

GCC market performance

GCC fixed income:

Global benchmark bond index recorded marginal losses over the week (ending 29th October 2024). 10Y UST yields rose over the week on strong US economic data and increased probability of a Trump win. In credit, Global corporate IG recorded marginal gains, but Global HY delivered strong returns. EM bonds had a positive week, led by EM LatAm.

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

GCC equities:

All regional indices posted gains last week with the exception of Oman, posting losses of (-0.84%). Dubai posted the largest weekly gains (2.67%), outperforming the rest of regional indices. MSCI GCC outperformed MSCI ACWI and MSCI EM.

GCC key developments:

- **Dubai approved 2025-2027 budget with USD74bn in expenditures.**
- Saudi Arabia's non-oil exports rose by 7.5% Y-o-Y August in 2024.
- Qatar's Consumer Price Index (CPI) increased in September 0.82% Y-o-Y.
- **Lulu Retail Holdings PLC announced offer price range.**
- Aldar Group Q3'24 net profit jumped 41% to USD345mn.

GCC bond issuances:

- **Mubadala's Mamoura launched a AED1bn sukuk.**
- **GFH Financial Group has successfully priced a 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	472.2	0.06	1.21	Saudi	5.69	7.55	-54.13
Global Treasuries	199.5	0.08	-0.25	UAE	4.61	19.02	-80.78
EM USD Agg TR	1249.5	0.24	7.63	Kuwait	3.94	0.0	-37.50
EM LatAm TR	1126.5	0.71	11.40	Bahrain	6.02	-0.09	-50.62
EM EMEA TR	369.5	0.07	6.41	Oman	5.38	-	-66.50
EM Asia TR	651.7	-0.05	5.36	Qatar	5.18	-	-95.00
Bahrain TR	204.3	-0.11	7.67	US SOFR	4.82	-1.00	-57.00
Oman TR	156.9	-0.32	4.95	5Y Sov. CDS			
Kuwait TR	156.9	-0.05	5.85	Saudi Arabia	62.76	-5.30	8.40
Qatar TR	139.3	-0.07	3.64	Abu Dhabi	43.51	-2.80	-0.20
Saudi Arabia TR	142.4	-0.04	2.88	Dubai	64.52	-1.80	-
UAE TR	143.5	-0.07	3.79	Kuwait	77.91	-	22.80
Equity				Bahrain	90.47	-1.90	-22.20
ADX	9312.4	1.17	-4.15	Oman	102.78	-2.90	-19.40
DFM	4583.4	2.67	12.40	Qatar	42.92	-2.60	-3.90
Tadawul	12062.1	1.35	1.12	10Y yield			
DSM	10590.5	1.68	1.97	Saudi Arabia	5.01	-0.90	26.30
MSM30	4766.3	-0.84	4.08	Abu Dhabi	4.66	4.00	39.20
BHSE	2017.1	1.35	2.73	Dubai	4.61	-0.70	-7.00
KWSE	7611.0	1.77	-0.25	Kuwait	4.33	8.40	5.00
MSCI GCC	707.6	1.47	-0.94	Bahrain	6.34	6.20	-40.60
MSCI EM	1137.9	-0.34	13.44	Oman	5.45	5.40	-4.00
MSCI ACWI	847.9	0.43	18.68	Qatar	4.48	5.30	25.90

Note: data from 23rd October 2024 to 29th October 2024, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

Dubai approved 2025-2027 budget with USD74bn in expenditures

Dubai has approved a record-breaking budget for 2025-2027, allocating AED272bn (USD74.06bn) for expenditures, with anticipated revenues reaching AED302bn, as announced by Sheikh Mohammed bin Rashid Al Maktoum. In June, Dubai outlined plans to invest AED30bn (AED8.2bn) to upgrade its rainwater drainage system as part of its infrastructure expansion. This budget also includes funding for the new Al Maktoum International Airport, valued at AED128bn (AED35bn). Additionally, 30% of the budget will support key public services, including healthcare, education, and other essential sectors.

