

GCC market performance

GCC fixed income:

Global benchmark bond index recorded losses over the week (ending 22nd October 2024). 10Y UST yields rose as strong US data and renewed prospects of Trump winning the election reduced expectations of aggressive Fed rate cuts. In credit, Global corporate IG and Global HY bonds recorded losses. EM bonds had a negative week too, led by EM LatAm.

GCC bonds lacked appetite amidst the Middle-east concerns and higher UST yields and broad USD strength triggering a global debt sell-off. All GCC bond indices recorded negative returns with Qatar underperforming the most. However, 5yr CDS spreads widened across all GCC countries. In the USD sovereign market, the 10yr bond yields rose across all the GCC countries, led by Abu Dhabi amidst increased concerns over escalation of Middle-east conflict.

GCC equities:

All regional indices recorded declines last week. MSCI GCC was down (-0.73%), underperforming both MSCI EM (-0.16%) and MSCI ACWI (-0.11%). Within GCC, Qatar underperformed the most.

GCC key developments:

- **UAE GDP to grow by 4.1% in 2025 – as per World Bank.**
- The IMF lowered Saudi Arabia's 2024 growth forecast to 1.5%.
- Oman's Nominal GDP grew by 2.6% in Q2'24.
- Emirates NBD reported flat Q3'24 net profit.
- First Abu Dhabi Bank (FAB) posted Q3'24 net profit of USD1.2bn.
- Kuwait's NBK recorded 5.7% rise in Q3'24 net profit.
- **UAE LuLu to sell 25% of its shares in Abu Dhabi IPO.**

GCC bond issuances:

Bahrain's GFH Financial Group mandated banks for its USD500mn sukuk.

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GCC Weekly Market Performance

Index				Rates			
	Latest	-1w %	YTD %		Latest	-1w (bp)	YTD (bp)
Fixed Income				3M interbank			
Global Agg	473.7	-1.02	1.54	Saudi	5.61	0.57	-62.35
Global Treasuries	200.3	-1.05	0.15	UAE	4.49	-11.19	-92.53
EM USD Agg TR	1249.3	-1.05	7.62	Kuwait	3.94	0.0	-37.50
EM LatAm TR	1122.5	-1.48	11.00	Bahrain	6.02	-0.64	-50.53
EM EMEA TR	369.9	-0.89	6.52	Oman	5.23	-19.25	-81.00
EM Asia TR	653.1	-0.78	5.59	Qatar	5.18	-2.50	-95.00
Bahrain TR	204.6	-0.40	7.86	US SOFR	4.82	-4.00	-57.00
Oman TR	157.7	-0.62	5.51	5Y Sov. CDS			
Kuwait TR	157.0	-0.15	5.94	Saudi Arabia	67.28	1.90	12.90
Qatar TR	139.7	-1.17	3.87	Abu Dhabi	46.11	1.30	2.40
Saudi Arabia TR	142.7	-1.08	3.12	Dubai	66.37	0.40	-
UAE TR	143.9	-0.80	4.05	Kuwait	77.92	-	22.80
Equity				Bahrain	193.28	2.20	-19.40
ADX	9235.7	-0.64	-4.83	Oman	107.26	2.40	-15.00
DFM	4474.5	-0.40	9.56	Qatar	45.45	0.70	-1.40
Tadawul	11897.3	-0.68	0.24	10Y yield			
DSM	10552.2	-1.51	1.81	Saudi Arabia	5.00	13.90	25.40
MSM30	4802.6	-0.35	4.73	Abu Dhabi	4.59	19.30	31.80
BHSE	1992.9	-0.54	1.35	Dubai	4.56	15.30	-12.40
KWSE	7511.7	-1.42	-1.54	Kuwait	4.31	13.70	2.50
MSCI GCC	702.8	-0.73	-1.62	Bahrain	6.26	15.10	-49.10
MSCI EM	1142.2	-0.16	13.86	Oman	5.31	11.00	-18.10
MSCI ACWI	851.3	-0.11	19.15	Qatar	4.39	15.00	16.40

Note: data from 16th October 2024 to 22nd October 2024, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

UAE GDP to grow by 4.1% in 2025 – as per World Bank

According to the World Bank, the UAE's GDP is projected to expand by 3.3% in 2024 and further rise to 4.1% in 2025. The country is expected to lead in real GDP per capita growth, with a rate of 2.5% in 2024 and 3.4% in 2025, largely driven by strong performance in the non-oil sector. Despite ongoing diversification efforts, the UAE's current account surplus is expected to decline to 7.5% of GDP in 2024, down from 9.2% in 2023. Fiscal surplus is expected to be 4.9% of GDP in 2024 and 4.7% in 2025.

