GCC Weekly Market View

Investment Strategy ♦ May 05, 2026

بنك أبوظبي التجاري
ADCB

GCC market performance and activity summary

Mohammed Al Hemeiri
Senior Specialist
+971 (0)2 812 6450
mohammed.alhemeiri@adcb.com

Kishore Muktinutalapati
Head - Investment Strategy
+971 (0)2 812 6457
kishore.muktinutalapati@adcb.com

www.adcb.com/marketinsights

In GCC fixed income

Global benchmark bond index recorded modest gains for the week ending 5th May. Global Aggregate bond index rose c0.13% and Global Treasuries gained c0.29%. In credit, Global corporate IG index and Global HY index posted gains. In EM USD bonds, EM LatAm (+0.24%) led the performance.

All GCC bond indices recorded declines over the week. Bahrain ended flat. Qatar and Saudi Arabia underperformed the most. 5Y sovereign CDS spreads winded across all GCC markets. In the USD sovereign market, the 10yr bond yields gained across all GCC markets, except for Oman.

GCC equities

GCC regional indices declined over the week, except for Oman. UAE, and Saudi Arabia underperformed the most. Overall, MSCI GCC underperformed both MSCI EM and MSCI ACWI.

GCC key macro developments

- UAE non-oil private sector growth slowed in April – PMI.
- Saudi Arabia non-oil business activity grew in April – PMI.
- Saudi Arabia's budget deficit at $USD33.5bn in Q1'2026 - Ministry of Finance.

GCC Weekly Market Performance

Index				Rates			
Fixed Income	**Latest**	**-1w %**	**YTD %**	**3M interbank**	**Latest**	**-1w (bp)**	**YTD (bp)**
Global Agg	501.4	0.24	8.41	Saudi	4.68	-5.03	-17.83
Global Treasuries	207.6	0.29	6.65	UAE	3.76	0.06	28.54
EM USD Agg TR	1397.9	0.13	11.91	Kuwait	3.56	0.00	-
EM LatAm TR	1305.5	0.24	15.25	Bahrain	5.12	-0.31	13.62
EM EMEA TR	409.4	0.10	11.09	Oman	4.29	-1.25	-
EM Asia TR	707.7	0.01	8.99	Qatar	3.97	-10.60	-
Bahrain TR	220.1	-0.13	8.28	US SOFR	3.63	0.00	-24.00
Oman TR	175.5	0.09	12.19	**5Y Sov. CDS**	**Latest**	**-1w (bp)**	**YTD (bp)**
Kuwait TR	168.5	-0.05	7.40	Saudi Arabia	69.67	1.20	1.50
Qatar TR	147.9	-0.20	7.48	Abu Dhabi	45.40	4.40	16.90
Saudi Arabia TR	153.4	-0.15	8.71	Dubai	87.12	7.40	35.60
UAE TR	153.3	-0.07	7.53	Kuwait	59.62	0.30	6.10
Equity	**Latest**	**-1w %**	**YTD %**	Bahrain	260.01	20.80	71.60
ADX	9827.9	-1.11	5.03	Oman	74.87	1.70	-
DFM	5790.8	-2.26	11.17	Qatar	38.19	0.50	10.10
Tadawul	11007.0	-2.06	-9.05	**10Y yield**	**Latest**	**-1w (bp)**	**YTD (bp)**
DSM	10522.7	-1.01	-0.63	Saudi Arabia	5.00	6.00	34.10
MSM30	8433.1	1.49	83.49	Abu Dhabi	4.65	2.70	41.70
BHSE	1950.7	-0.85	-1.44	Dubai	4.59	8.00	59.20
KWSE	9416.9	-0.42	19.84	Bahrain	6.98	6.20	74.10
MSCI GCC	747.4	-2.14	2.92	Oman	4.83	-1.70	4.10
MSCI EM	1648.4	1.85	53.91	Qatar	4.45	3.50	26.70
MSCI ACWI	1084.2	1.56	29.09				

Note: data from 29th April 2026 to 5th May 2026, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

Developments

UAE non-oil private sector growth slowed in April - PMI

- The UAE's non-oil private sector expanded at its slowest pace since February 2021 in April. The UAE Purchasing Managers' Index fell from 52.9 in March to 52.1 in April, albeit remaining in growth territory above the 50 mark. New orders grew at the slowest pace in more than 5 years, with the subindex falling to a reading of 52.5 in April from March's 54.5 (Source: Zawya).

