

GCC market performance and activity summary

GCC fixed income

Global benchmark bond index recorded marginal gains for the week ending 30th September. The Global Aggregate index rose (0.16%) helped by Global Treasuries which rose (0.21%). In credit, both Global corporate IG index and Global HY index also recorded gains last week. GCC bond indices ended the week mixed. Kuwait outperformed, while Saudi Arabia and Qatar were flat. However, Oman, Bahrain, and UAE posted losses. Also, 5Y sovereign CDS spreads tightened across GCC markets, barring Bahrain. In the USD sovereign market, the 10yr bond yields rose across all GCC markets.

GCC equities

GCC regional indices ended mixed – Oman, Saudi Arabia, and Abu Dhabi posted gains, while Kuwait, Qatar, and Dubai recorded losses. Bahrain ended flat. Overall, MSCI GCC posted gains, outperforming MSCI EM but underperforming MSCI ACWI.

GCC key macro developments:

- ▶ Saudi Arabia's projected a fiscal deficit of 3.3% of GDP in 2026 – Ministry of Finance.
- ▶ Oman's GDP grew 2.1% at constant prices.

GCC corporate news:

- ▶ Kuwait's three-tranche bond launched, raised USD11.5bn.
- ▶ Abu Dhabi tightened price on USD3bn dual tranche bond on strong investor interest.
- ▶ Bahrain joins GCC sovereign debt rush with dual bond offering.
- ▶ Binghatti Holding's inaugural USD500mn green sukuk oversubscribed.

GCC Weekly Market Performance

| Index | | | | Rates | | | |
|---------------------|---------|-------|-------|---------------------|--------|----------|----------|
| | Latest | -1w % | YTD % | | Latest | -1w (bp) | YTD (bp) |
| Fixed Income | | | | 3M interbank | | | |
| Global Agg | 500.1 | 0.16 | 8.14 | Saudi | 5.12 | -1.25 | -29.89 |
| Global Treasuries | 209.3 | 0.21 | 7.54 | UAE | 3.88 | -16.23 | -56.30 |
| EM USD Agg TR | 1354.3 | -0.46 | 8.42 | Kuwait | 3.81 | 0.00 | -12.50 |
| EM LatAm TR | 1230.0 | -1.45 | 8.59 | Bahrain | 5.32 | -0.05 | -37.01 |
| EM EMEA TR | 401.5 | 0.01 | 8.93 | Oman | 4.38 | -3.60 | -53.35 |
| EM Asia TR | 697.4 | 0.09 | 7.41 | Qatar | 4.33 | -2.50 | -32.50 |
| Bahrain TR | 222.2 | -0.06 | 9.32 | US SOFR | 4.13 | 0.00 | -27.00 |
| Oman TR | 171.3 | -0.24 | 9.47 | 5Y Sov. CDS | | | |
| Kuwait TR | 166.0 | 0.11 | 5.83 | Saudi Arabia | 69.07 | -1.05 | -4.27 |
| Qatar TR | 147.7 | 0.02 | 7.34 | Abu Dhabi | 32.51 | -0.27 | 11.39 |
| Saudi Arabia TR | 152.6 | 0.02 | 8.13 | Dubai | 63.30 | -0.60 | -0.56 |
| UAE TR | 153.8 | -0.03 | 7.88 | Kuwait | 60.20 | -1.0 | -14.6 |
| Equity | | | | Bahrain | 170.43 | 0.45 | 17.84 |
| ADX | 10017.5 | 0.37 | 7.43 | Oman | 79.09 | -2.14 | 23.18 |
| DFM | 5862.1 | -0.55 | 13.32 | Qatar | 33.06 | -0.54 | 10.98 |
| Tadawul | 11503.0 | 0.67 | -4.95 | 10Y yield | | | |
| DSM | 11053.4 | -0.23 | 4.56 | Saudi Arabia | 4.65 | 2.80 | -74.90 |
| MSM30 | 5185.1 | 1.32 | 13.30 | Abu Dhabi | 4.14 | 11.70 | -88.10 |
| BHSE | 1948.2 | -0.01 | -1.57 | Dubai | 3.88 | 0.70 | -94.70 |
| KWSE | 9384.3 | -0.56 | 19.56 | Bahrain | 6.05 | 9.30 | -91.70 |
| MSCI GCC | 767.9 | 0.49 | 5.75 | Oman | 4.63 | 7.50 | -110.30 |
| MSCI EM | 1346.1 | -0.43 | 25.68 | Qatar | 4.19 | 1.20 | -64.50 |
| MSCI ACWI | 984.8 | 0.56 | 17.25 | | | | |

Note: data from 24thSep 2025 to 30thSep 2025, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