(Source: Zawya)

IMF lowered Saudi Arabia's 2024 growth forecast to 1.5%

The International Monetary Fund (IMF) has further revised down its economic growth forecast for Saudi Arabia, projecting a GDP increase of 1.5% for 2024. This is a decrease from the IMF's earlier projection in July, when it adjusted Saudi Arabia's 2024 growth estimate to 1.7%, down almost a full percentage point from its April figures. The IMF also predicts that Saudi Arabia's growth will accelerate to 4.6% in 2025.

(Source: Zawya)

Oman's nominal GDP grew by 2.6% in Q2'24

Oman's economy continues to grow, primarily driven by expansion in non-oil sectors, alongside growth in both bank borrowings and deposits. By the end of the second quarter of 2024, Oman's nominal GDP increased by 2.6%, with real GDP growing 1.9%, according to data from the National Centre for Statistics and Information (NCSI). This growth was largely fueled by a 4.2% rise in the non-hydrocarbon sector.

(Source: Zawya)

Emirates NBD reported flat Q3'24 net profit

Emirates NBD (ENBD) reported flat net profit for Q3'24, at AED5.2bn (USD1.42bn), same as the corresponding period in 2023. Higher net interest income was offset by increased impairment charges and investments aimed at future growth.

(Source: Zawya)

First Abu Dhabi Bank (FAB) posted Q3'24 net profit of USD1.2bn

First Abu Dhabi Bank (FAB) posted a Q3'24 net profit of AED4.46bn (USD1.2bn), a 5% increase from the same period last year, driven by revenue growth that compensated for higher impairment charges. Operating income grew by 18% to AED8.2bn compared to the prior year, while total assets increased by 5% year-to-date, reaching AED1.2tn.

(Source: Zawya)

Kuwait's NBK recorded 5.7% rise in Q3 2024 net profit

National Bank of Kuwait (NBK) reported a 5.7% rise in Q3'24 net profit, totaling KWD165mn (USD538mn), attributed to increased operating income and lower provisions, despite higher operating expenses and taxes. For the nine-month period ending September 30, the bank's net profit was KWD457mn, with operating revenue reaching KWD318.6mn.

(Source: Zawya)

UAE LuLu to sell 25% of its shares in Abu Dhabi IPO

UAE LuLu is set to offer 2.58 billion shares, representing 25% of its equity, through a three-part IPO beginning on October 28 and ending on November 25. The company plans to list its shares on the Abu Dhabi Securities Exchange (ADX) in November. The final offering price will be announced on November 6, with the shares expected to be listed on November 14. LuLu aims for a total dividend payout of 75% of annual distributable profits after tax, paid semi-annually. The company intends to distribute dividends for the six months ending December 31, 2024, in the first half of 2025.

(Source: Zawya)

Bahrain's GFH Financial Group mandated banks for its USD500mn sukuk

Bahrain's GFH Financial Group has mandated banks for its USD500mn senior sukuk, which is expected to be issued on London Stock Exchange Group's International Securities Market (ISM). The Islamic investment bank also announced a tender offer and consent solicitation exercise for its outstanding bond, GFH Sukuk Ltd's 7.5% senior unsecured trust certificates, which mature in 2025. GFH plans to refinance through early redemption rights and issuance of a new bond on or around November 6.