Saudi Arabia non-oil business activity grew in April - PMI

- Saudi Arabia's non-oil private sector grew in April. The Saudi Arabia Purchasing Managers' Index (PMI) rose from 48.8 in March to 51.5 in April. A reading above 50.0 separates growth from contraction. Source: (Zawya).

Saudi Arabia's budget deficit at $USD33.5bn in Q1'2026 - Ministry of Finance

- According to the finance ministry of Saudi Arabia, Saudi Arabia posted a budget deficit of SAR125.7bn (USD33.5bn) in Q1 of 2026 as government spending surged 20%. Total government spending reached SAR386.7bn Q1, outpacing revenues of SAR261.0bn. Oil revenues declined 3% to SAR144.7bn from SAR149.8bn in Q1of 2025. Non-oil revenues rose 2% to SAR116.3bn. (Source: Zawya).

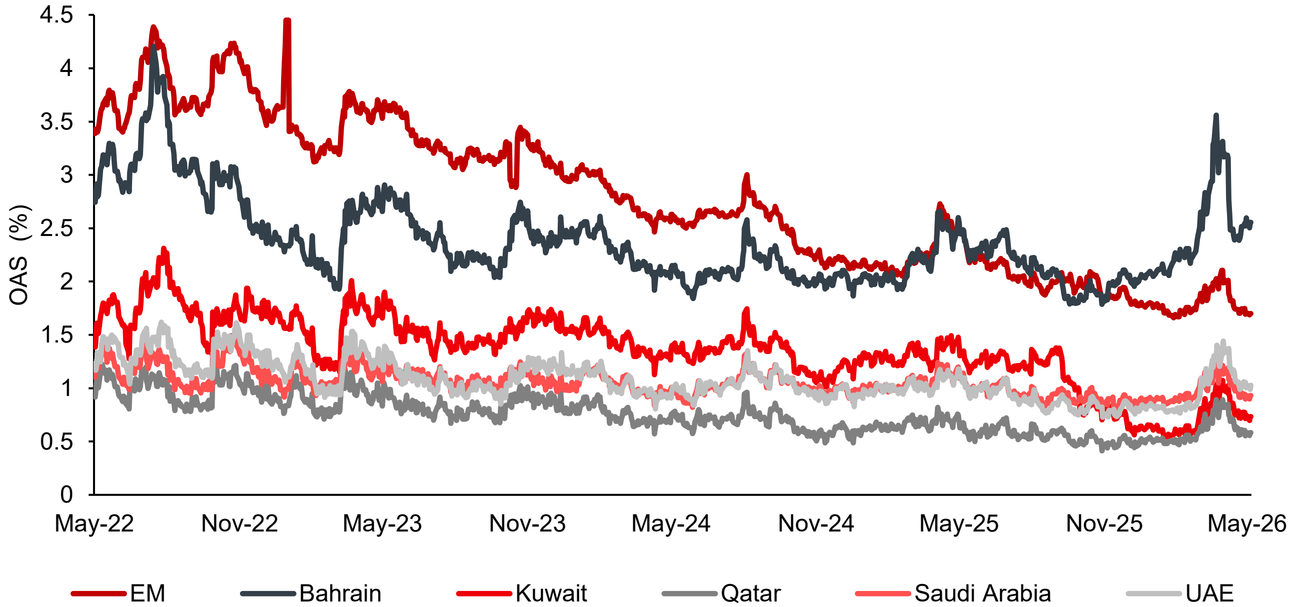
GCC bond issuances

Issuer	BBG	Sector	Count	Issue Amt*	Cpn	Maturity	Maturity Type	Currency	Issue Date	Rtg^	YTM (mid	YTC (mid
QNB Finance Ltd	QNBK	Agency	QA	300	4.75	5/1/2031	AT MATURITY	USD	5/1/2026	-	4.67	-
Emirates NBD Bank PJSC	EBIUH	Agency	AE	750	6.25	-	PERP/CALL	USD	5/5/2026	-	6.25	6.09
Government Development Bond	BHDB	Treasury	BH	528.96	6.25	5/5/2029	AT MATURITY	BHD	5/5/2026	-	-	-
Kuwait Government Bond	KUWGB	Treasury	KW	324.76	3.25	4/23/2031	AT MATURITY	KWD	4/29/2026	-	-	-