(Source: *Zawya*)

Saudi Arabia's non-oil exports rose by 7.5% YoY August in 2024

According to the General Authority for Statistics (GASTAT), Saudi Arabia's non-oil exports rose by 7.5% YoY in August 2024, totaling SAR27.5bn (USD7.3bn), compared to SAR25.6bn in August 2023. The Kingdom's overall exports fell by 9.8%, reaching SAR92.8bn (USD24.7bn), mainly due to a 15.5% drop in oil exports, which totaled SAR65.3bn (USD17.3bn). This decline stems from reduced oil export volumes as part of the OPEC+ alliance's voluntary production cuts. Consequently, oil's share of total exports fell from 75.1% in August 2023 to 70.3% in August 2024. Imports also decreased by 3.9%, totaling SAR64.8bn (USD17.2bn) in August 2024. Saudi Arabia's trade surplus fell by 21% YoY to about SAR28bn, though it showed improvement compared to July.

(Source: *Zawya*)

Qatar's Consumer Price Index (CPI) increased 0.82% YoY in September

Qatar's Consumer Price Index (CPI) rose 0.33% MoM and 0.82% YoY in September. On a MoM basis, seven categories saw price increases, led by Recreation and Culture (up 3.15%), while three categories decreased, including Food and Beverages (down 0.99%) and Transport (down 0.75%). The Health and Tobacco categories remained unchanged. On a YoY basis, the annual CPI increase of 0.82% was mainly driven by price hikes in Recreation and Culture (up 12.57%) and Miscellaneous Goods and Services (up 6.24%).

(Source: *Zawya*)

Lulu Retail Holdings PLC announced offer price range between AED5.01bn and AED5.27bn

Lulu Retail Holdings PLC has announced to raise between AED5.01bn and AED5.27bn (USD1.36bn and USD1.43bn) through its upcoming IPO on the Abu Dhabi Securities Exchange (ADX). The company has established an offering price range of AED1.94 to AED0.04 per share, placing its anticipated market value between AED20.04bn and AED21.07bn. The subscription period, which has already started, will close on 5th November 2024, for UAE retail investors, eligible senior executives, and professional investors. The final share price will be set through a book-building process, with the announcement expected on 6th November 2024.

(Source: *Zawya*)

Aldar Group Q3'24 net profit jumped 41% YoY to USD345mn

Aldar Group saw a 41% YoY increase in net profit in Q3'24, reaching AED1.3bn (USD345mn), driven by rising housing demand. The real estate developer's revenue rose 61% YoY to AED5.6bn, with EBITDA also up 41% at AED1.5bn.

(Source: *Zawya*)

Mubadala's Mamoura launched a AED1bn sukuk

Mamoura Diversified Global Holding PJSC, an investment firm indirectly held by Abu Dhabi's Mubadala Investment Company, issued a sukuk worth AED1bn (USD272mn) with a 4.6% yield. Demand for the 5-year, senior unsecured sukuk exceeded AED2.3bn, and it was issued under Mamoura's new unlimited Trust Certificate Issuance Programme. The sukuk will be listed on both the London Stock Exchange and the Abu Dhabi Securities Exchange.

(Source: *Zawya*)

GFH Financial Group has successfully priced a USD500mn sukuk

GFH Financial Group has successfully priced a USD500mn, 5-year sukuk as part of its global sukuk program expansion. This issuance attracted strong interest, with the orderbook exceeding USD2bn, representing a four-fold oversubscription. The transaction's pricing was set at a 240bp tighter than GFH's previous issuance in 2020 relative to the US Treasury benchmark.

(Source: *Zawya*)

