GCC Weekly Market View

Investment Strategy ♦ November 20, 2026

GCC market performance and activity summary

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In GCC fixed income

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

GCC equities

GCC regional indices declined over the week, except for UAE. Overall, MSCI GCC posted gains. MSCI and MSCI EM and MSCI ACWI all posted declines.

GCC key developments

- Saudi Arabia's inflation reaches 1.7% in October 2026 – GASTAT.
- Oman inflation eases to 2.9% in October, but food prices climb 7.9%.
- Oman's budget surplus reaches USD233.8mn as revenues rise 16%.
- Qatar's budget posts USD6.26bn deficit in Q3 2026.

GCC Weekly Market Performance

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Index			
Fixed Income	Latest	-1w %	YTD %
Global Agg	489.6	-0.73	-2.34
Global Treasuries	202.8	-0.68	-2.66
EM USD Agg TR	1371.8	-1.06	-1.08
EM LatAm TR	1269.9	-1.12	-0.85
EM EMEA TR	403.4	-1.22	-1.37
EM Asia TR	697.5	-0.66	-1.01
Bahrain TR	215.3	-1.26	-3.51
Oman TR	171.8	-1.34	-0.76
Kuwait TR	166.4	-0.62	-0.96
Qatar TR	144.1	-1.06	-3.21
Saudi Arabia TR	149.1	-1.37	-3.05
UAE TR	151.1	-0.90	-2.48
Equity	Latest	-1w %	YTD %
ADX	9771.1	1.94	-2.22
DFM	6248.0	0.43	3.32
Tadawul	10253.2	-0.54	-2.26
DSM	10079.4	-0.45	-6.35
MSM30	7356.4	-0.24	25.39
BHSE	1817.0	-0.41	-12.08
KWSE	9019.2	0.18	-5.04
MSCI GCC	743.9	0.25	1.26
MSCI EM	1486.8	-5.67	5.87
MSCI ACWI	1079.5	-3.71	6.40

Rates			
3M interbank	Latest	-1w (bp)	YTD (bp)
Saudi	5.56	40.00	70.00
UAE	4.40	6.00	93.00
Kuwait	3.69	0.00	13.00
Bahrain	5.62	7.00	64.00
Oman	4.27	-4.00	-14.00
Qatar	4.28	-15.00	30.00
US SOFR	3.92	3.00	5.00
5Y Sov. CDS	Latest	-1w (bp)	YTD (bp)
Saudi Arabia	68.99	4.35	2.01
Abu Dhabi	36.79	2.68	9.34
Dubai	61.01	2.01	13.57
Kuwait	57.23	2.98	9.81
Bahrain	294.24	8.31	109.99
Oman	74.73	2.81	3.94
Qatar	46.01	2.87	18.75
10Y yield	Latest	-1w (bp)	YTD (bp)
Saudi Arabia	6.05	27.00	135.00
Abu Dhabi	5.62	20.00	136.00
Dubai	5.50	13.00	137.00
Bahrain	8.28	28.00	199.00
Oman	5.93	26.00	109.00
Qatar	5.61	21.00	139.00

Note: data from11th November2026 to 17th November 2026, Source: Bloomberg, ADCB Asset Management.

Developments

Saudi Arabia's inflation reaches 1.7% in October 2026 - GASTAT

- According to the General Authority for Statistics (GASTAT), Saudi Arabia's annual inflation rate reached 1.7% in October 2026, mainly driven by higher housing, transportation, and food prices. Housing, water, electricity, gas, and other fuels increased by 3.5%, while transportation rose by 2.3% and food and beverages by 1.1%. Housing rents increased by 3.5%, insurance and financial services by 3.5%, and passenger transportation services by 9.5%. Recreation, sports, and culture prices rose by 2.7%, while furniture and household maintenance prices declined by 0.5% and clothing and footwear by 0.2%. On a monthly basis, the Consumer Price Index (CPI) increased by 0.1% compared to September 2026, mainly due to higher housing and rental costs. Meanwhile, the Wholesale Price Index (WPI) rose by 4.5% annually and 1.1% monthly, driven primarily by an 8% increase in other transportable goods, including a 24.2% rise in basic chemical prices and a 5.5% increase in refined petroleum products and fuels. Agricultural and fishing product prices increased by 4.1%, while metal products, machinery, and equipment declined by 0.3%. (Source: Zawya).

Oman inflation eases to 2.9% in October, but food prices climb 7.9%

- According to the National Centre for Statistics and Information (NCSI), Oman's annual inflation rate eased to 2.9% in October 2026, down from 3.2% in September and 3.4% in August, marking the second consecutive monthly slowdown. Average inflation stood at 2.9% during January–October 2026. However, food prices increased by 7.9% YoY, driven by higher vegetable (17%), fruit (16.9%), and meat (10.5%) prices, putting pressure on household budgets. Transportation costs rose by 5.6%, tobacco by 4.7%, restaurants and hotels by 3.4%, and healthcare by 1.8%, while housing and utilities recorded a modest 0.1% increase. Regionally, Al Dhahirah and Al Wusta recorded the highest inflation rates at 3.8%, while Dhofar had the lowest at 2.1%. The International Monetary Fund (IMF) expects Oman's average inflation to reach 3% in 2026, mainly due to higher food and transportation costs, before gradually declining toward 2% over the medium term. (Source: Zawya).