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Key developments

- ▶ **Saudi Arabia's projected a fiscal deficit of 3.3% of GDP in 2026 – Ministry of Finance**
Saudi Arabia has projected a fiscal deficit equivalent to 3.3% of gross domestic product for 2026, higher than a previous estimate from the 2025 budget that envisaged a 2.9% deficit for next year. The 2026 deficit is equivalent to SAR165bn (USD44.00bn). The ministry of Finance estimated the 2025 deficit at SAR245bn (USD65.33bn), or 5.3% of GDP, exceeding the SAR101bn projected in the budget published last November. The ministry of Finance sees total expenditure for 2026 at SAR1.31tn (USD349bn) and revenue at SAR1.14tn (USD304bn). The ministry forecast real GDP growth of 4.4% in 2025, driven by the growth of non-oil activities, and 4.6% in 2026.
(Source: Zawya)
- ▶ **Oman's GDP grew 2.1% at constant prices**
Oman's GDP at constant prices grew 2.1% in Q2 of 2025, reaching OMR9.36bn, compared to OMR9.16bn during the same period in 2024, according to the National Centre for Statistics and Information. The growth was mainly attributed to a strong performance in non-oil activities, which expanded 3.8% to OMR6.86bn, up from OMR6.61bn in the corresponding quarter last year. Agriculture and fisheries led the non-oil growth with 12.5% increase, recording OMR307.4mn compared to OMR273.3mn a year earlier. Industrial activities rose marginally – 0.2% – to OMR1.97bn, while service activities saw robust growth of 4.9%, contributing OMR4.58bn to the GDP compared to OMR4.37bn in Q2 2024. Oil activities posted a marginal increase of 0.5%, reaching OMR2.98bn, compared to OMR2.96bn during the same period last year. Within the sector, crude oil production grew 0.9%, contributing OMR2.49bn, while natural gas activities decreased 1.5% to OMR482.6mn.
(Source: Zawya)
- ▶ **Kuwait's three-tranche bond launched, raised USD11.5bn**
Kuwait raised a collective USD11.5bn from its first USD bond sale in 8 years. The price was tightened on the Reg S notes across all tenors at launch, with the three-year tranche raising USD3.25bn at +40bp over US Treasuries. It was marketed at T+70. The 5-year tranche raised USD3bn, with the price tightened to +40bp from IPTs of T+75 bp. The 10-year tranche saw an issue size of USD5bn, priced at T+50bp from IPTs of T+85 bp. Collectively, the orderbooks were in excess of USD20bn at launch, excluding JLM interest, with the 3-year tranche drawing USD5.1bn, followed by the 5-year books in excess of USD6.1bn and the 10-year seeing books hit USD12.5bn. All three tranches for the Eurobond offering have a fixed coupon rate, paid semi-annually, with the 3-year note maturing on 9 October 2028, with the 5-year in 2030 and the 10-year in 2035.
(Source: Zawya)
- ▶ **Abu Dhabi tightened price on USD3bn dual tranche bond on strong investor interest**
Abu Dhabi sold its USD1bn 3-year bond at 3.625%, or UST+ 10bp, 20 bp inside the guidance on strong investor demand. The USD2bn 10-year tranche was launched at 4.25% 18bp over UST. The combined order book exceeded USD16bn, excluding JLM interest. The Reg S senior unsecured notes will be rated AA by Fitch, in line with the issuer's Aa2/AA/AA ratings. The notes will be listed in London and Abu Dhabi.
(Source: Zawya)

► **Bahrain joins GCC sovereign debt rush with dual bond offering**

Bahrain has become the latest Gulf Cooperation Council (GCC) state to tap international debt markets, with a two-part bond sale, adding to a busy few weeks. The offering includes a USD-denominated, senior unsecured Reg S sukuk with an 8-year tenor, issued by the CBB International Sukuk Programme Company. Initial price thoughts are in the 6.25% area, with maturity set for February 2034. The second tranche is a conventional 12-year bond, issued through Bahrain's Ministry of Finance and National Economy, with IPTs in the 7% area and an October 2037 maturity. Bahrain, rated B+ by Fitch (Neg), will offer the 8-year Ijara/Murabaha sukuk under its Trust Certificate Issuance Programme. The 12-year bond will come under the kingdom's Global Medium Term Note Programme. Both will be listed on the Main Market of the London Stock Exchange.

(Source: Zawya)

► **Binghatti Holding's inaugural USD500mn green sukuk oversubscribed**

Binghatti Holding Ltd has successfully priced a USD500mn long 3-year green sukuk under its USD1.5bn trust certificate issuance programme, in a sale that was oversubscribed more than 4x. Proceeds from the Regulation S Green Sukuk will be used to finance a portfolio of eligible green projects. The sukuk was priced with a profit rate of 7.750%, equivalent to a spread of 416bp over the prevailing 3-year US Treasury yield. The transaction attracted strong regional and international investor demand, with an orderbook exceeding USD2.0bn. Approximately 50% of the orderbook came from outside the UAE. Given the robust demand, the issuance saw significant tightening from its initial guidance of 8.125% area. The company is rated Ba3 by Moody's and BB- by Fitch, both with stable outlooks. The green sukuk will be listed on the London Stock Exchange and Nasdaq Dubai.