GCC Weekly Market View

October 30 2024

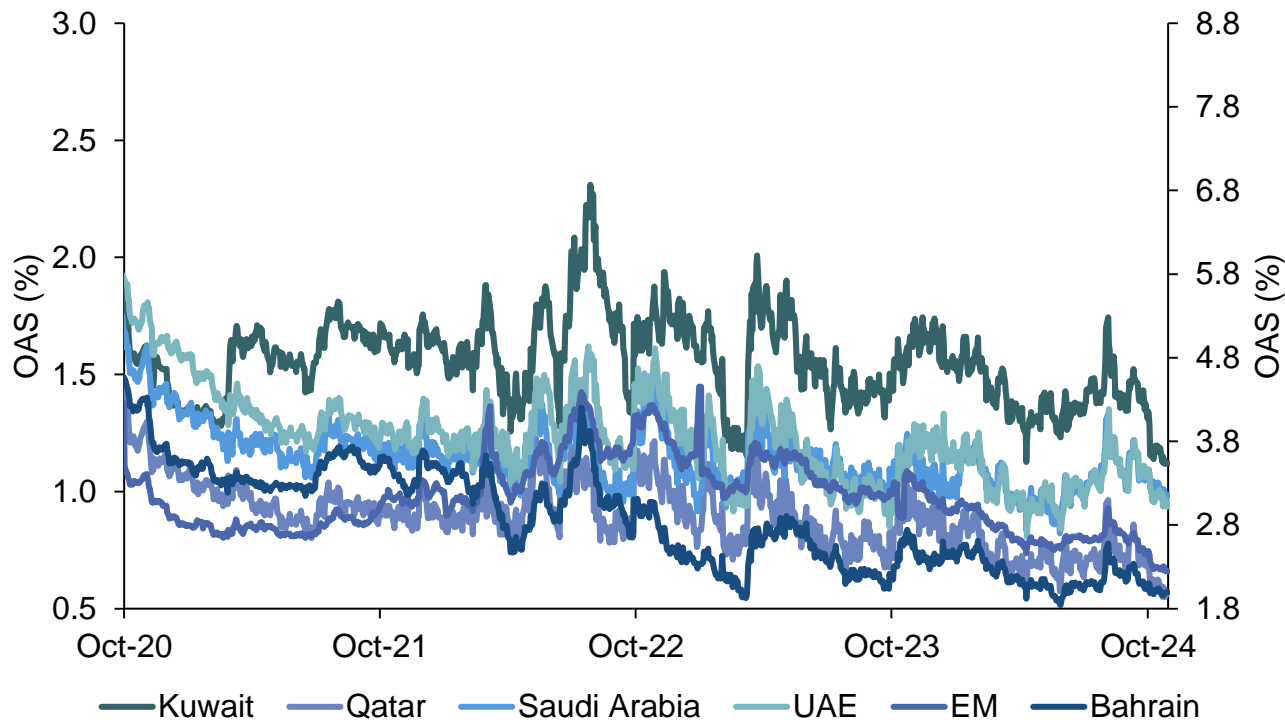
GCC bond issuances table

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

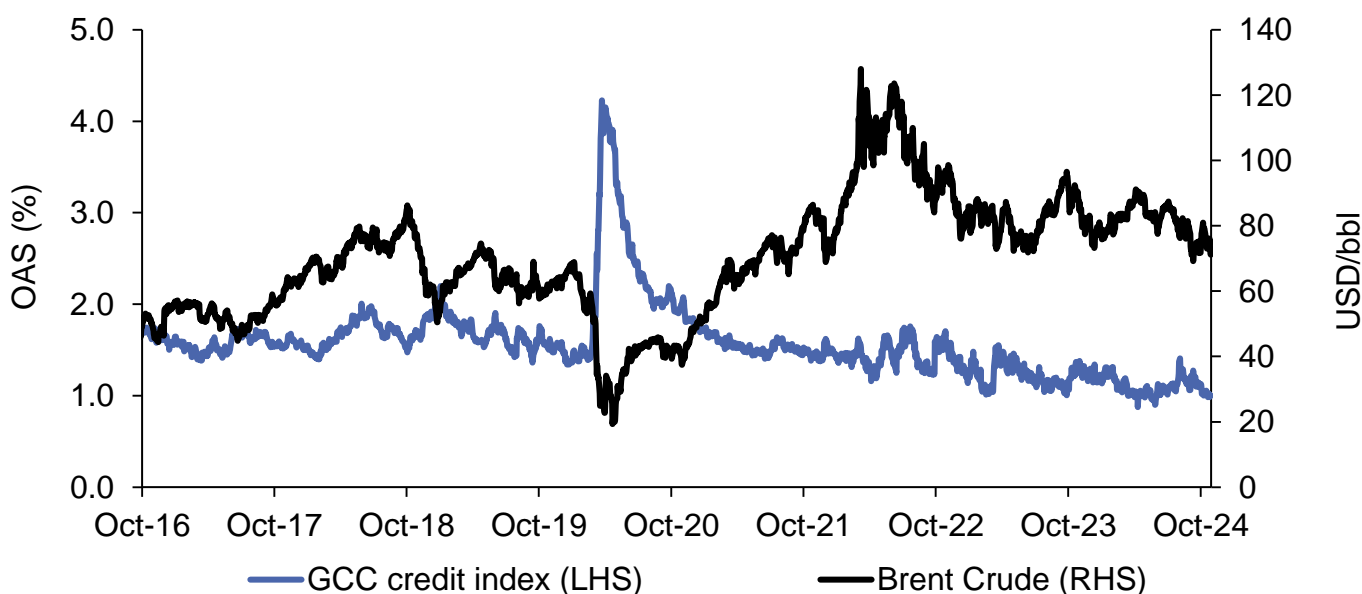
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

