GCC Weekly Market View

Investment Strategy ♦ November 6, 2026

GCC market performance and activity summary

In GCC fixed income

All GCC bond indices recorded gains over the week. Saudi Arabia, Qatar, and Bahrain outperformed the most. 5Y sovereign CDS spreads tightened across all GCC markets. In the USD sovereign market, the 10yr bond yields declined across all GCC markets.

GCC equities

GCC regional indices ended mixed over the week – Qatar and Dubai outperformed the most, while Oman, Bahrain, and Abu Dhabi underperformed. Overall, MSCI GCC posted gains. MSCI EM and MSCI ACWI all posted declines.

GCC key developments

- UAE's non-oil private sector expanded in October – PMI.
- Saudi Arabia's non-oil private sector growth slowed in October– PMI.
- Saudi Arabia posted a budget deficit of USD22.38bn in Q3 of 2026.
- Saudi Arabia's non-oil activities grew by 1.9% in Q3 – GASTAT.
- Oman's economy is projected to grow by 4% in 2026 – IMF.

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GCC Weekly Market Performance

Index			
Fixed Income	Latest	-1w %	YTD %
Global Agg	497.8	1.16	-0.70
Global Treasuries	206.2	1.19	-1.03
EM USD Agg TR	1387.9	0.71	0.08
EM LatAm TR	1285.7	0.18	0.39
EM EMEA TR	408.3	1.00	-0.17
EM Asia TR	704.4	0.85	-0.02
Bahrain TR	217.0	1.00	-2.78
Oman TR	174.4	0.90	0.76
Kuwait TR	167.4	0.97	-0.32
Qatar TR	145.7	1.03	-2.12
Saudi Arabia TR	151.4	1.12	-1.56
UAE TR	152.5	0.95	-1.59
Equity	Latest	-1w %	YTD %
ADX	9519.8	-0.73	-4.73
DFM	6042.6	3.38	-0.07
Tadawul	10095.4	0.72	-3.77
DSM	10065.9	9.24	-6.47
MSM30	7276.4	-1.36	24.03
BHSE	1815.8	-1.04	-12.14
KWSE	8992.8	0.59	-5.32
MSCI GCC	726.9	2.47	-1.05
MSCI EM	1543.8	-3.98	9.93
MSCI ACWI	1092.9	-3.63	7.72

Rates			
3M interbank	Latest	-1w (bp)	YTD (bp)
Saudi	5.53	33.46	66.87
UAE	4.28	-3.67	80.36
Kuwait	3.69	6.30	12.55
Bahrain	5.52	1.95	53.82
Oman	4.25	-2.75	-16.25
Qatar	4.33	3.30	35.80
US SOFR	3.94	-1.00	7.00
5Y Sov. CDS	Latest	-1w (bp)	YTD (bp)
Saudi Arabia	69.57	-3.43	2.59
Abu Dhabi	35.83	-1.74	8.38
Dubai	61.69	-1.12	14.25
Kuwait	54.96	-1.48	7.54
Bahrain	306.61	-14.40	122.36
Oman	76.74	-5.36	5.95
Qatar	44.85	-2.40	17.59
10Y yield	Latest	-1w (bp)	YTD (bp)
Saudi Arabia	5.66	-21.72	99.45
Abu Dhabi	5.35	-15.60	110.10
Dubai	5.18	-17.80	117.40
Bahrain	8.00	-16.30	175.40
Oman	5.54	-16.00	73.50
Qatar	5.30	-17.70	111.00

Note: data from 29th October 2026 to 4th November 2026, Source: Bloomberg, ADCB Asset Management.

Developments

UAE's non-oil private sector expanded in October - PMI

- UAE's non-oil private sector expanded in October as output growth remained strong, but firms hiked selling prices to offset spiralling input costs. The UAE Purchasing Managers' Index (PMI), slipped in September from 55.3 to 54.8 in October. Output growth remained strong, easing only marginally from September's seven-month high. Firms linked higher activity to a range of sectors, including construction, retail, tourism and manufacturing. (Source: Zawya).