(Source: Zawya)

GCC Weekly Market View

October 23 2024

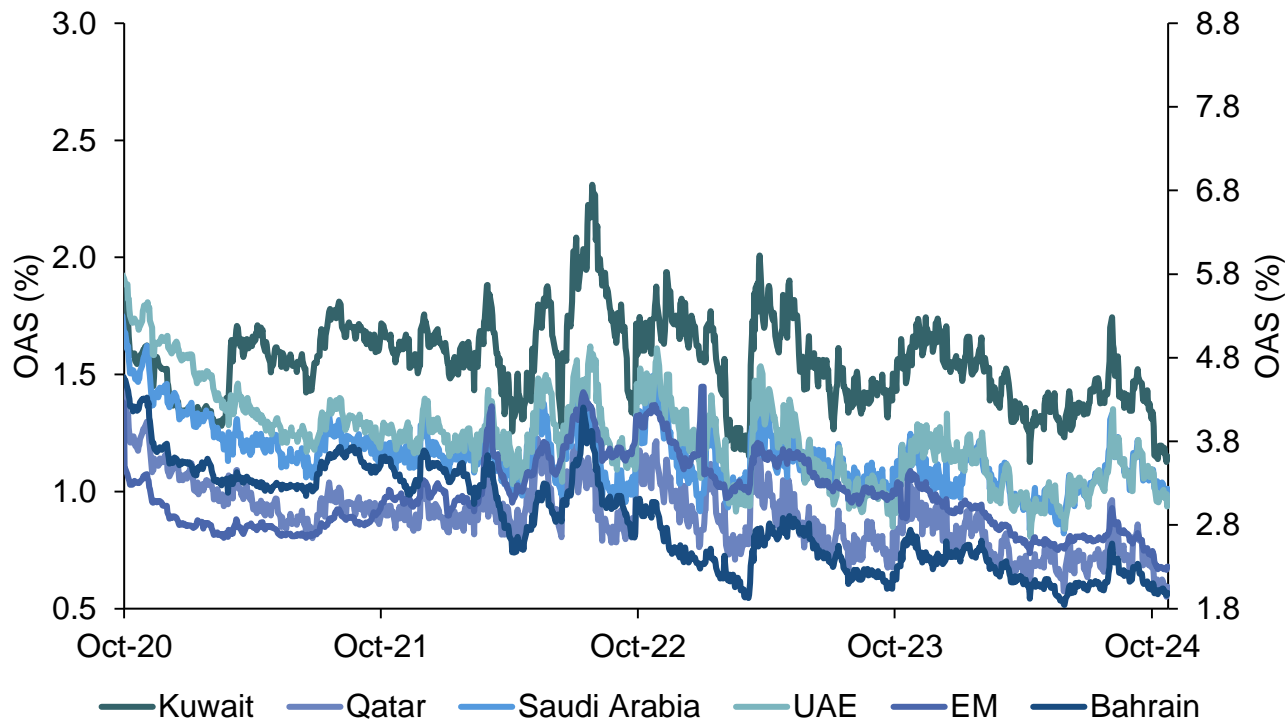
GCC bond issuances table

Issuer	BBG	Sector	Country	Issue Amt*	Cpn	Maturity	Maturity Type	Currency	Issue Date	Rtg [^]	YTM (mid)	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	-

*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

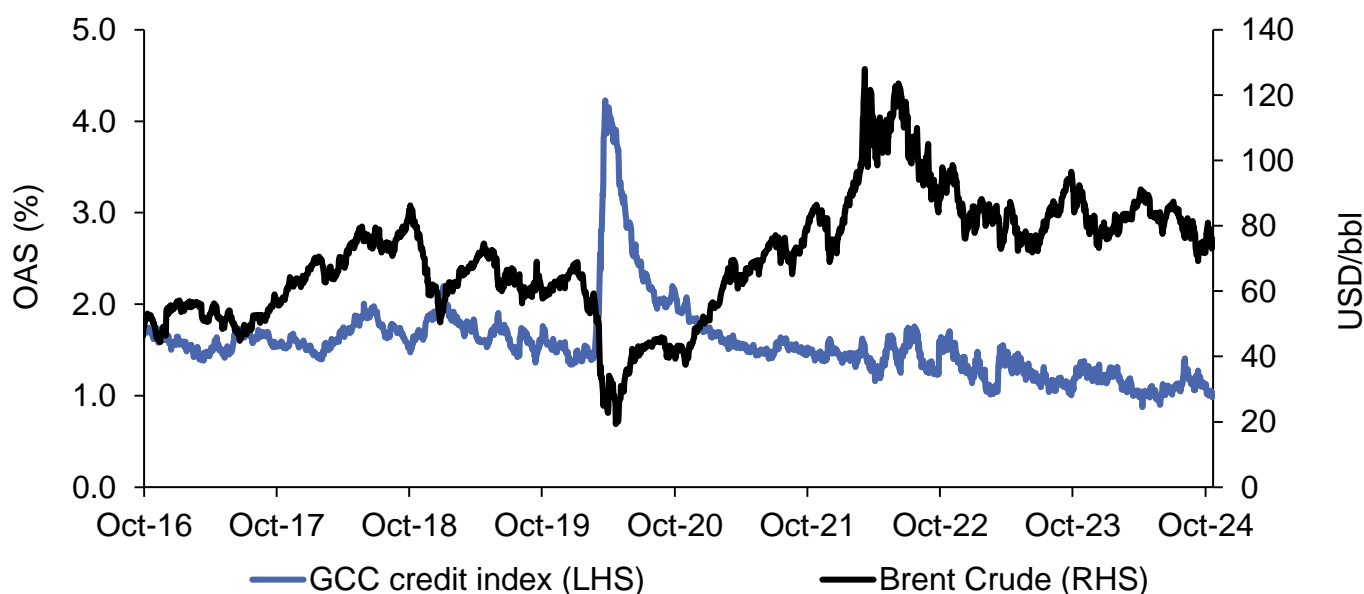
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

