

GCC market performance and activity summary

GCC fixed income

Global benchmark bond index recorded marginal declines for the week ending 23rd September. The Global Aggregate index fell (-0.52%) and Global Treasuries also fell (-0.65%). In credit, Global corporate IG index recorded declines while Global HY index recorded gains last week. EM USD bonds recorded marginal gains, EM LatAm (+0.60%) led the performance. However, EM EMEA declined (-0.17%).

All GCC bond indices recorded negative returns with the exception of Kuwait. Also, 5Y sovereign CDS spreads widened across GCC markets with Kuwait seeing the smallest widening. In the USD sovereign market, the 10yr bond yields rose across all GCC markets; except for Dubai.

GCC equities

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

GCC key macro developments:

- ▶ Gulf central banks cut key interest rates following Fed move.
- ▶ Qatar's economy expanded by 1.9% in Q2.
- ▶ Saudi Arabia to ease rules capping foreign ownership of listed firms at 49%.

GCC corporate news:

- ▶ Bingham Holding mandated banks for USD Reg S long 3-year green sukuk.
- ▶ Bank Muscat mandated USD Reg S 5-year benchmark bond.
- ▶ Qatar National Bank pricing out EUR750mn 5-year green bond.
- ▶ ADNOC Distribution board approved USD350mn interim cash dividend for H1.

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GCC Weekly Market Performance

Index				Rates			
Fixed Income	Latest	-1w %	YTD %	3M interbank	Latest	-1w (bp)	YTD (bp)
Global Agg	500.9	-0.52	8.31	Saudi	5.11	-10.24	-30.53
Global Treasuries	209.6	-0.65	7.70	UAE	3.95	-12.04	-49.38
EM USD Agg TR	1358.6	0.11	8.77	Kuwait	3.81	-25.00	-12.50
EM LatAm TR	1242.0	0.60	9.64	Bahrain	5.32	-12.49	-36.96
EM EMEA TR	401.5	-0.17	8.93	Oman	4.43	-	-49.25
EM Asia TR	697.3	-0.08	7.40	Qatar	4.30	-	-35.00
Bahrain TR	222.4	-0.17	9.40	US SOFR	4.14	-24.00	-26.00
Oman TR	171.7	-0.29	9.75	5Y Sov. CDS	Latest	-1w (bp)	YTD (bp)
Kuwait TR	165.9	0.14	5.74	Saudi Arabia	69.59	5.86	-4.79
Qatar TR	147.6	-0.16	7.22	Abu Dhabi	33.75	3.42	10.16
Saudi Arabia TR	152.5	-0.08	8.10	Dubai	64.25	3.81	-1.51
UAE TR	153.8	-0.01	7.88	Kuwait	61.26	3.1	-13.6
Equity	Latest	-1w %	YTD %	Bahrain	168.58	9.27	19.69
ADX	10109.2	0.71	8.44	Oman	81.45	9.37	20.82
DFM	5958.9	-0.54	15.63	Qatar	34.82	4.00	9.22
Tadawul	10876.4	2.12	-10.13	10Y yield	Latest	-1w (bp)	YTD (bp)
DSM	11174.9	-0.46	5.71	Saudi Arabia	4.61	1.80	-78.50
MSM30	5090.1	-0.55	11.30	Abu Dhabi	4.04	7.50	-97.90
BHSE	1947.6	1.16	-1.60	Dubai	3.89	-0.80	-93.80
KWSE	9508.5	0.72	21.30	Bahrain	5.93	6.10	-103.40
MSCI GCC	742.2	1.32	2.21	Oman	4.55	3.70	-118.20
MSCI EM	1346.6	-0.10	25.73	Qatar	4.17	3.00	-66.20
MSCI ACWI	982.2	0.59	16.93				

Note: data from 17thSep 2025 to 23rdSep 2025, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

Key developments

► **Gulf central banks cut key interest rates following Fed move**

Gulf central banks cut their key interest rates after the Federal Reserve cut US interest rates by 25bp for the first time this year. Saudi Arabia cut its repurchase agreement (repo) rate by 25bp to 4.75% and its reverse repo rate also by 25bp to 4.25%. The United Arab Emirates' central bank also reduced the base rate applied to its overnight deposit facility by 25bp to 4.15%, from 4.40%. Qatar's central bank reduced its deposit rate by 25bp to 4.35%, its lending rate by 25bp to 4.85% and its repo rate by 25bp to 4.60%. Bahrain's central bank also cut its overnight deposit rate by 25bp to 4.75% from 5%. Kuwait cut its discount rate by 25bp to 3.75% from 4%. The Central Bank of Oman cut its repo rate by 25bp to 4.75%.