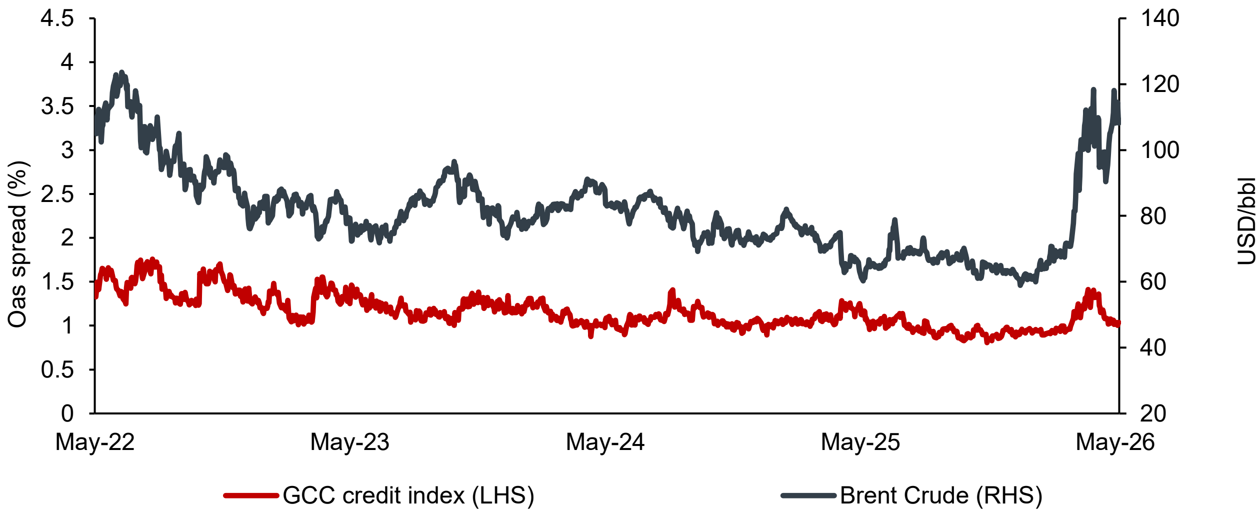
**Amount Issued in USD/AEDmillion, Bloomberg sector classification has been used, ^Issuer rating used where applicable, Fitch rating or equivalent used Source: Fitch Ratings, Moody's ratings, Bloomberg, ADCB Asset Management*

Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)

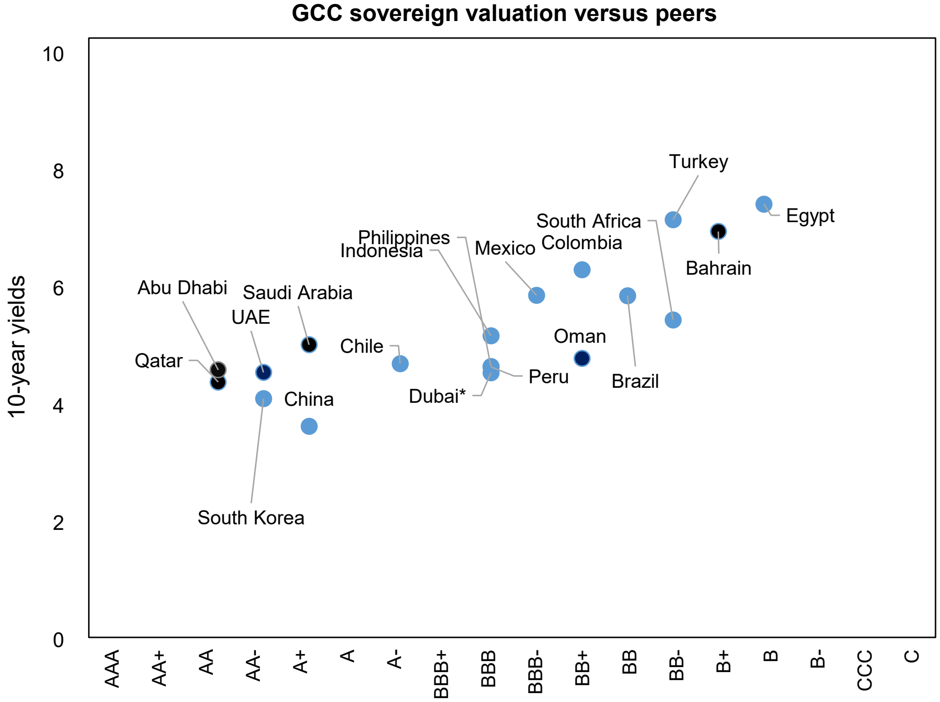


GCC corporate OAS spread versus Brent Crude



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	Aa3	Aa2	Baa2	A1	B2u	Baa3	Aa2	Caa1
Fitch	A+	AA	-	AA-	B	BBB-	-	B

