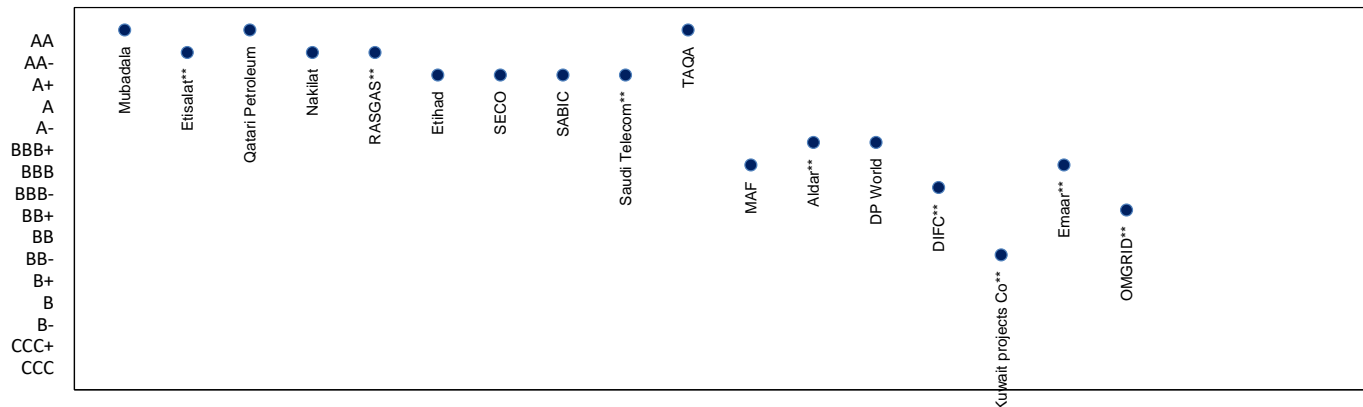
GCC Financials Credit Rating



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

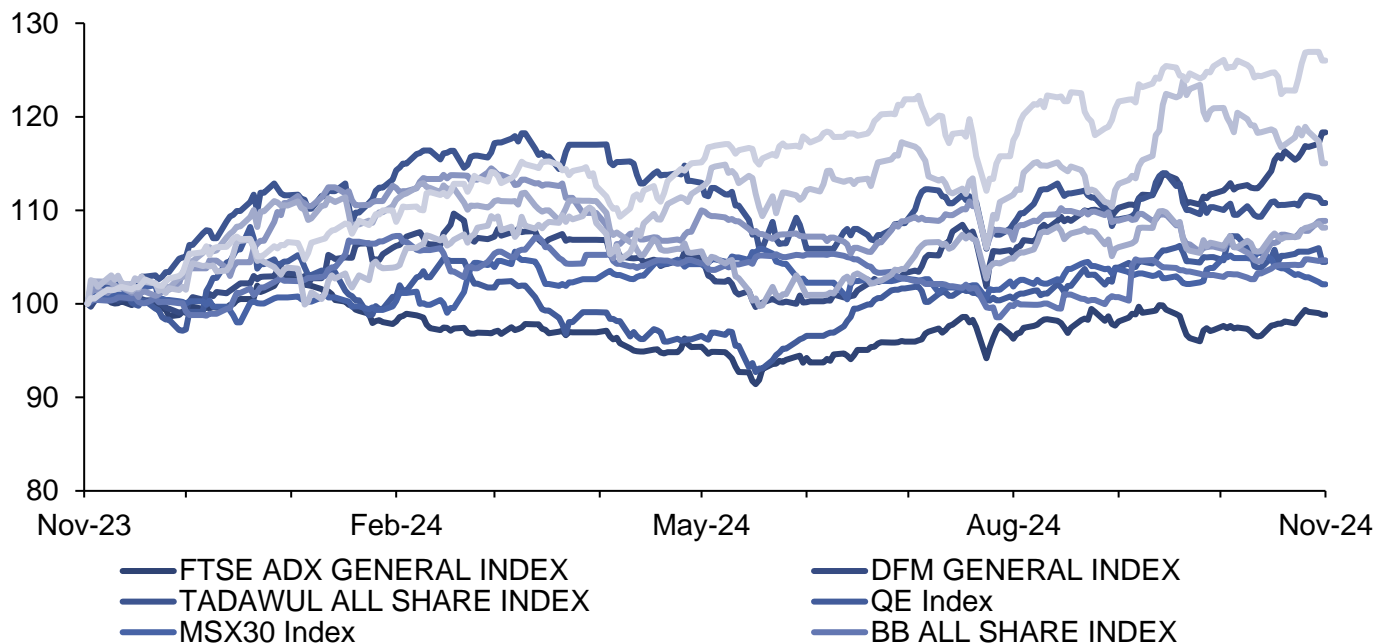
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	15.3x	1.8%	2.1%
DFM	9.3x	-	5.1%
Tadawul	17.6x	17.2%	3.7%
DSM	11.5x	8.1%	4.1%
MSM30	10.1x	-46.6%	5.5%
BHSE	7.9x	-	8.5%
KWSE	12.6x	4.4%	4.0%
MSCI GCC	14.6x	6.3%	3.8%
MSCI EM	13.8x	13.4%	2.6%
MSCI ACWI	20.5x	8.4%	1.8%