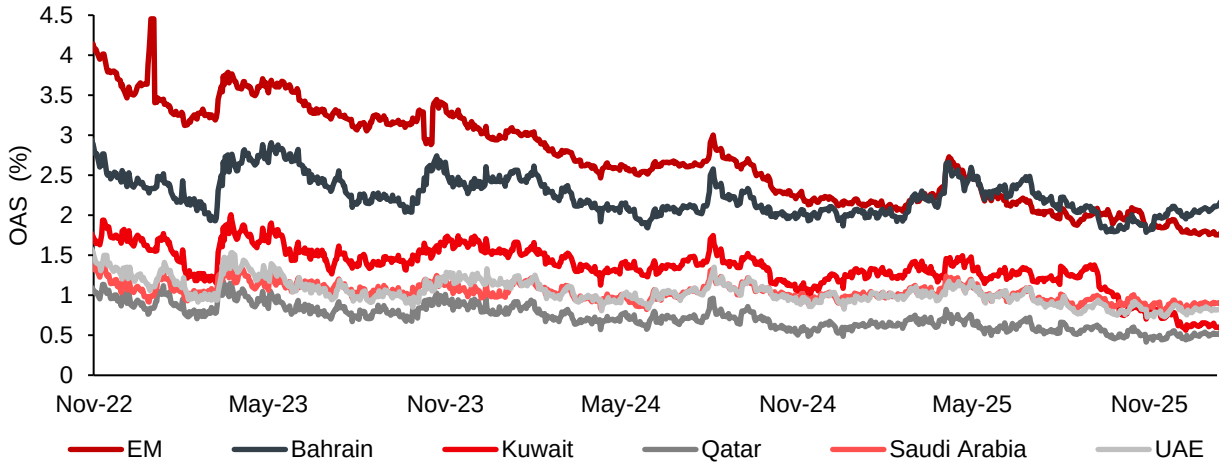
Oman's budget surplus reaches USD233.8mn as revenues rise 16%

- Oman recorded a budget surplus of approximately OMR90mn (USD233.8mn) by the end of September 2026, supported by higher oil and non-oil revenues. Total government revenues increased by 16% to OMR9.828bn, compared to OMR8.481bn during the same period in 2025, while public expenditure rose by 9% to OMR9.738bn. Net oil revenues increased by 7% to OMR5.046bn, with average oil prices at $81 per barrel and production reaching 1.102 million barrels per day. Net gas revenues grew significantly by 61% to OMR2.088bn, while other current revenues increased by 7% to OMR2.614bn. Development expenditure reached OMR1.224bn, representing 94% of the annual allocation. Government spending included OMR486mn for social protection, OMR441mn for electricity support, and OMR280mn for petroleum product subsidies. Meanwhile, Oman's public debt declined from OMR14.7bn to OMR14.1bn, a reduction of more than OMR600mn. The government also paid over OMR1.434bn to private sector companies, reflecting its commitment to supporting businesses and maintaining fiscal stability. (Source: Zawya).

Qatar's budget posts USD6.26bn deficit in Q3 2026

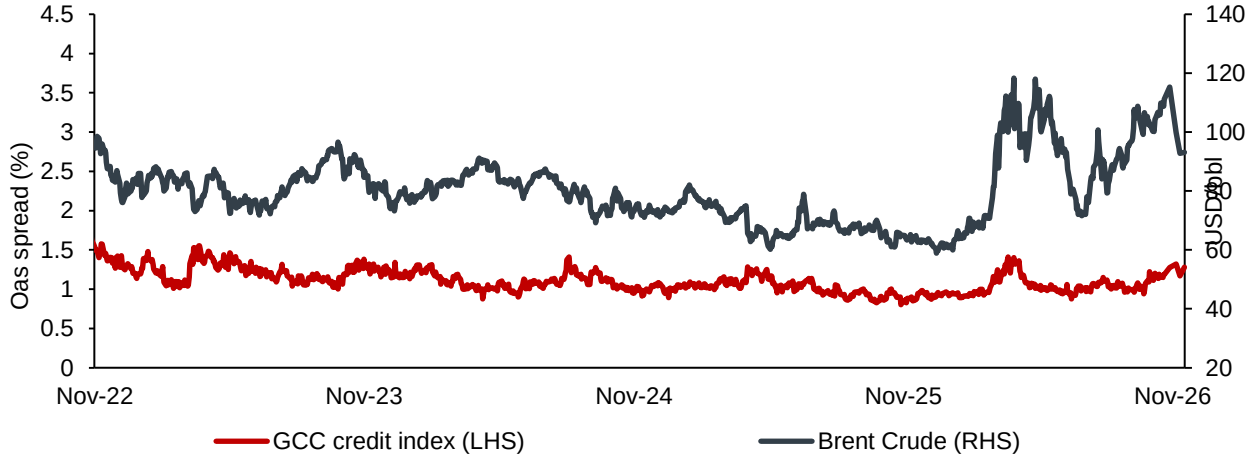
- According to the Ministry of Finance, Qatar recorded a budget deficit of QAR22.8bn (USD6.26bn) in Q3 of 2026, compared to a deficit of QAR21.2bn in Q2. Total government revenues reached approximately QAR17.1bn (USD4.69bn), while expenditures amounted to QAR39.9bn. Oil revenues contributed QAR10.748bn, while non-oil revenues reached QAR6.327bn. Government spending included QAR16.856bn for salaries and wages, QAR15.437bn for current expenditures, QAR6.878bn for major capital projects, and QAR706mn for minor capital expenditures. The figures indicate a widening budget deficit, with government spending significantly exceeding revenues during the quarter. (Source: Zawya).