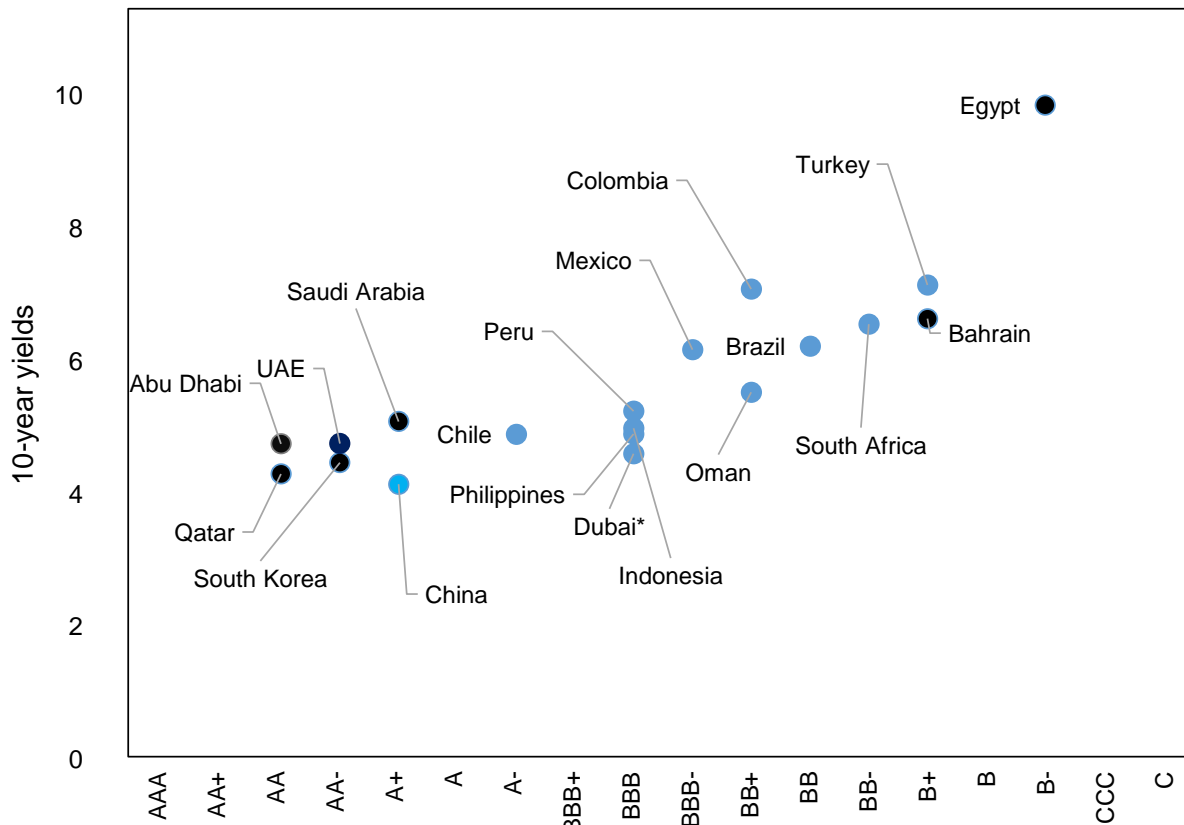
GCC corporate OAS spread versus Brent Crude