(Source: Zawya)

► **Qatar's economy expanded by 1.9% in Q2**

Qatar's economy-maintained growth in Q2 of 2025 despite a challenging global context, with real GDP rising by 1.9% compared to the same period in 2024. This growth was driven primarily by non-hydrocarbon activities, which expanded by 3.4%. According to the National Planning Council (NPC), Qatar's economy registered real GDP growth of 1.9% YoY, reaching QAR181.8bn at constant prices, compared to QAR178.5bn in Q2 2024. Non-hydrocarbon activities accounted for 65.6% of real GDP, with value added reaching QAR119.3bn in Q2 2025. This reflects a YoY increase of 3.4%, underscoring the effectiveness of diversification policies outlined in the Third National Development Strategy (NDS3) and Qatar National Vision 2030. Within the non-hydrocarbon economy, the fastest-growing activities on a YoY basis were - Agriculture, forestry and fishing (+15.8%), Accommodation and food services (+13.4%), Arts, entertainment and recreation (+8.9%), Wholesale and retail trade (+8.8%), and Construction (+8.7%).

(Source: Zawya)

► **ADNOC Distribution board approved USD350mn interim cash dividend for H1**

ADNOC Distribution announced that its Board of Directors has approved an interim dividend of USD350mn (AED1.285bn) for H1 of 2025, equivalent to 10.285 fils per share. This decision underscores the Company's commitment to delivering sustainable and attractive shareholder value. The H1 dividend represents the first installment of the expected full-year 2025 dividend of USD700mn (AED2.57bn), or 20.57 fils per share, in line with ADNOC Distribution's 5-year dividend policy (2024-2028). The policy sets an annual dividend of USD700mn or a minimum of 75% of net profits, whichever is higher, subject to Board discretion and shareholder approval. It provides long-term visibility on expected shareholder returns and potential upside from future earnings growth. The last day to purchase shares to qualify for the interim dividend is 30th September 2025, with eligibility based on shareholders recorded in the share register on 2nd October 2025. The full-year 2025 dividend would represent an annual yield of 5.4% based on the share price of AED3.81 as of 22nd September 2025.

(Source: Zawya)

► **Binghatti Holding mandated banks for USD Reg S long 3-year green sukuk**

The UAE-based real estate developer Binghatti Holding Limited, rated Ba3 by Moody's and BB- by Fitch (both stable), has mandated banks for its inaugural USD Reg S senior unsecured long three-year green sukuk. Global investor calls and a series of fixed income investor meetings have commenced. The sukuk offering will come under Binghatti Sukuk 2 SPV Limited's USD1.5bn Trust Certificate Issuance Programme. The Oslo-headquartered DNV has issued a Second Party Opinion on Binghatti's Green Financing Framework.

(Source: Zawya)

▶ **Bank Muscat mandated USD Reg S 5-year benchmark bond**

Bank Muscat (SAOG), rated Baa3 Stable by Moody's and BB+ Positive by Fitch, has mandated banks for a USD Reg S only, five-year senior unsecured benchmark bond. Bank Muscat, which is the largest bank in Oman by total assets, has mandated to organise a series of fixed income investor calls and in-person meetings in London. The fixed rate senior unsecured bond will be issued under Bank Muscat's USD2bn Euro Medium Term Note Programme. The bond will be listed on Euronext Dublin.

(Source: Zawya)

▶ **Qatar National Bank pricing out EUR750mn 5-year green bond.**

Qatar National Bank (QNB), rated Aa2 Stable by Moody's and A+ Stable by Fitch, tightened the price on its EUR750mn (USD885mn) inaugural benchmark 5-year Reg S fixed rate green bond to MS +75bp, with a 3% annual coupon rate. The re-offer yield is set at 3.144%. The initial price thoughts for the issuance were in the range of MS+100-105bp. Final orderbooks closed more than EUR1.7bn, excluding JLM interest. The senior unsecured Category 2 green bond has been issued under QNB Finance Ltd's USD30bn Medium Term Note Programme and guaranteed by QNB. The green bond will be listed on London Stock Exchange's Main Market.