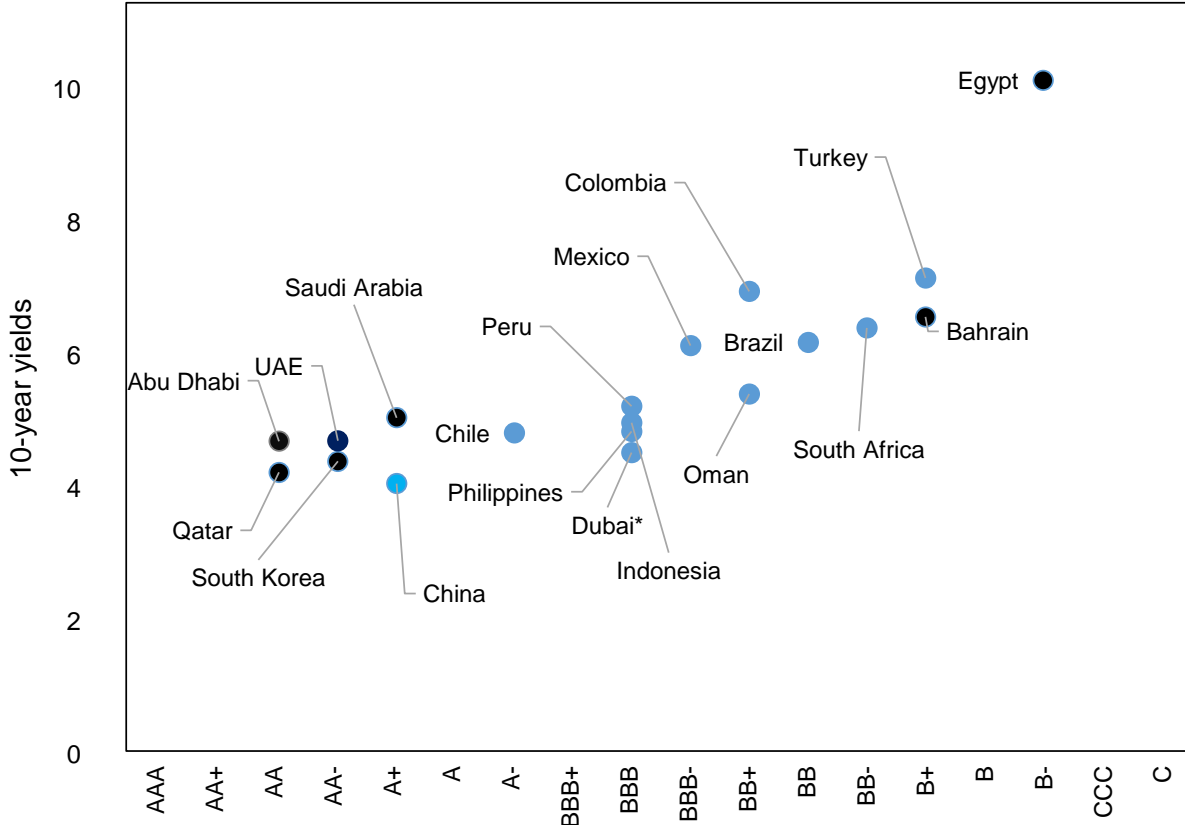
GCC corporate OAS spread versus Brent Crude