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

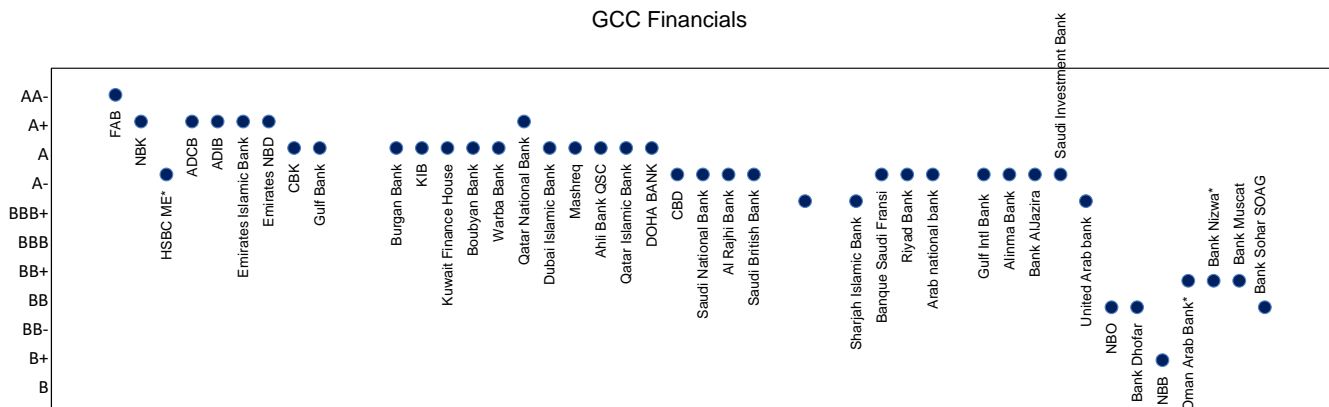
GCC Sovereign Rating

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

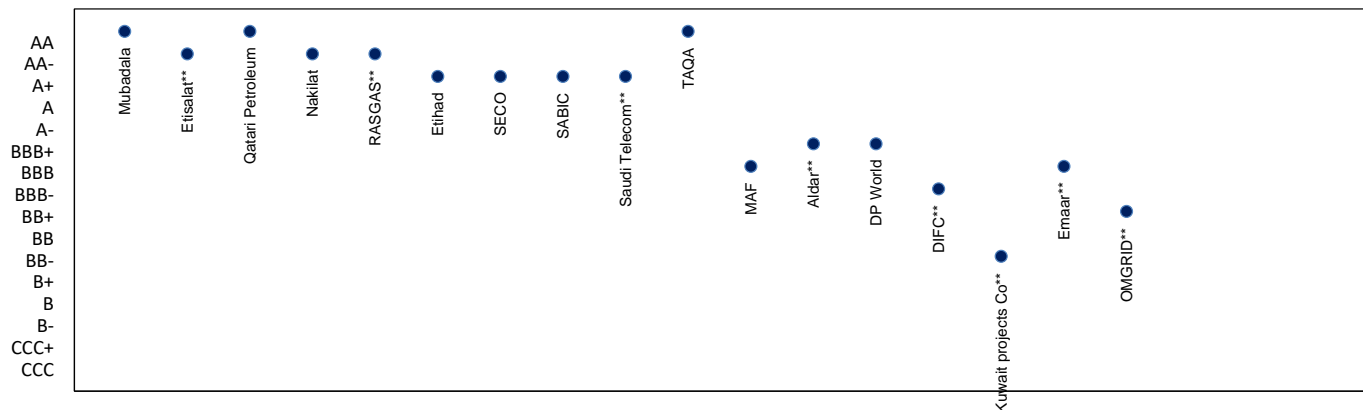
GCC Financials



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