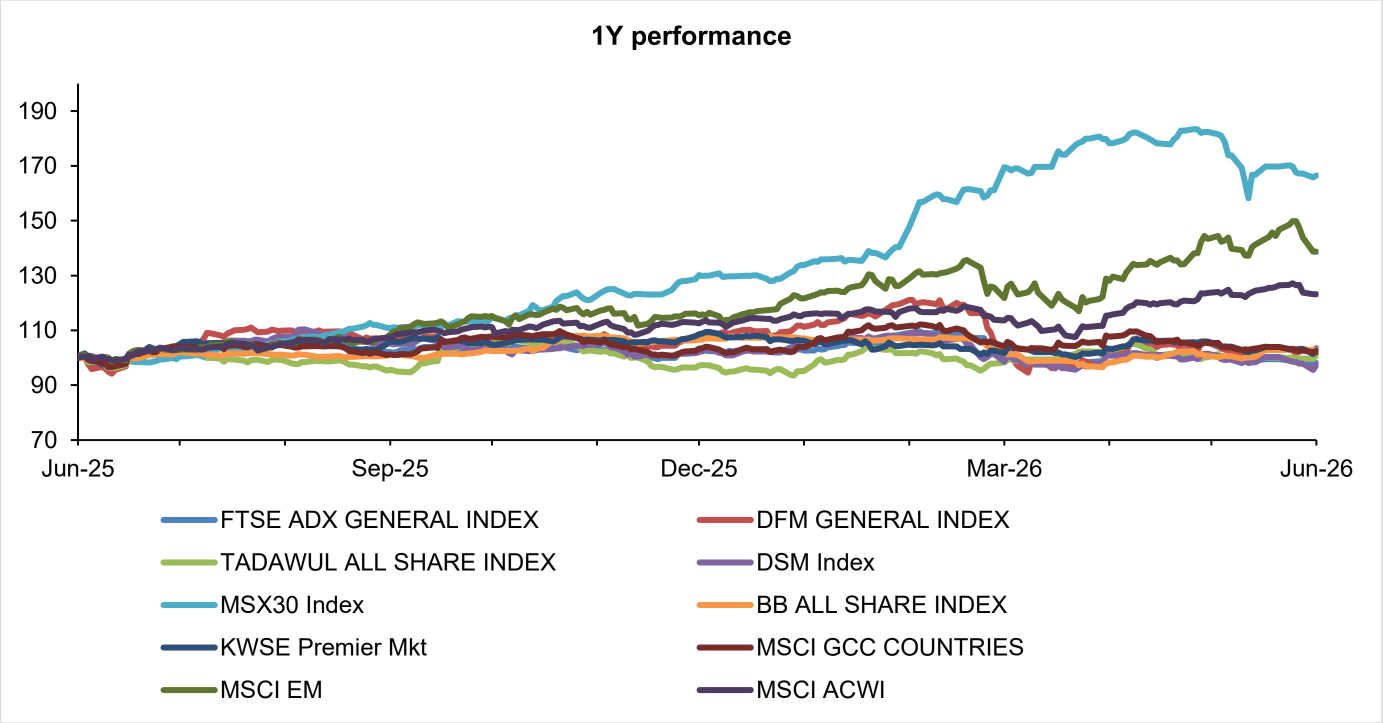
*Note: *DEWA rated used as proxy for Dubai*

GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	10.5x	42.8%	2.5%
DFM	9.9x	-	5.5%
Tadawul	14.6x	10.5%	3.6%
DSM	12.0x	-4.1%	4.8%
MSM30	14.7x	-	3.7%
BHSE	6.3x	-	11.5%
KWSE	13.5x	40.8%	3.8%
MSCI GCC	12.4x	14.0%	4.2%
MSCI EM	12.4x	47.5%	2.0%
MSCI ACWI	18.5x	27.0%	1.6%