(Source: Zawya)

▶ **Saudi Arabia to ease rules capping foreign ownership of listed firms at 49%.**

Saudi Arabia's Capital Market Authority is reportedly nearing a decision to relax its 49% cap on foreign ownership of listed firms, according to Bloomberg News, which cited board member Abdulaziz Abdulmohsen Bin Hassan.

(Source: Bloomberg)

GCC Weekly Market View

Investment Strategy | September 24, 2025

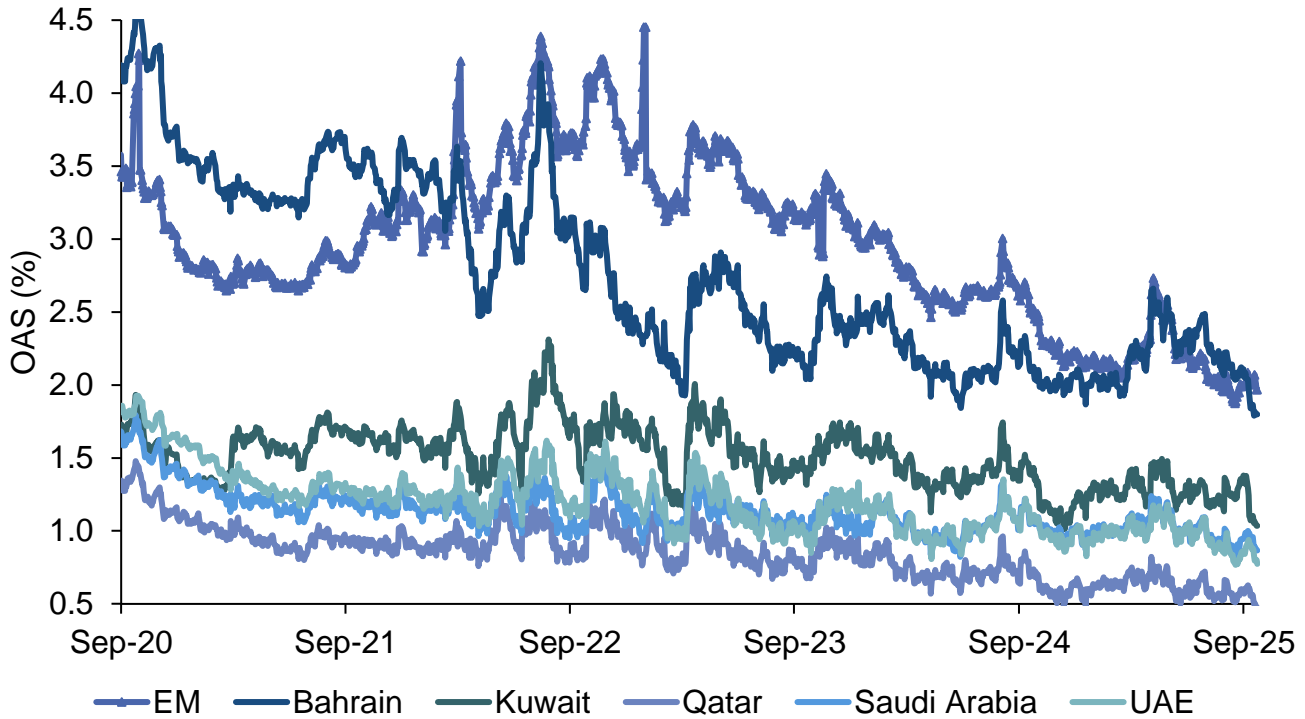
GCC bond issuances

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	-

*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

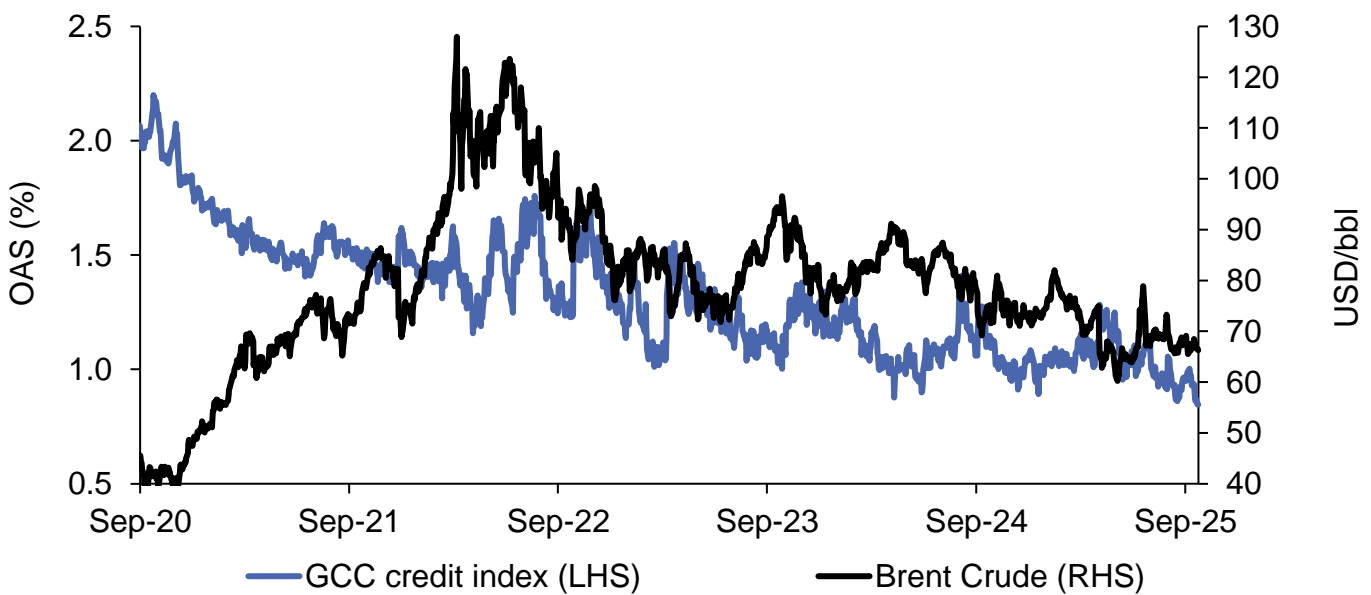
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

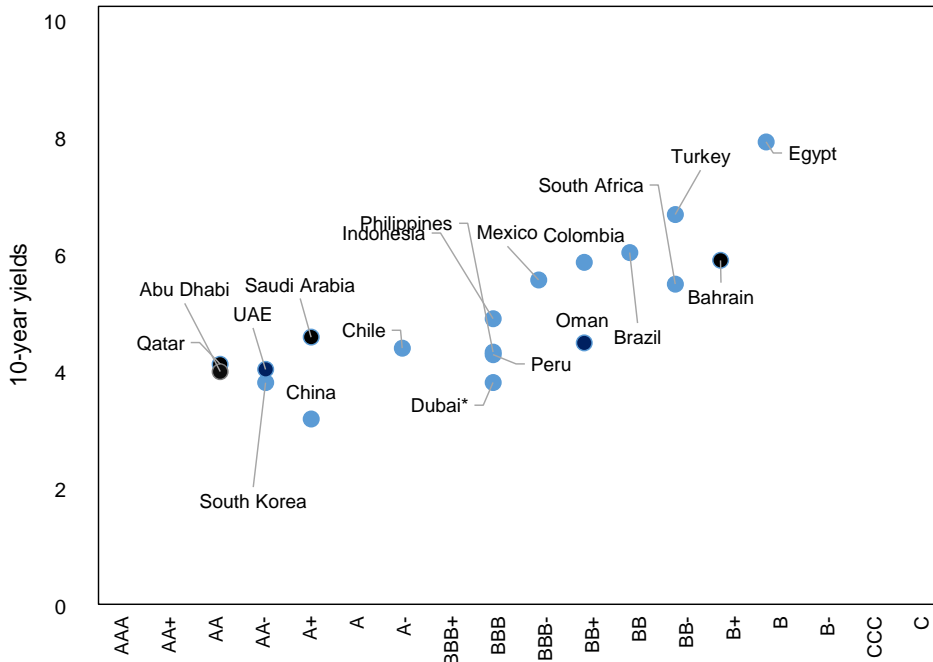
GCC corporate OAS spread versus Brent Crude