(Source: Zawya)

GCC Weekly Market View

Investment Strategy | October 01, 2025

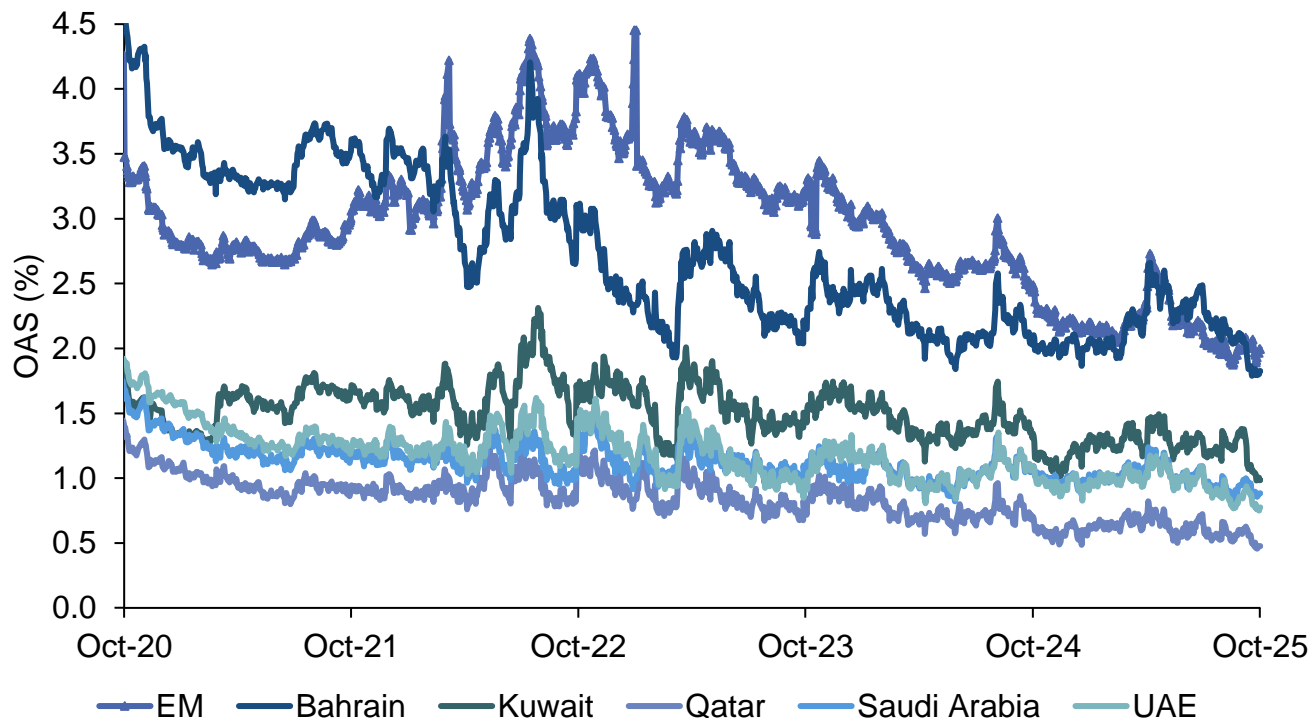
GCC bond issuances

| Issuer | BBG | Sector | Country | Issue Amt* | Cpn | Maturity | Maturity Type | Currency | Issue Date | Rtg [^] | YTM (mid) | YTC (mid) |
|---------------------------|--------|------------------------|---------|------------|-------|------------|---------------|----------|------------|------------------|-----------|-----------|
| QIC Cayman Ltd | QATIQD | Financial Institutions | QA | 500 | 6.15 | - | PERP/CALL | USD | 7/10//2025 | - | 6.20 | 6.16 |
| NBK Tier 1 Ltd | NTBKKK | Financial Institutions | KW | 800 | 6.375 | - | PERP/CALL | USD | 7/10//2025 | - | 6.35 | 6.18 |
| Riyad Sukuk Ltd | RIBL | Financial Institutions | SA | 1250 | 6.209 | 14/07/2035 | CALLABLE | USD | 7/14/2025 | BBB- | 6.20 | 6.13 |
| Alinma Sukuk Ltd | ALINMA | Financial Institutions | SA | 500 | 4.937 | 15/07/2030 | AT MATURITY | USD | 7/15/2025 | A- | 4.96 | - |
| SNB Sukuk Ltd | SNBAB | Financial Institutions | SA | 250 | 5.938 | 18/07/2036 | CALLABLE | USD | 7/18/2025 | BBB | 5.87 | 5.96 |
| Banque Saudi Fransi | BSFR | Financial Institutions | SA | 250 | 0 | 24/09/2025 | AT MATURITY | USD | 7/23/2025 | - | 4.65 | - |
| QNB Finance Ltd | QNBK | Agency | QA | 1000 | 4.5 | 24/07/2030 | AT MATURITY | USD | 7/24/2025 | A+ | 4.56 | - |
| Arada Sukuk 2 Ltd | ARADAD | Financial Institutions | AE | 450 | 7.15 | 8/5/2030 | AT MATURITY | USD | 8/07/2025 | BB- | 7.09 | - |
| Binghatti Sukuk 2 Spv Ltd | BINHLD | Financial Institutions | AE | 500 | 8.125 | 8/7/2030 | AT MATURITY | USD | 8/07/2025 | - | 7.77 | - |
| BSF Finance | BSFR | Financial Institutions | SA | 1000 | 5.761 | 9/3/2035 | CALLABLE | USD | 9/03/2025 | BBB | 8.09 | 5.84 |
| Alinma Bank | ALINMA | Financial Institutions | SA | 500 | 6.25 | - | PERP/CALL | USD | 9/03/2025 | - | 6.14 | 6.20 |
| BSF Finance | BSFR | Financial Institutions | SA | 1000 | 5.761 | 9/3/2035 | CALLABLE | USD | 9/3/2025 | BBB | 5.72 | 5.81 |
| Alinma Bank | ALINMA | Financial Institutions | SA | 500 | 6.25 | - | PERP/CALL | USD | 9/3/2025 | - | 6.09 | 6.21 |
| Saudi Awwal Bank | SABBAB | Financial Institutions | SA | 1250 | 5.947 | 9/4/2035 | CALLABLE | USD | 9/4/2025 | BBB | 5.79 | 5.78 |
| KSA Ijarah Sukuk Ltd | KSA | Sovereign | SA | 2250 | 4.25 | 9/9/2030 | AT MATURITY | USD | 9/9/2025 | A+ | 4.24 | - |
| KSA Ijarah Sukuk Ltd | KSA | Sovereign | SA | 3250 | 4.875 | 9/9/2035 | AT MATURITY | USD | 9/9/2025 | A+ | 4.84 | - |