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

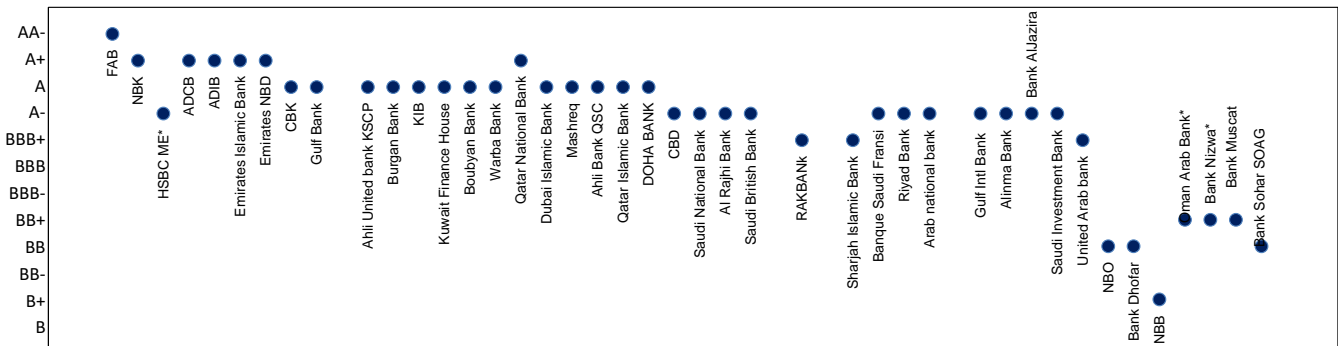
GCC Sovereign Rating

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

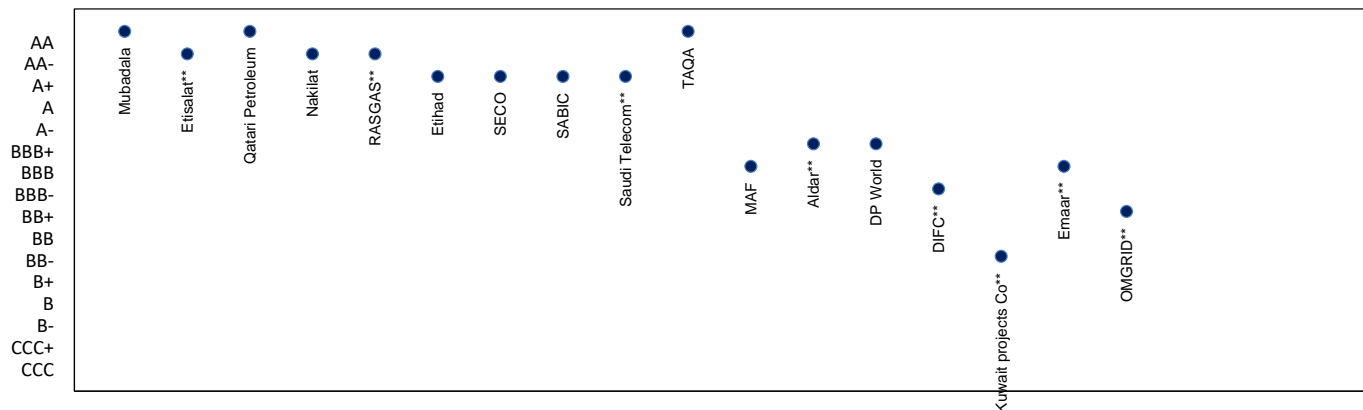
GCC Financials



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