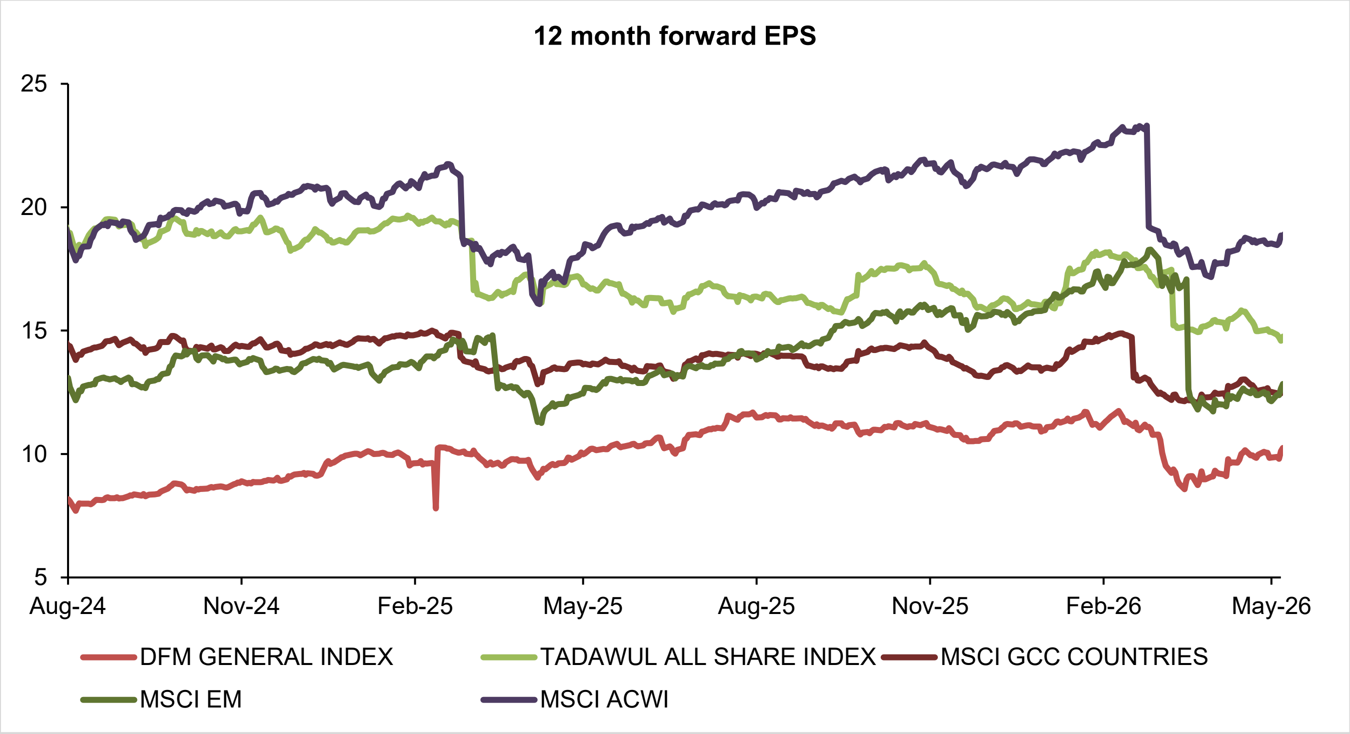
Notes: *data as of 09 June 2026 | Source: Bloomberg, ADCB