Saudi Arabia's non-oil private sector growth slowed in October– PMI

- Saudi Arabia's non-oil private sector growth slowed in October, as new business expanded at a weaker pace and business confidence stayed subdued amid geopolitical tensions and rising costs. Output growth picked up from September but remained softer than the historical average. Firms linked the higher activity to improving underlying demand and stronger sales and marketing efforts. The Saudi Arabia Purchasing Managers' Index (PMI) fell from 55.3 in September to 54.0 in October. Despite the dip, the index was at its second-highest level since February. (Source: Zawya).

Saudi Arabia posted a budget deficit of USD22.38bn in Q3 of 2026

- Saudi Arabia recorded a budget deficit of SAR84bn (USD22.38bn) in Q3 of 2026, with total revenue reaching SAR259bn. Oil revenue declined by 23% to SAR116.5bn, while non-oil revenue increased by 8% to SAR412.5bn during the first nine months of 2026. The government also forecasts a fiscal deficit of SAR191bn (3.6% of GDP) for 2027, amid regional tensions and disruptions to Gulf energy shipments. (Source: Zawya).

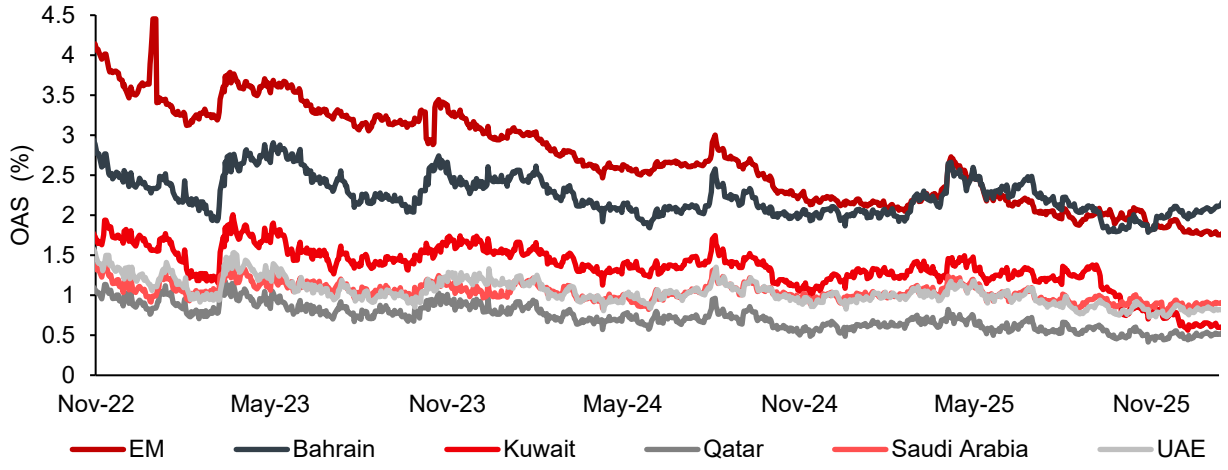
Saudi Arabia's non-oil activities grew by 1.9% in Q3 - GASTAT

- According to the General Authority for Statistics (GASTAT), Saudi Arabia's non-oil activities grew by 1.9% YoY in Q3 of 2026, despite a 3.8% decline in real GDP. The contraction was mainly driven by a 20.4% decline in oil activities and a 2.7% decrease in government activities. However, non-oil activities contributed 1.1 percentage points to annual GDP growth, partially offsetting the decline. On a quarterly basis, real GDP increased by 1.3%, supported by a 5.7% rise in oil activities and 0.6% growth in non-oil activities. (Source: Zawya).