| ANB Tier 1 Sukuk Co Ltd | ARNBAB | Financial Institutions | SA | 750 | 6.4 | - | PERP/CALL | USD | 9/9/2025 | - | 6.24 | 6.30 |
| First Abu Dhabi Bank PJSC | FABUH | Agency | AE | 750 | 4.38 | 9/10/2030 | AT MATURITY | USD | 9/10/2025 | AA- | 4.17 | - |
| CBQ Finance Ltd | COMQAT | Financial Institutions | QA | 600 | 4.625 | 9/10/2030 | AT MATURITY | USD | 9/10/2025 | A | 4.52 | - |
| CBQ Finance Ltd | COMQAT | Financial Institutions | QA | 600 | 4.625 | 9/10/2030 | AT MATURITY | USD | 9/10/2025 | A | 4.52 | - |
| First Abu Dhabi Bank PJSC | FABUH | Agency | AE | 750 | 4.38 | 9/10/2030 | AT MATURITY | USD | 9/10/2025 | AA- | 4.12 | - |
| CBQ Finance Ltd | COMQAT | Financial Institutions | QA | 600 | 4.625 | 9/10/2030 | AT MATURITY | USD | 9/10/2025 | A | 4.48 | - |
| Sobha Sukuk I Holding Ltd | SOBHA | Financial Institutions | AE | 750 | 7.125 | 9/11/2030 | AT MATURITY | USD | 9/11/2025 | - | 7.24 | - |
| Banque Saudi Fransi | BSFR | Financial Institutions | SA | 310 | 0 | 6/17/2026 | AT MATURITY | USD | 9/15/2025 | - | 3.79 | - |
| Gaci First Investment Co | PIFKSA | Agency | SA | 2000 | 5 | 9/15/2035 | CALLABLE | USD | 9/15/2025 | A+ | 4.89 | 4.88 |
| Al Rajhi Sukuk Ltd | RJHIAB | Financial Institutions | SA | 1000 | 5.651 | 3/16/2036 | CALLABLE | USD | 9/16/2025 | BBB | 5.63 | 5.66 |
| Omniyat Sukuk 1 Ltd | OMNYAT | Financial Institutions | AE | 400 | 7.25 | 3/16/2029 | AT MATURITY | USD | 9/16/2025 | - | 7.23 | - |
| Doha Finance Ltd | DHBKQD | Financial Institutions | QA | 500 | 4.5 | 3/16/2031 | AT MATURITY | USD | 9/16/2025 | A | 4.67 | - |
| SA Global Sukuk Ltd | ARAMCO | Agency | SA | 1500 | 4.125 | 9/17/2030 | CALLABLE | USD | 9/17/2025 | A+ | 4.30 | 4.31 |
| SA Global Sukuk Ltd | ARAMCO | Agency | SA | 1500 | 4.625 | 9/17/2035 | CALLABLE | USD | 9/17/2025 | A+ | 4.85 | 4.85 |
| EI Sukuk Co Ltd | EIBUH | Agency | AE | 500 | 4.54 | 3/23/2031 | AT MATURITY | USD | 9/23/2025 | A+ | 4.51 | - |
| Banque Saudi Fransi | BSFR | Financial Institutions | SA | 290 | 0 | 6/29/2026 | AT MATURITY | USD | 9/24/2025 | - | 3.77 | - |
| Almarai Sukuk Ltd | ALMARA | Industrial | SA | 500 | 4.45 | 9/24/2030 | AT MATURITY | USD | 9/24/2025 | - | 4.53 | - |
| Binghatti Sukuk 2 Spv Ltd | BINHLD | Financial Institutions | AE | 500 | 7.75 | 7/2/2029 | AT MATURITY | USD | 10/1/2025 | - | 7.90 | - |
| Bank Muscat SAOG | BKMBOM | Financial Institutions | OM | 750 | 4.846 | 10/1/2030 | AT MATURITY | USD | 10/1/2025 | - | 4.82 | - |