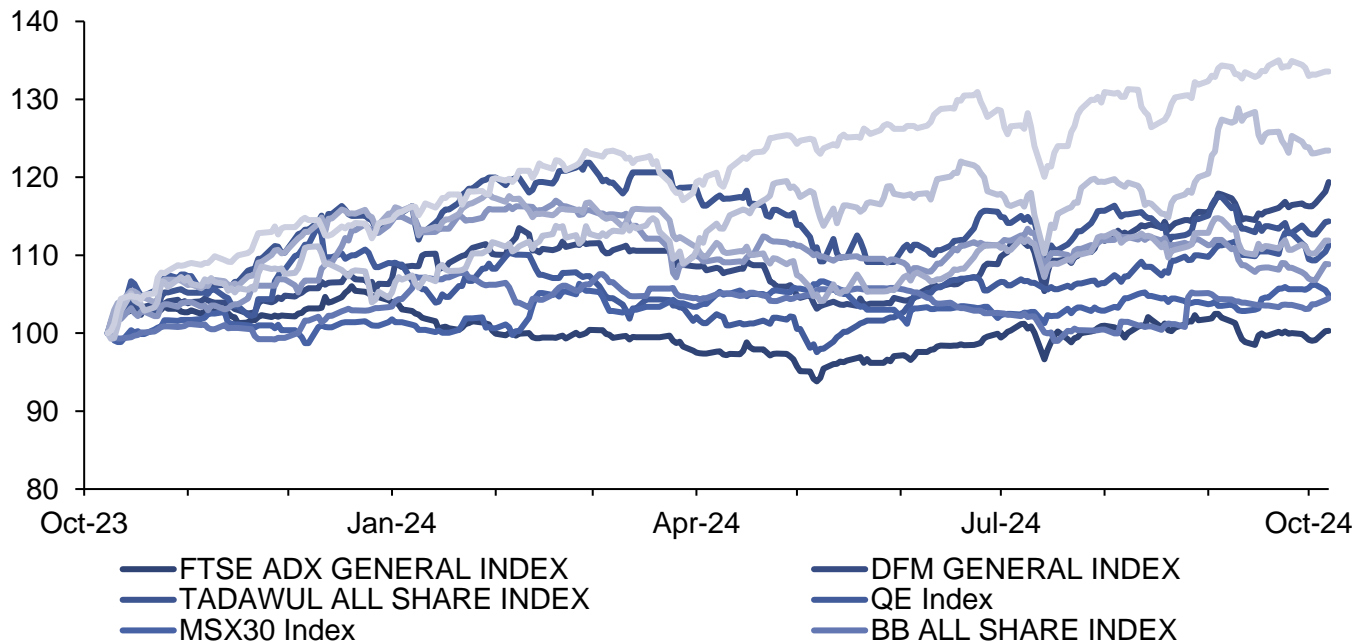
Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	15.1x	1.8%	2.1%
DFM	9.0x	-	5.3%
Tadawul	17.4x	11.1%	3.7%
DSM	11.8x	7.2%	4.0%
MSM30	10.3x	-47.7%	5.4%
BHSE	7.8x	-	3.6%
KWSE	12.7x	2.2%	4.1%
MSCI GCC	14.5x	6.3%	3.8%
MSCI EM	13.8x	15.5%	2.5%
MSCI ACWI	20.0x	9.3%	1.8%