Notes: *data as of 13 November 2024
Source: Bloomberg, ADCB

GCC equity 1Y Performance

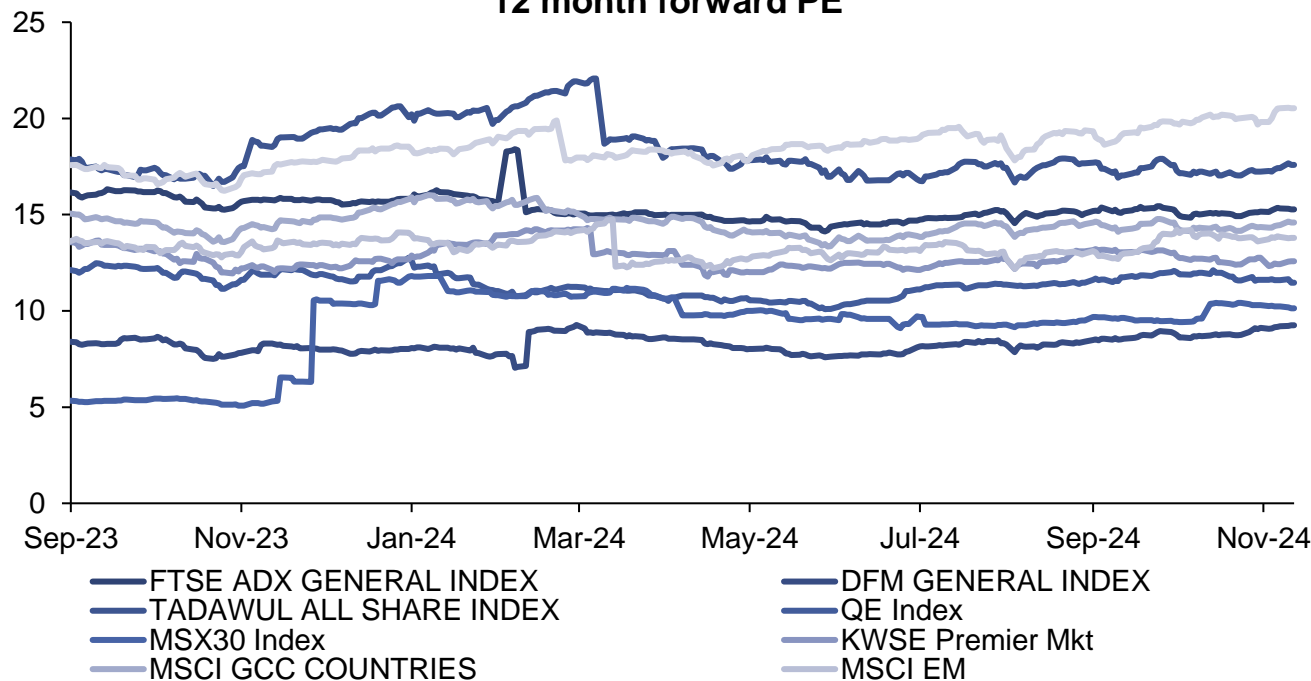
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