*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

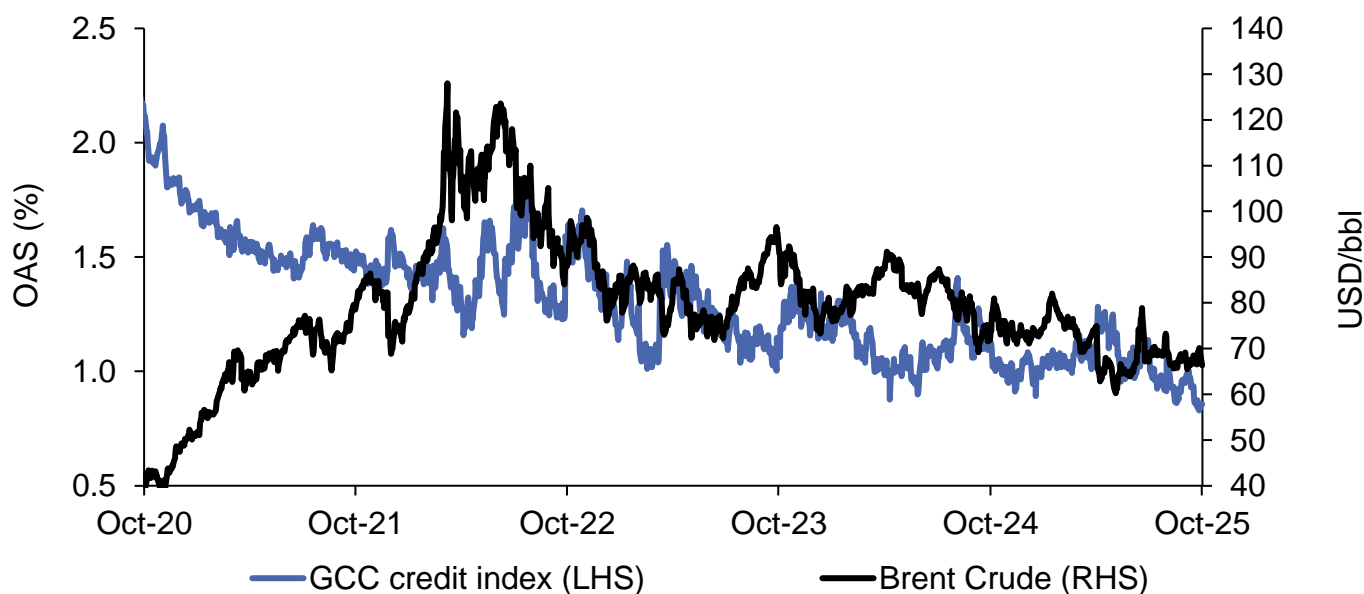
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

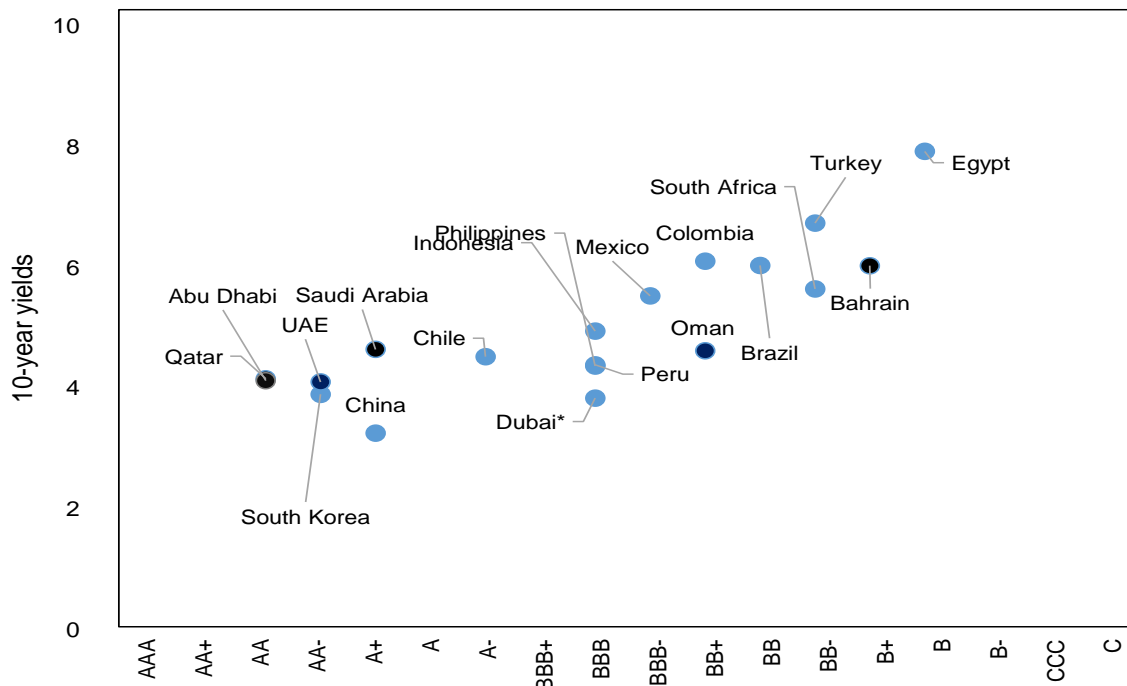
GCC corporate OAS spread versus Brent Crude