GCC equity 1Y Performance



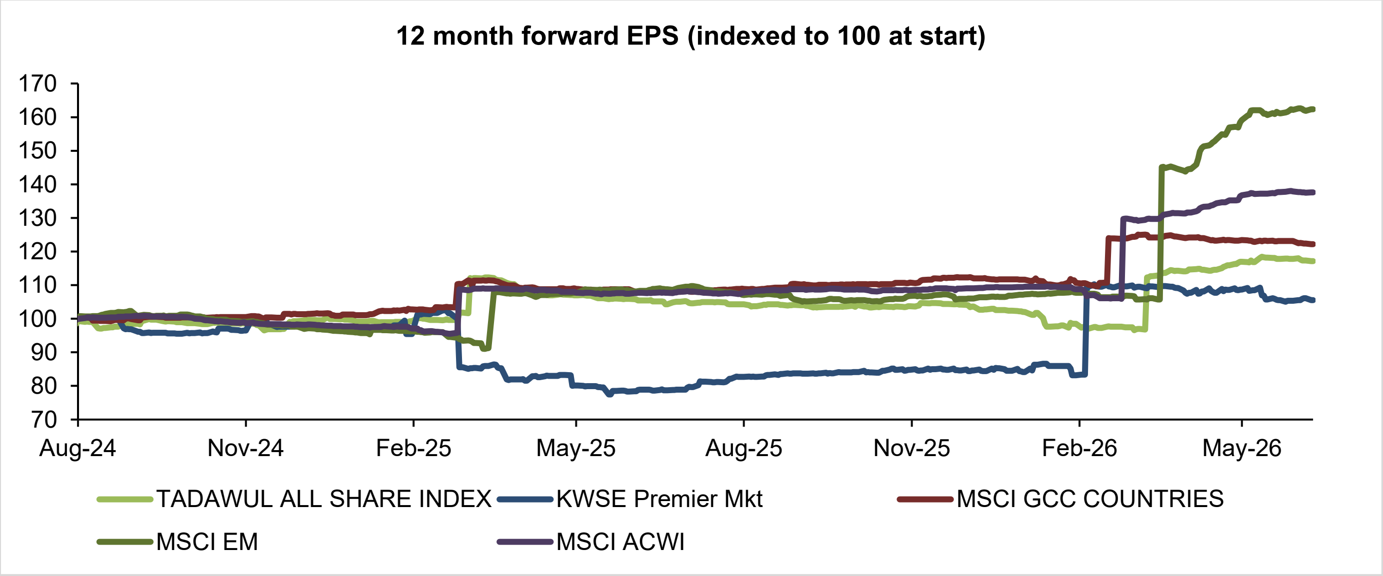
Source: Bloomberg, ADCB

GCC equity 12m forward PE



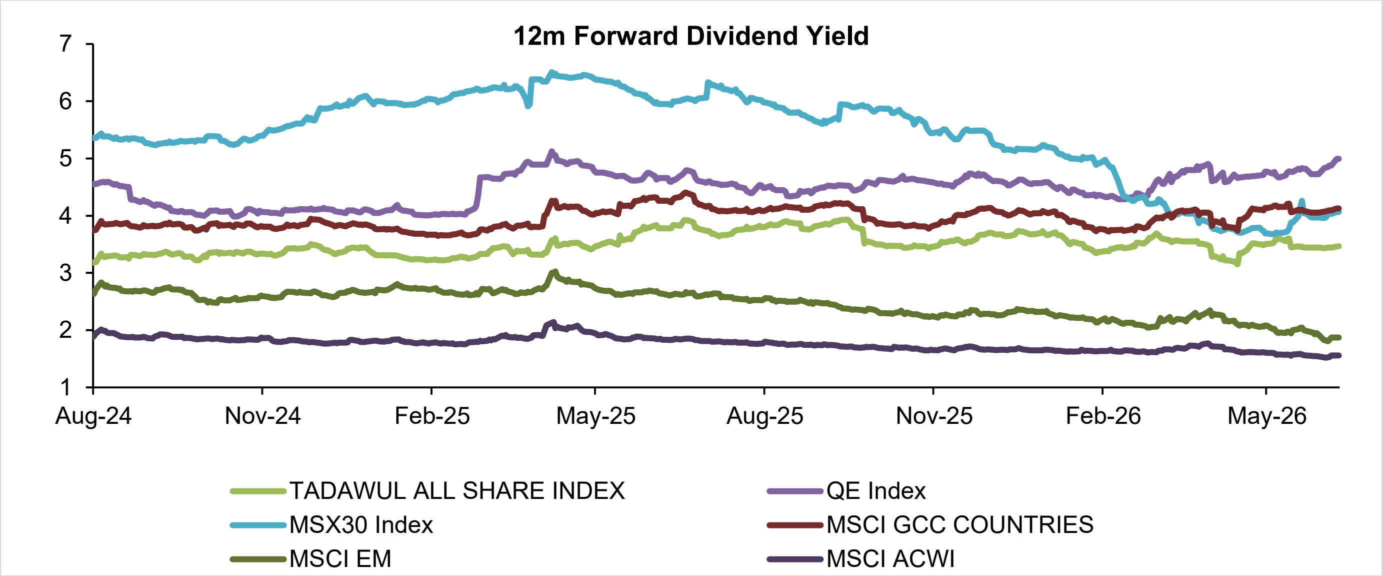
Source: Bloomberg, ADCB

GCC equity 12m forward EPS



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields



Source: Bloomberg, ADCB

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