Oman's economy is projected to grow by 4% in 2026 - IMF

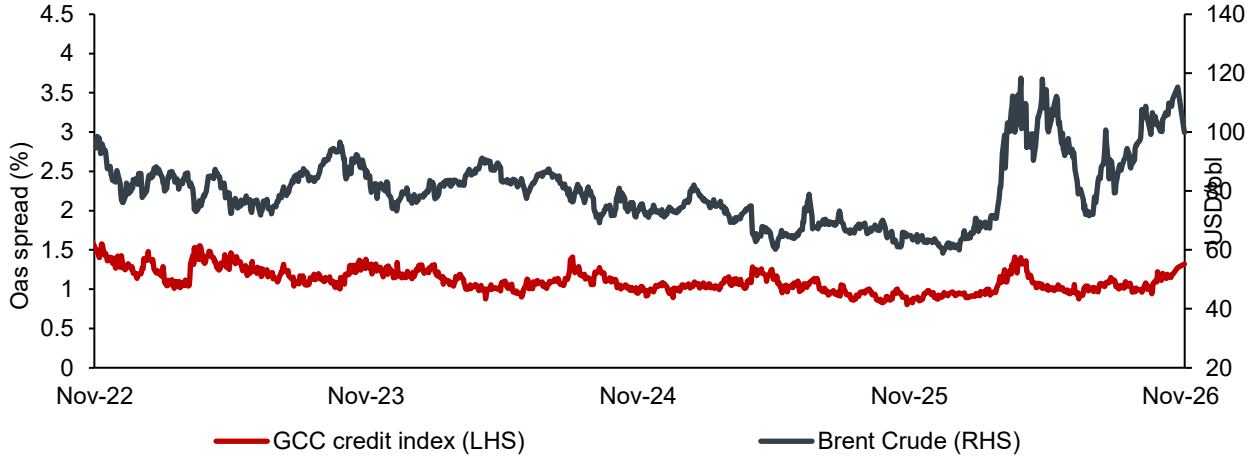
- The International Monetary Fund (IMF) expects Oman's economy to grow by 4% in 2026, supported by higher oil production, stronger trade, and resilient non-oil activities. Medium-term growth is projected to average 3%, while inflation is expected to remain around 3% in 2026. Fiscal surpluses are forecast at approximately 5% in 2026 and 2027, supported by higher oil revenues and disciplined government spending. Oman's current account is also expected to return to surplus in 2026. However, regional conflicts and geopolitical uncertainties remain key risks to investment, tourism, and economic growth, highlighting the importance of continued reforms under Oman Vision 2040. (Source: Zawya).

Appendix
Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Note: data as of 21 October 2026 | Source: Bloomberg, ADCB Asset Management