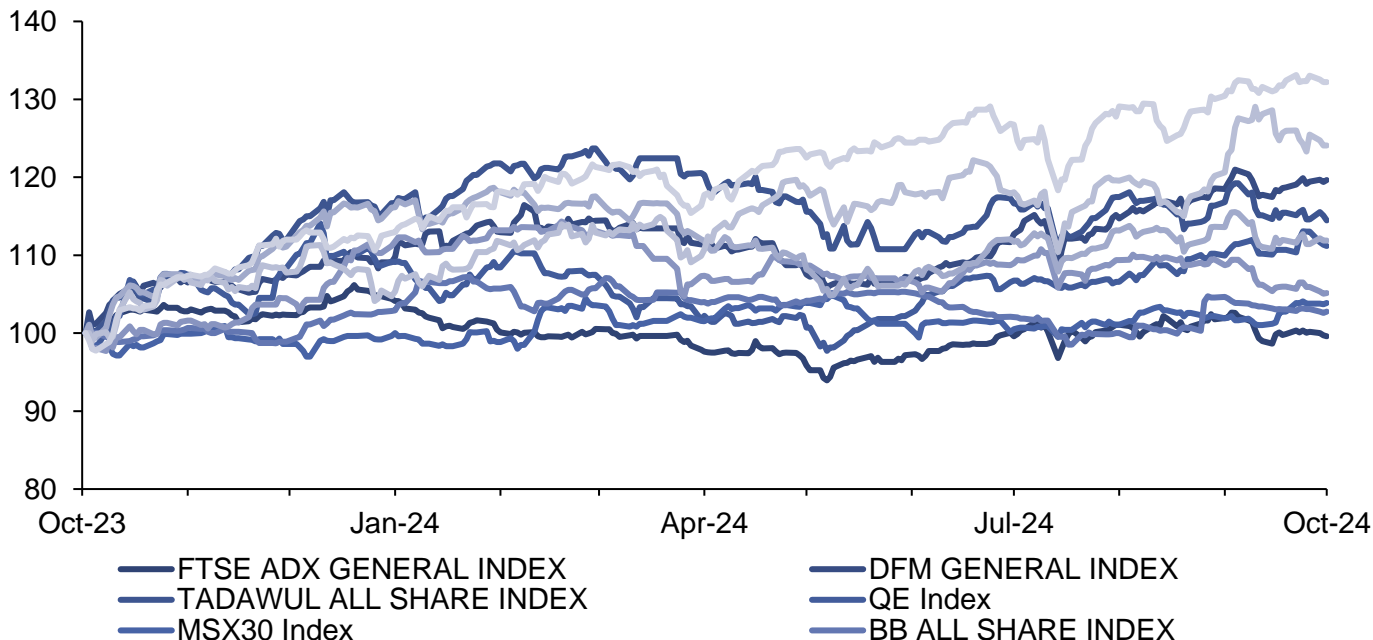
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	15.0x	1.8%	2.1%
DFM	8.7x	-	5.4%
Tadawul	17.3x	11.0%	3.7%
DSM	11.8x	7.4%	4.1%
MSM30	10.3x	-47.4%	5.3%
BHSE	7.7x	-	3.7%
KWSE	12.5x	3.3%	4.1%
MSCI GCC	14.4x	6.6%	3.8%
MSCI EM	13.9x	15.6%	2.5%
MSCI ACWI	20.2x	9.2%	1.8%