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

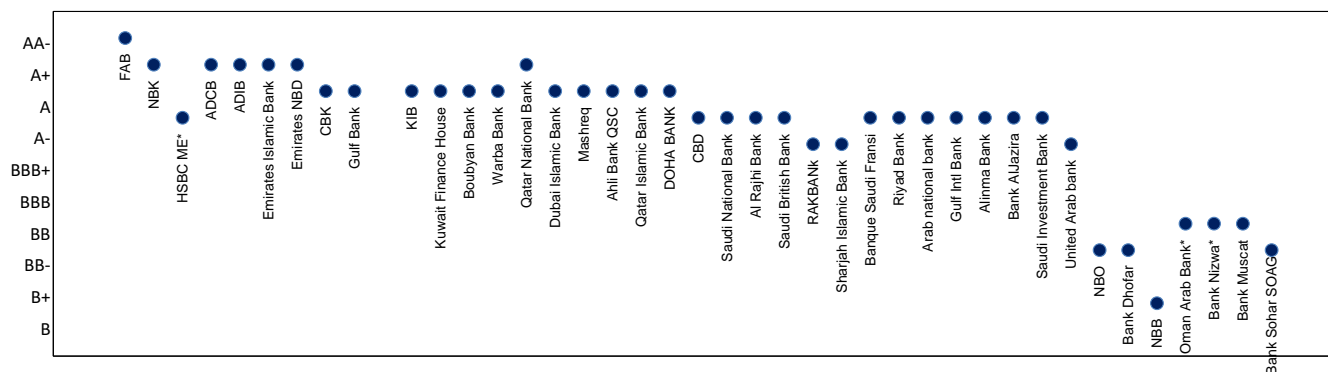
GCC Sovereign Rating

| Country | Saudi Arabia | Abu Dhabi | Dubai* | Kuwait | Bahrain | Oman | Qatar | Egypt |
|---------|--------------|-----------|--------|--------|---------|------|-------|-------|
| Moody's | Aa3 | Aa2 | Baa2 | A1 | B2u | Baa3 | Aa2 | Caa1 |
| Fitch | A+ | AA | - | AA- | B+ | BB+ | AA | B |

Note: *DEWA rated used as proxy for Dubai

GCC Financials Credit Rating

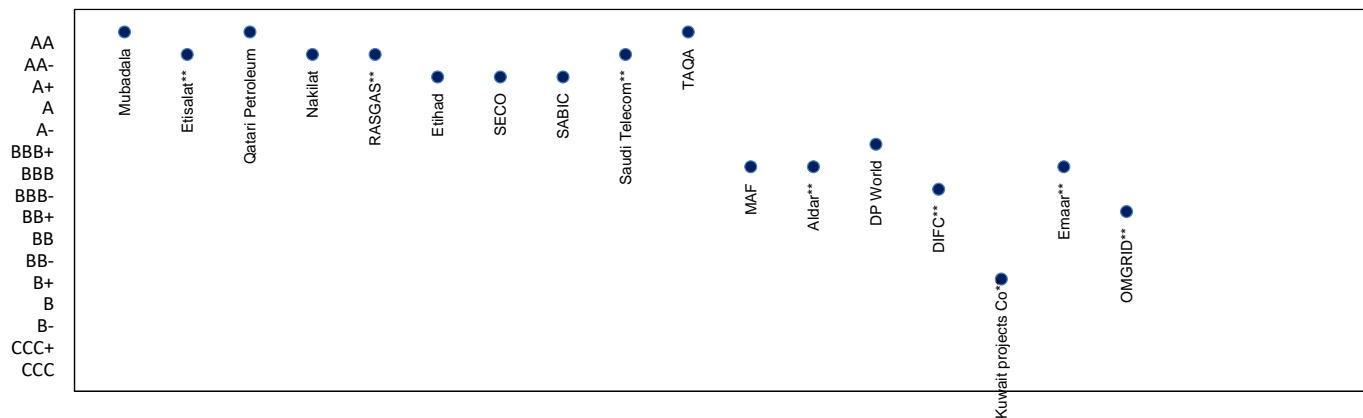
GCC Financials



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

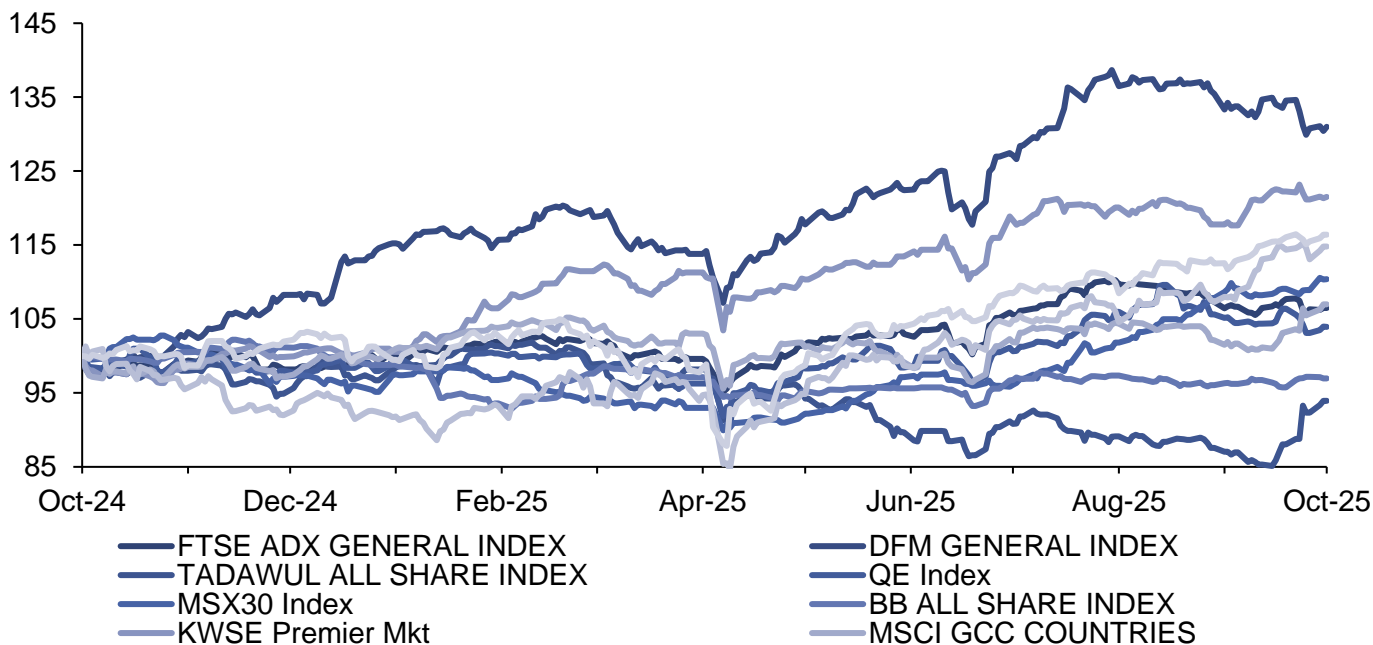
GCC equities – performance, earnings, and valuations snapshot