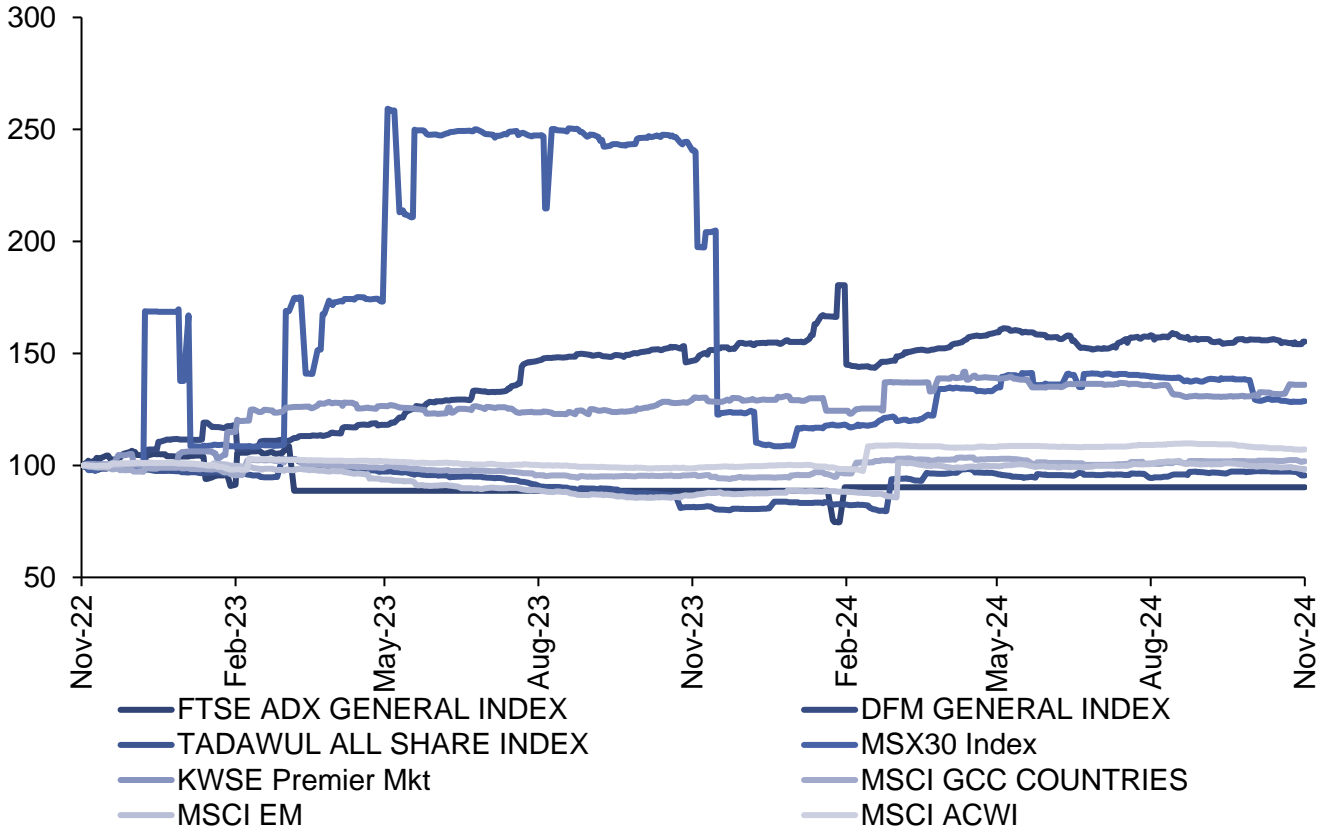
12 month forward PE



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

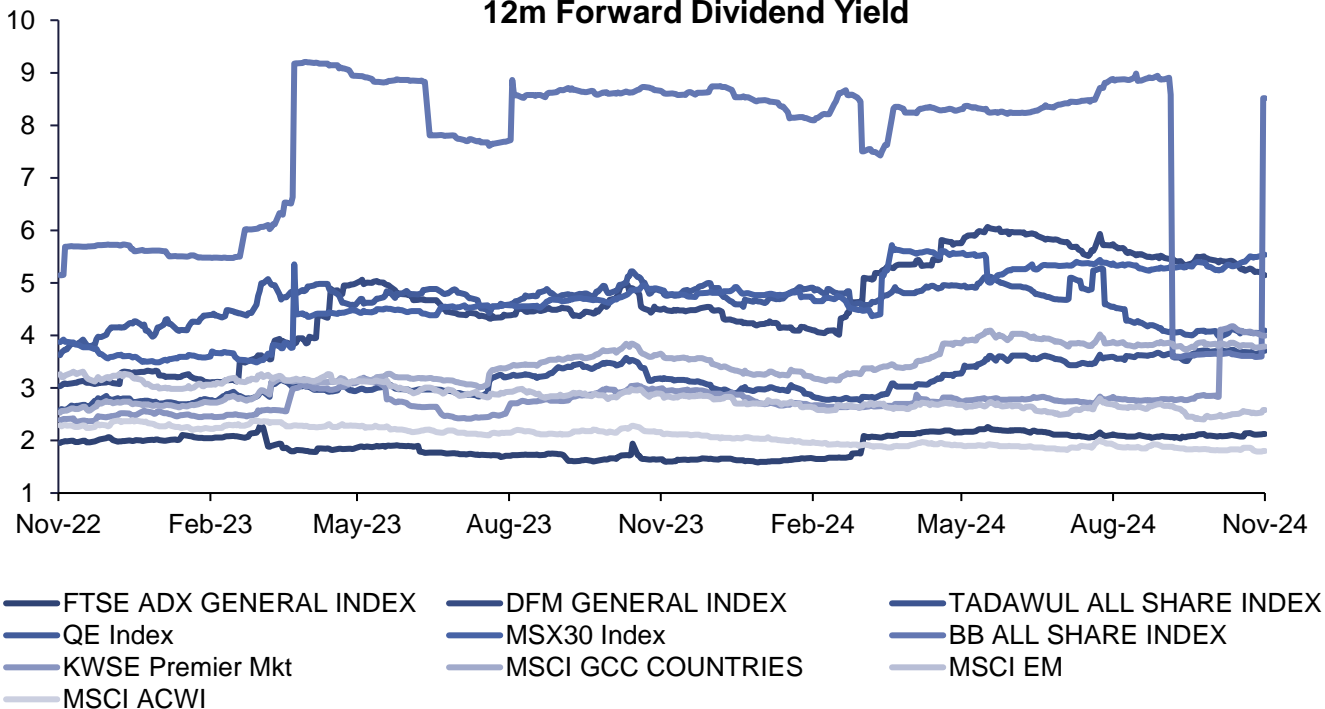
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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