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

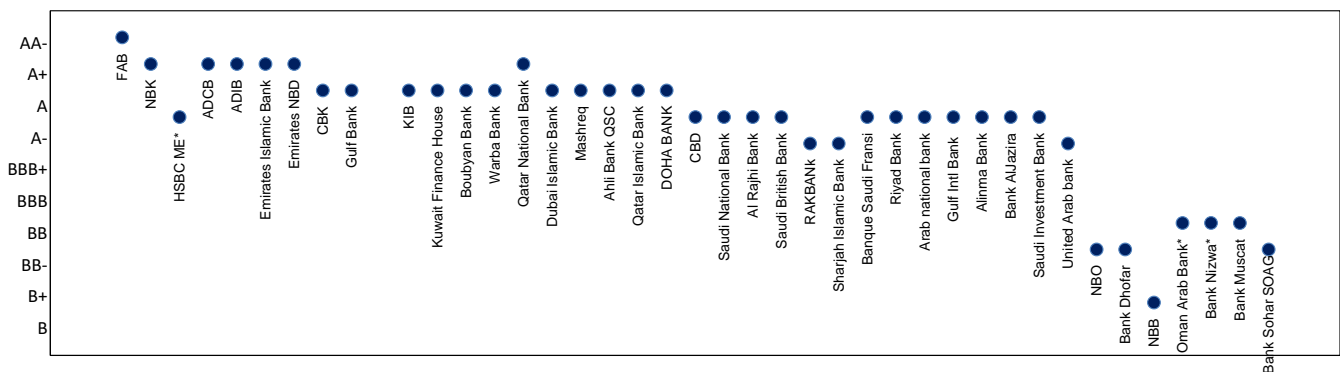
GCC Sovereign Rating

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

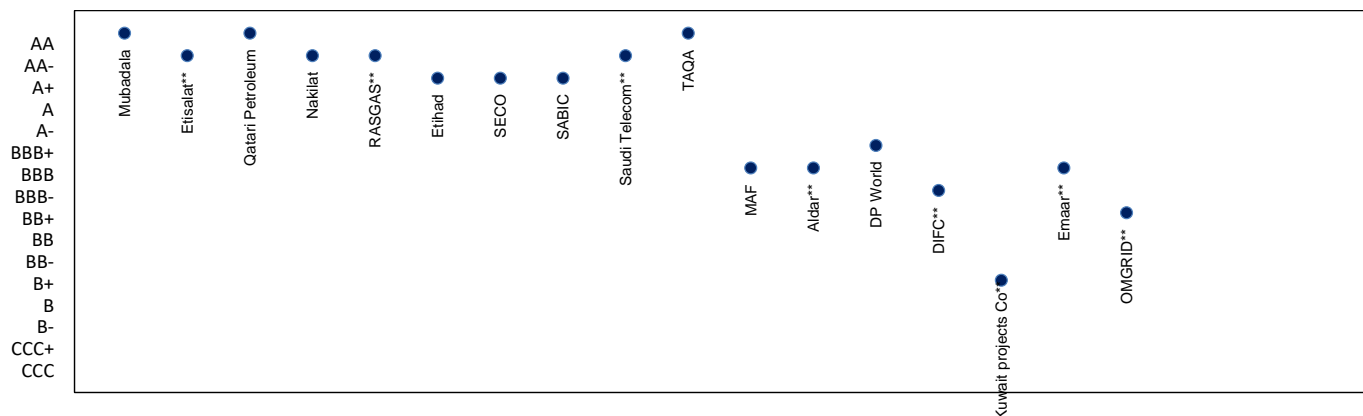
GCC Financials



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