GCC corporate OAS spread versus Brent Crude



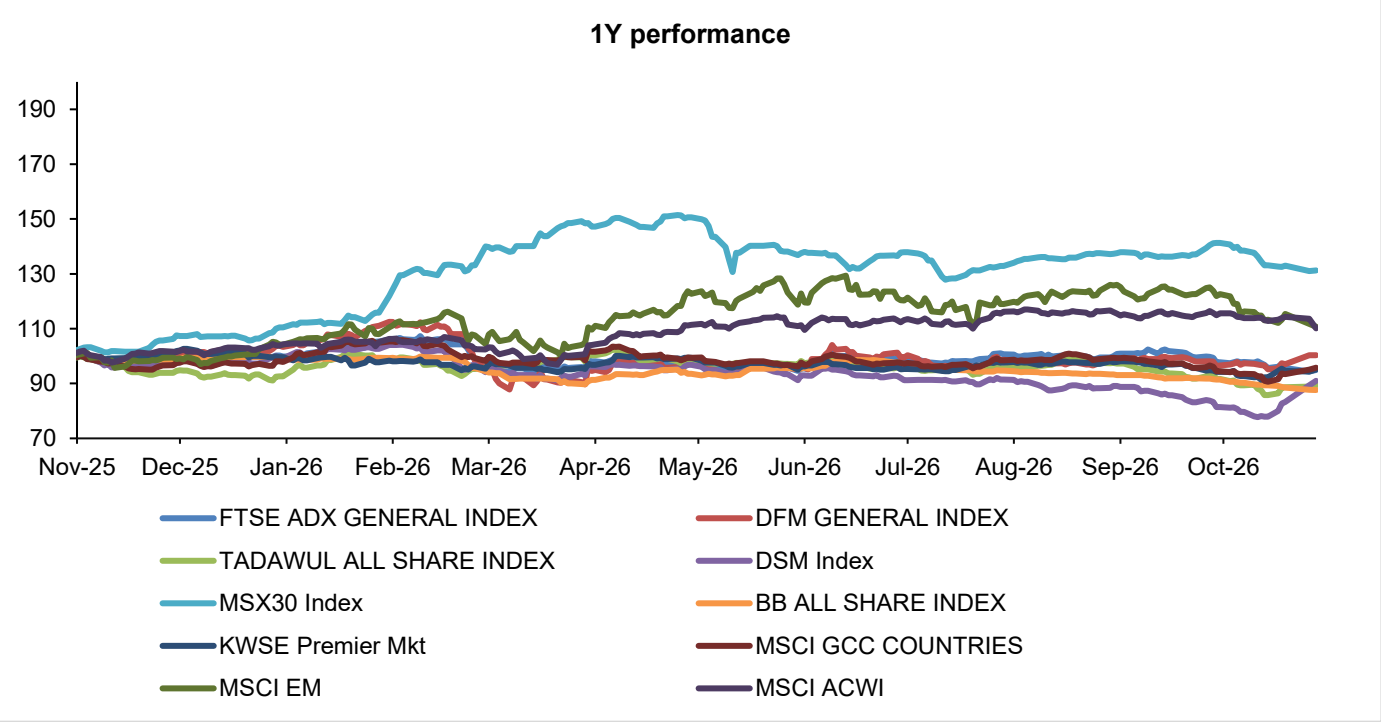
Source: Bloomberg, ADCB Asset Management

GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	10.5x	2.7%	4.5%
DFM	10.2x	1.1%	5.0%
Tadawul	13.9x	8.4%	4.2%
DSM	12.8x	13.2%	4.8%
MSM30	11.4x	2.3%	4.8%
BHSE	10.3x	-	8.3%
KWSE	16.5x	10.3%	3.7%
MSCI GCC	12.2x	7.6%	4.3%
MSCI EM	10.5x	23.5%	2.2%
MSCI ACWI	17.9x	16.4%	1.6%