Notes: *data as of 30 October 2024

Source: Bloomberg, ADCB

GCC equity 1Y Performance

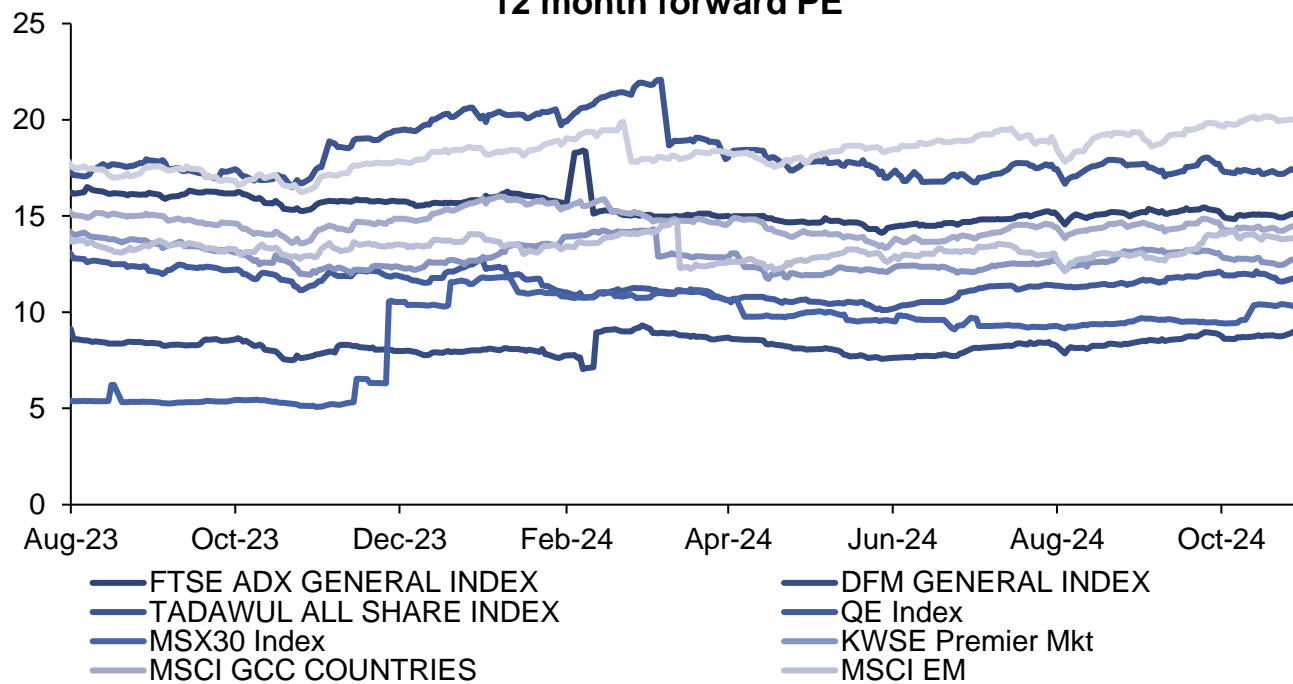
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