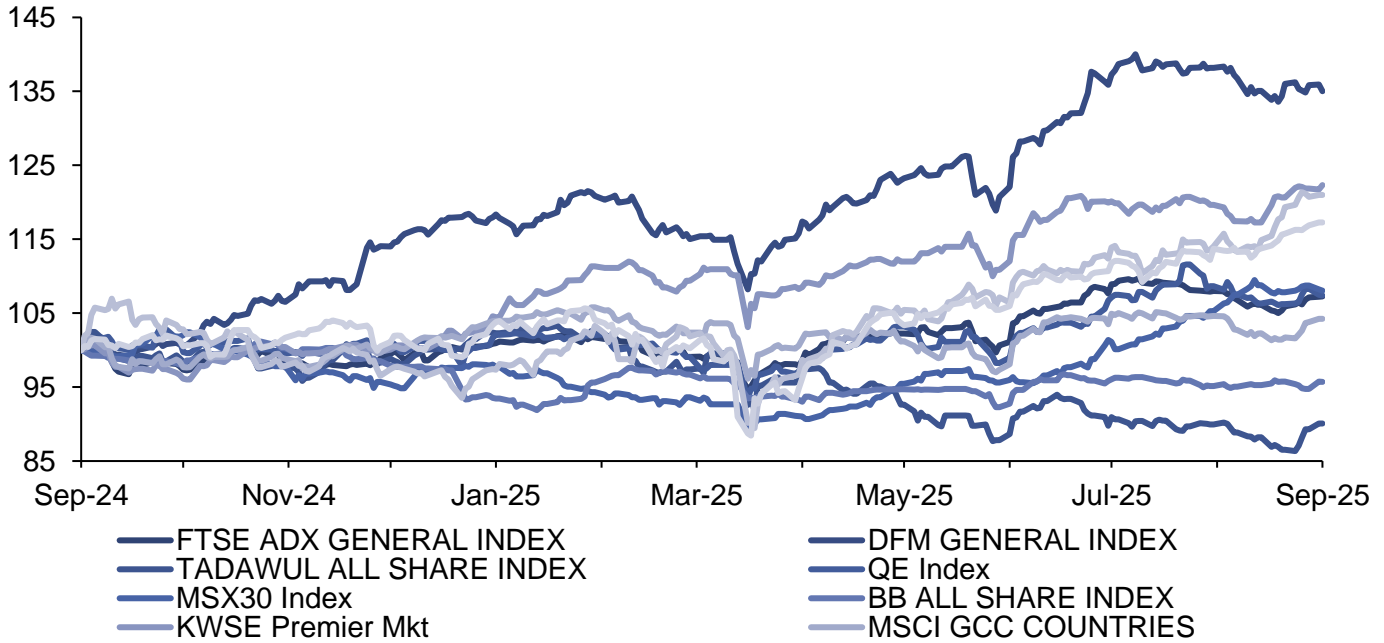
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	12.7x	29.4%	2.3%
DFM	11.2x	-	4.7%
Tadawul	16.2x	5.7%	3.8%
DSM	12.4x	0.8%	4.5%
MSM30	1.3x	-	5.9%
BHSE	14.5x	-	9.9%
KWSE	18.4x	-12.9%	2.9%
MSCI GCC	13.6x	10.5%	4.1%
MSCI EM	15.3x	5.0%	2.4%
MSCI ACWI	21.2x	8.0%	1.7%