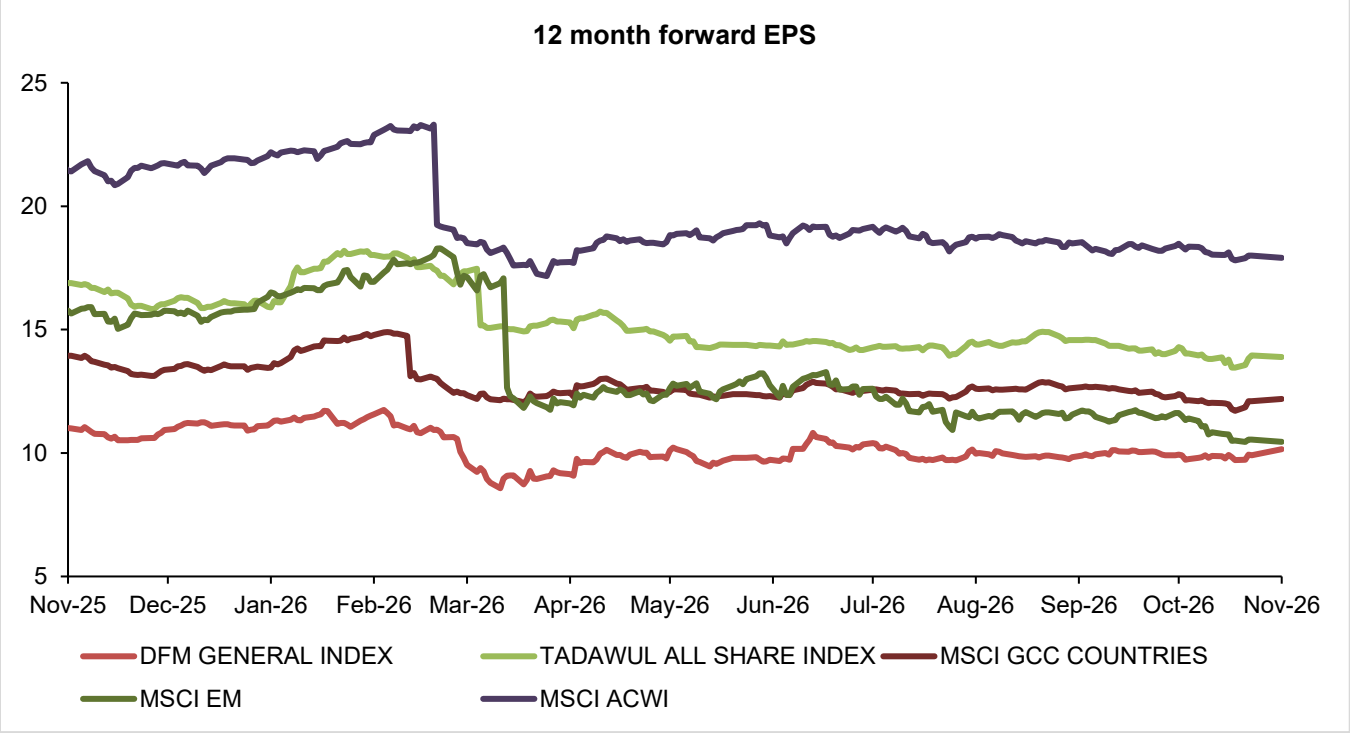
Notes: *data as of 06 November 2026 | Source: Bloomberg, ADCB Asset Management

GCC equity 1Y Performance



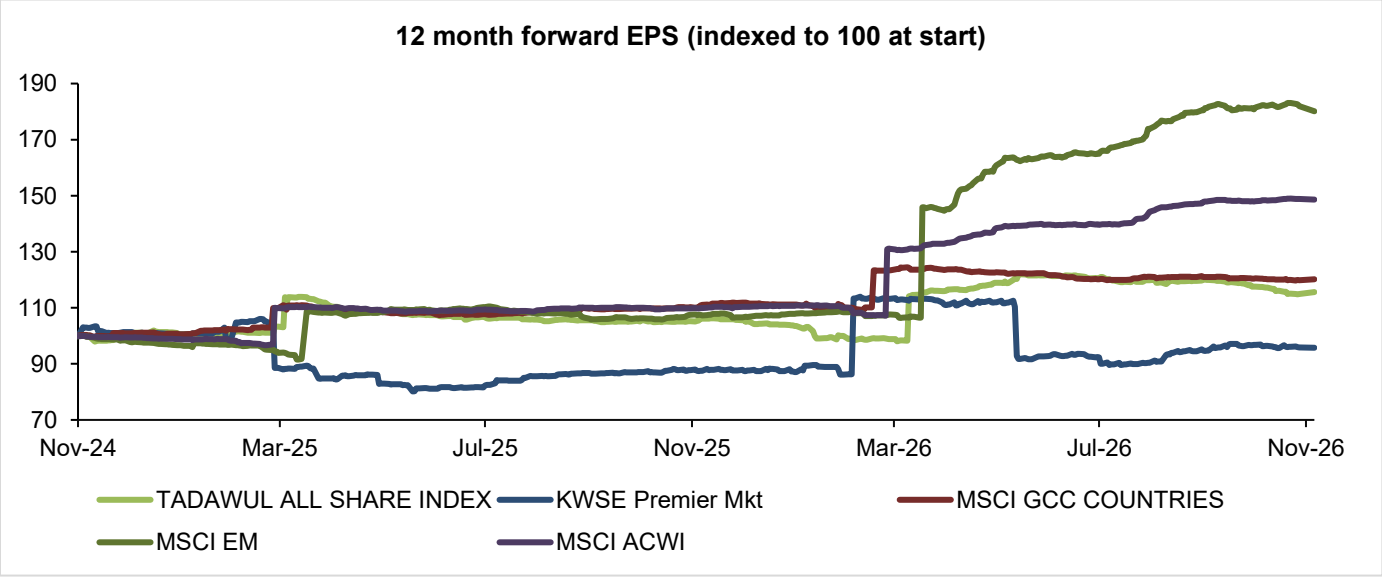
Source: Bloomberg, ADCB Asset Management