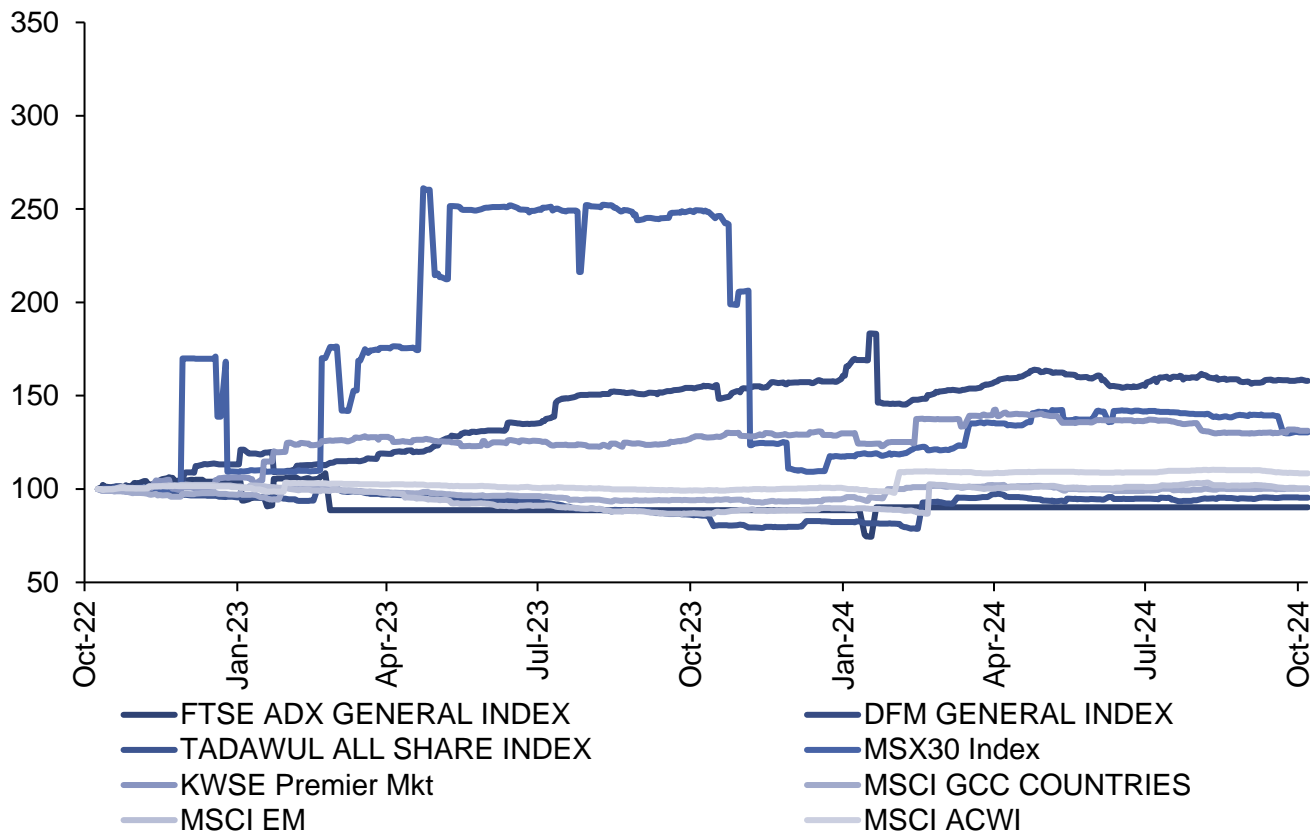
12 month forward PE



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

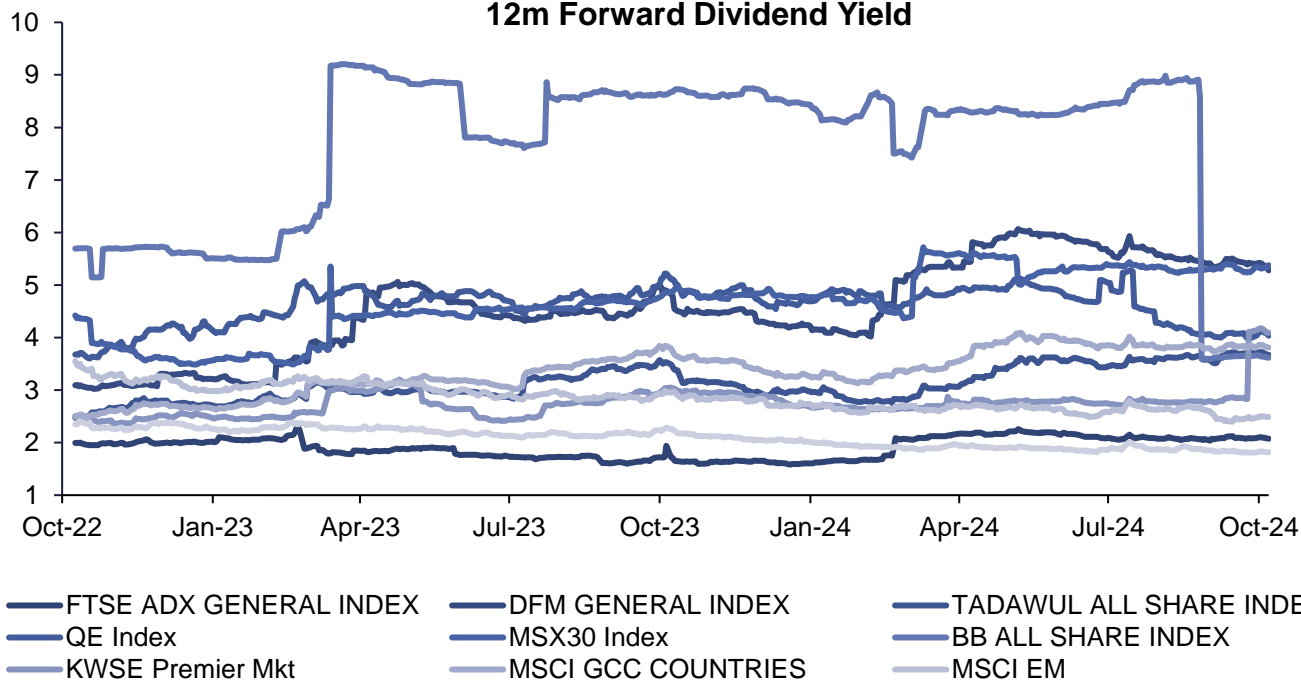
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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