| Equity Index | 12M forward PE | 12M forward EPS growth | 12M forward dividend yield |
|--------------|----------------|------------------------|----------------------------|
| ADX | 12.4x | 30.8% | 2.3% |
| DFM | 10.8x | - | 4.8% |
| Tadawul | 17.1x | 6.8% | 3.5% |
| DSM | 12.2x | 0.4% | 4.5% |
| MSM30 | 1.5x | - | 5.8% |
| BHSE | 14.5x | - | 9.8% |
| KWSE | 18.3x | -12.9% | 3.0% |
| MSCI GCC | 14.0x | 10.5% | 3.9% |
| MSCI EM | 15.3x | 4.4% | 2.4% |
| MSCI ACWI | 21.2x | 8.0% | 1.7% |

Notes: *data as of 01 October 2025 | Source: Bloomberg, ADCB

GCC equity 1Y Performance

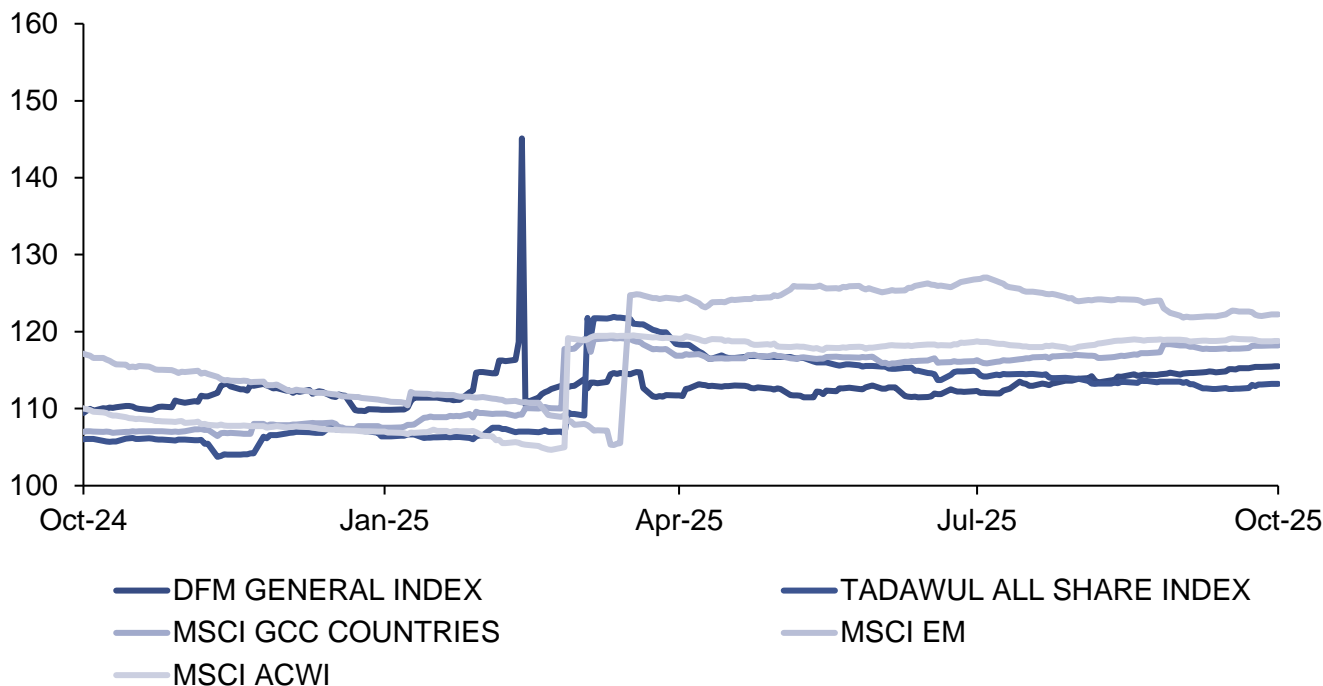
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