Notes: *data as of 24 September 2025 | Source: Bloomberg, ADCB

GCC equity 1Y Performance

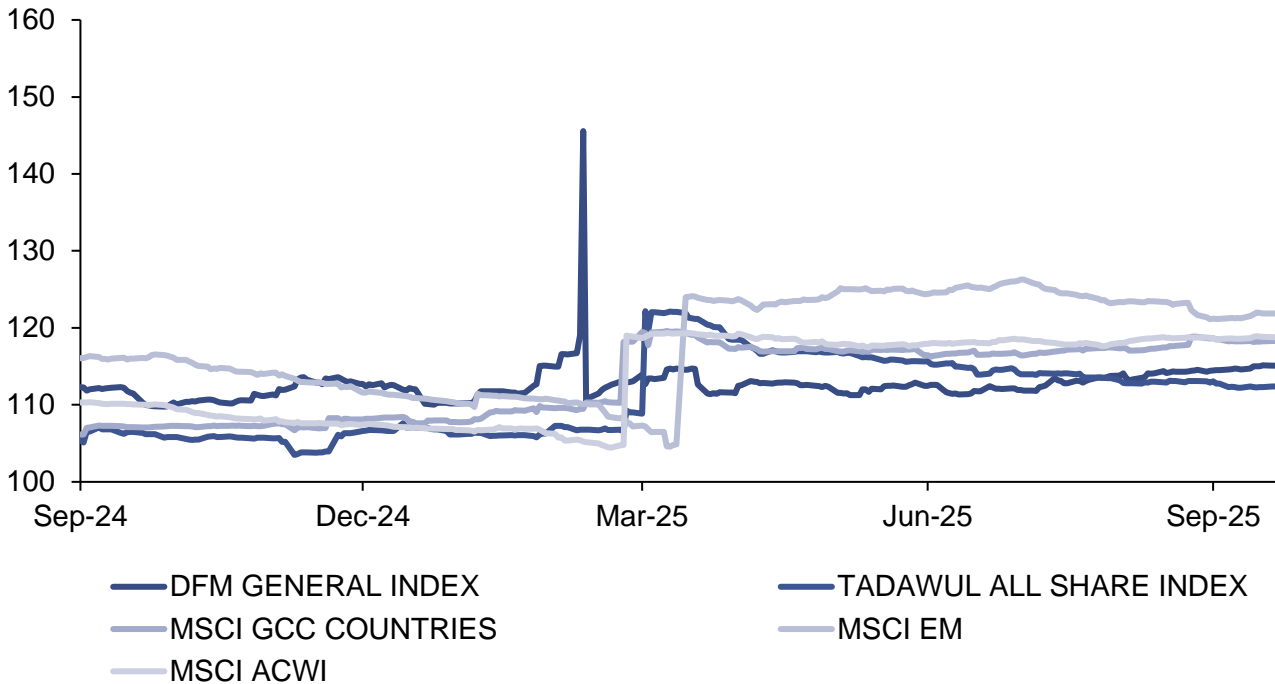
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

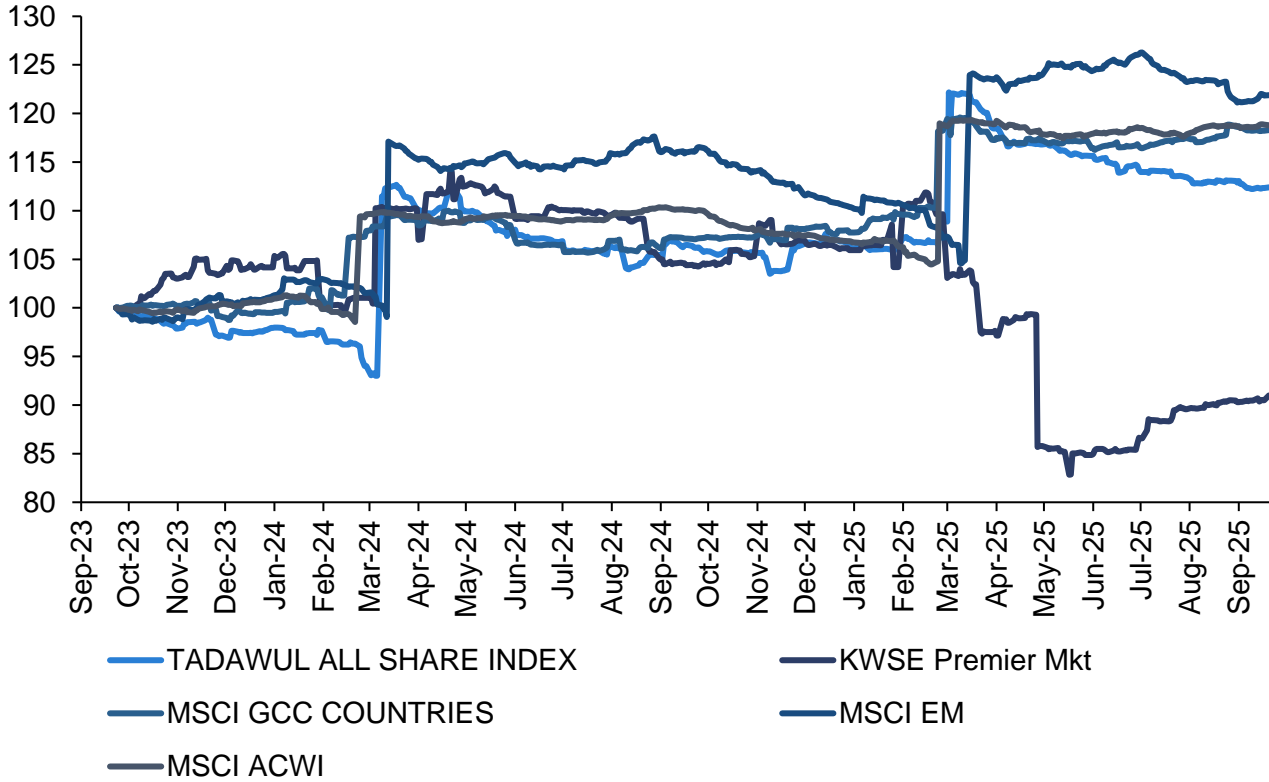
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