Notes: *data as of 23 October 2024
Source: Bloomberg, ADCB

GCC equity 1Y Performance

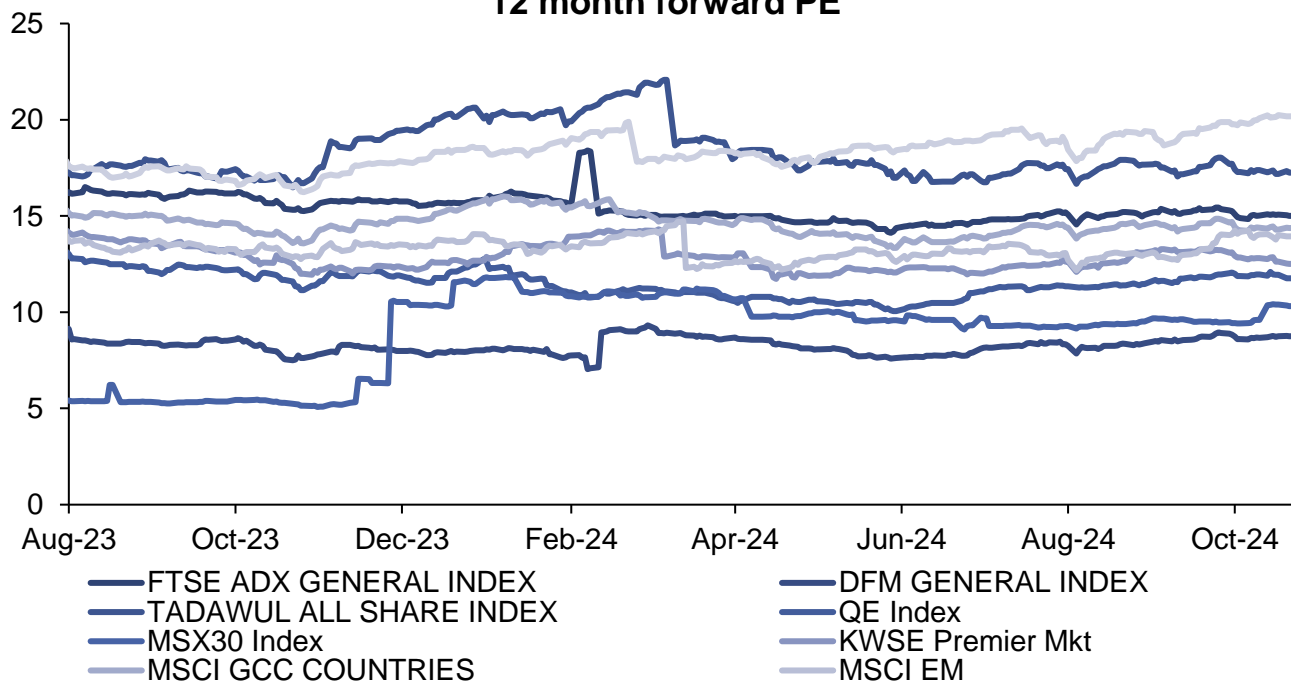
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