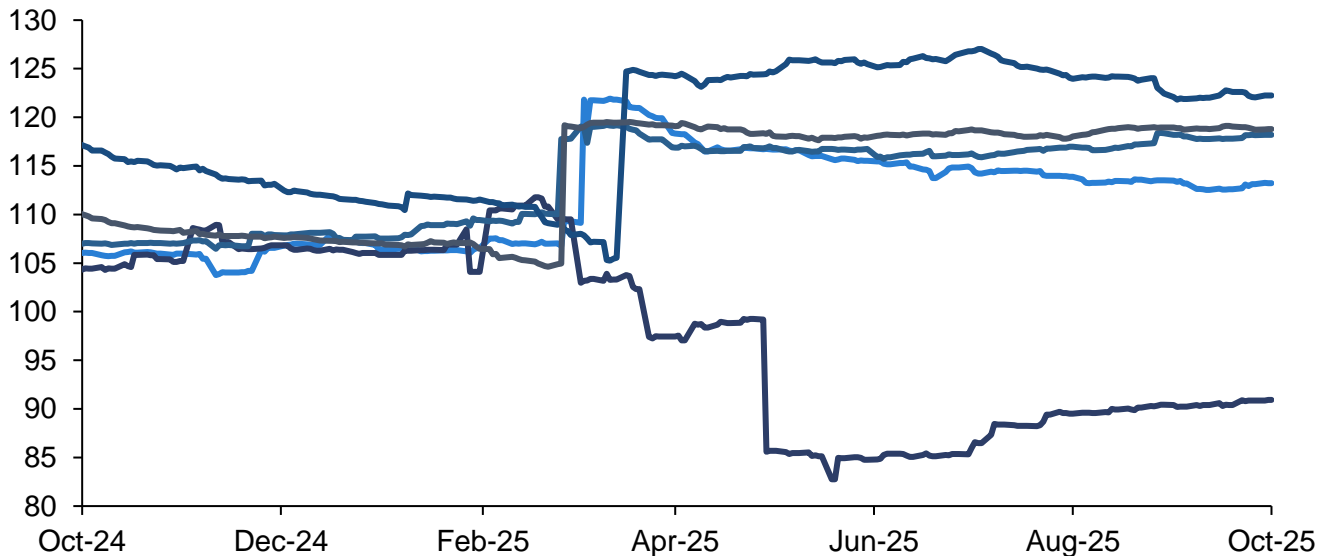
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

12 month forward EPS (indexed to 100 at start)

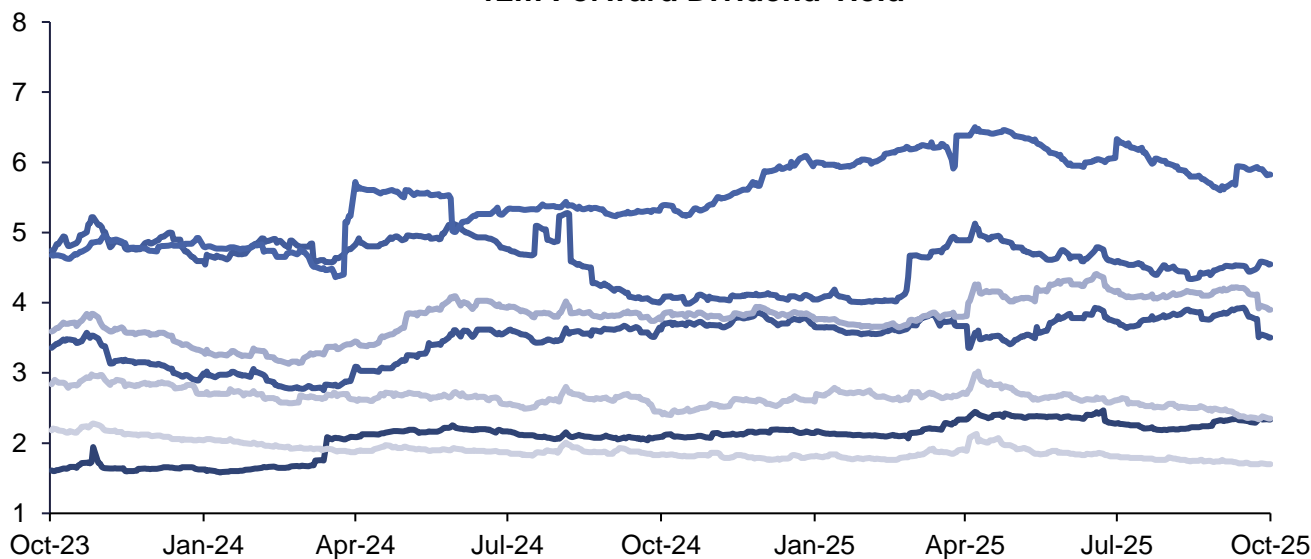


- TADAWUL ALL SHARE INDEX
- MSCI GCC COUNTRIES
- MSCI ACWI
- KWSE Premier Mkt
- MSCI EM

Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



- FTSE ADX GENERAL INDEX
- TADAWUL ALL SHARE INDEX
- QE Index
- MSX30 Index
- MSCI GCC COUNTRIES
- MSCI EM
- MSCI ACWI

Source: Bloomberg, ADCB

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