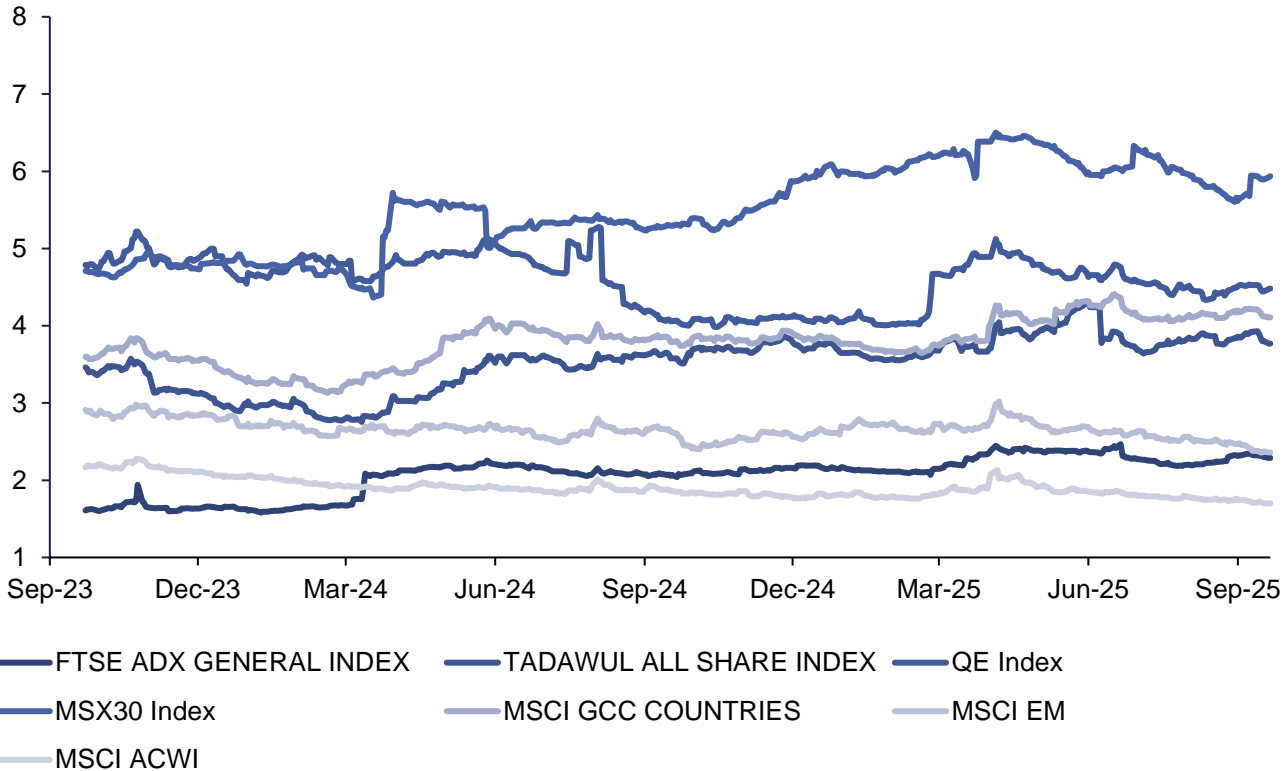
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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