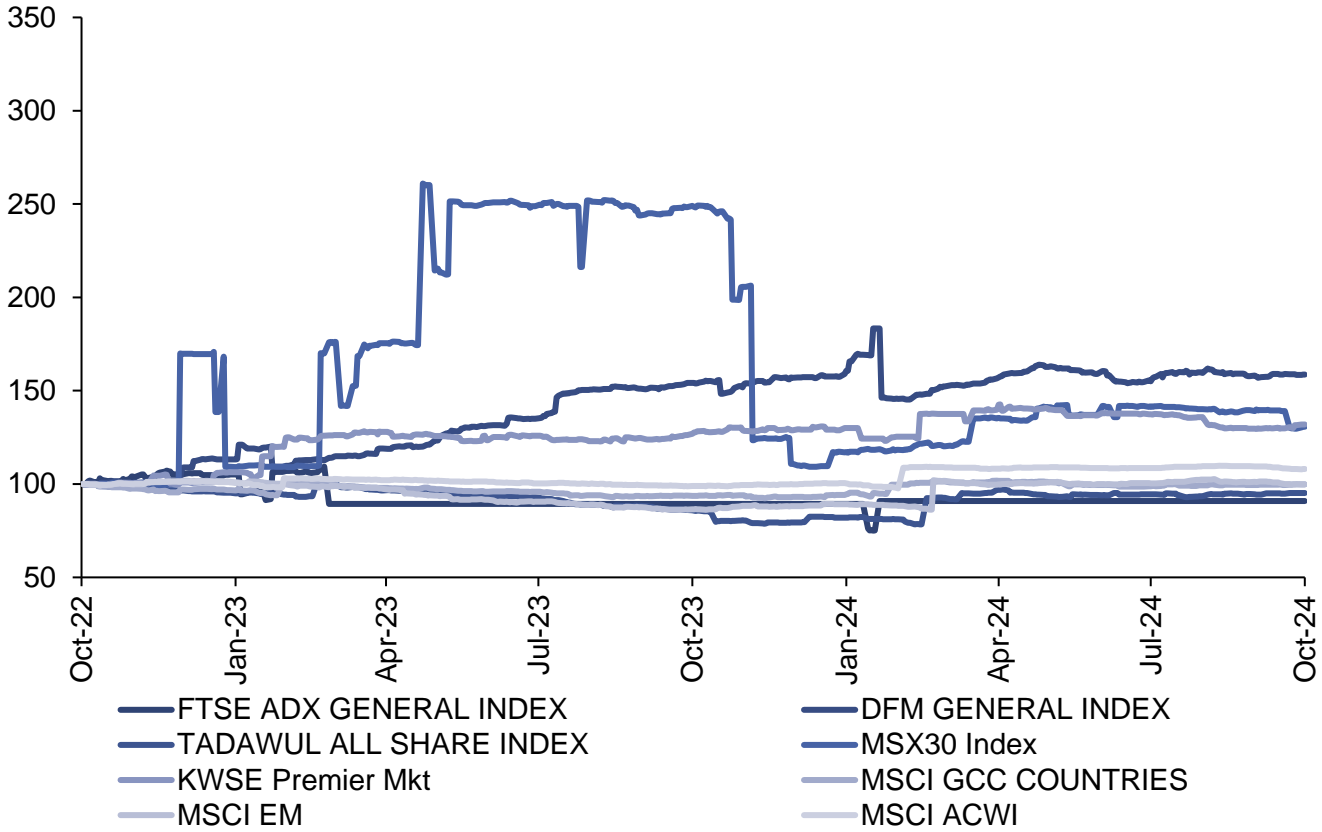
12 month forward PE



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

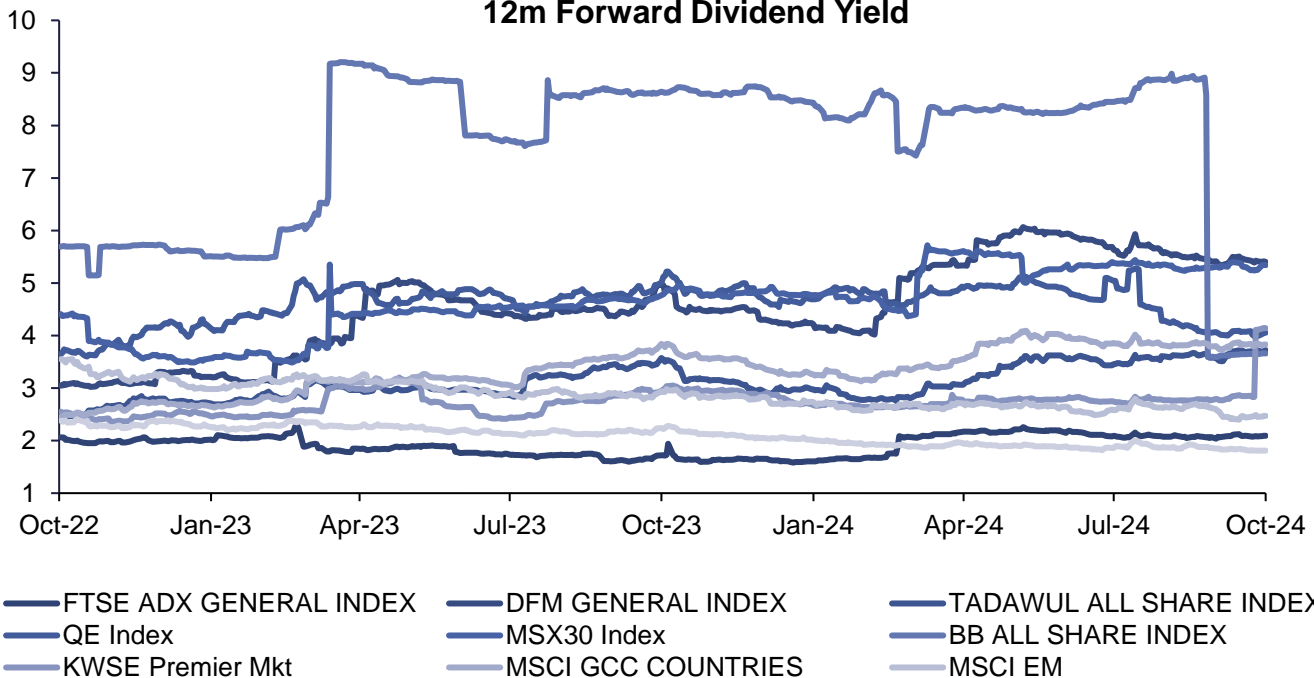
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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