GCC equity 12m forward PE



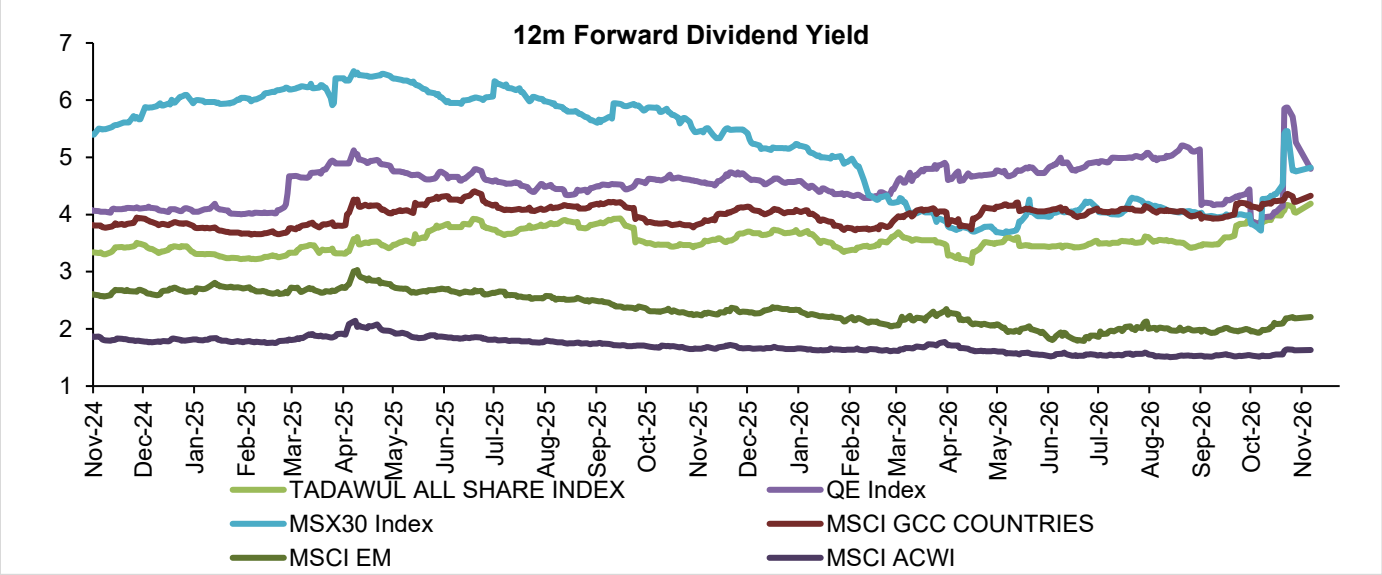
Source: Bloomberg, ADCB Asset Management

GCC equity 12m forward EPS



Source: Bloomberg, ADCB Asset Management

GCC equity 12m forward dividend yields



Source: Bloomberg, ADCB Asset Management

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