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



Source: Bloomberg, ADCB Asset Management

GCC corporate OAS spread versus Brent Crude



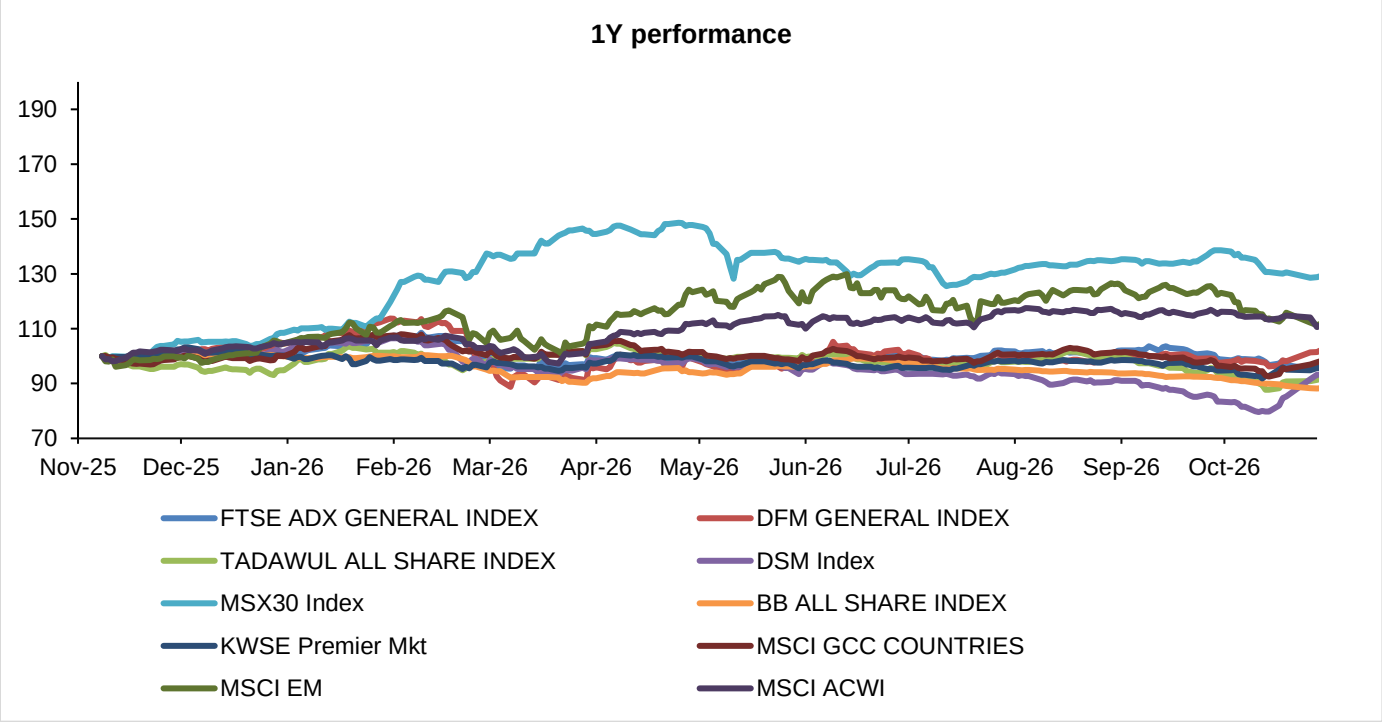
Source: Bloomberg, ADCB Asset Management

GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	10.8x	7.7%	4.5%
DFM	10.3x	8.1%	5.2%
Tadawul	13.7x	7.8%	4.0%
DSM	13.1x	15.5%	4.8%
MSM30	12.2x	4.7%	4.7%
BHSE	-	13.6%	4.7%
KWSE	15.7x	7.2%	3.7%
MSCI GCC	12.6x	8.6%	4.2%
MSCI EM	9.9x	32.9%	3.9%
MSCI ACWI	17.2x	20.4%	1.9%

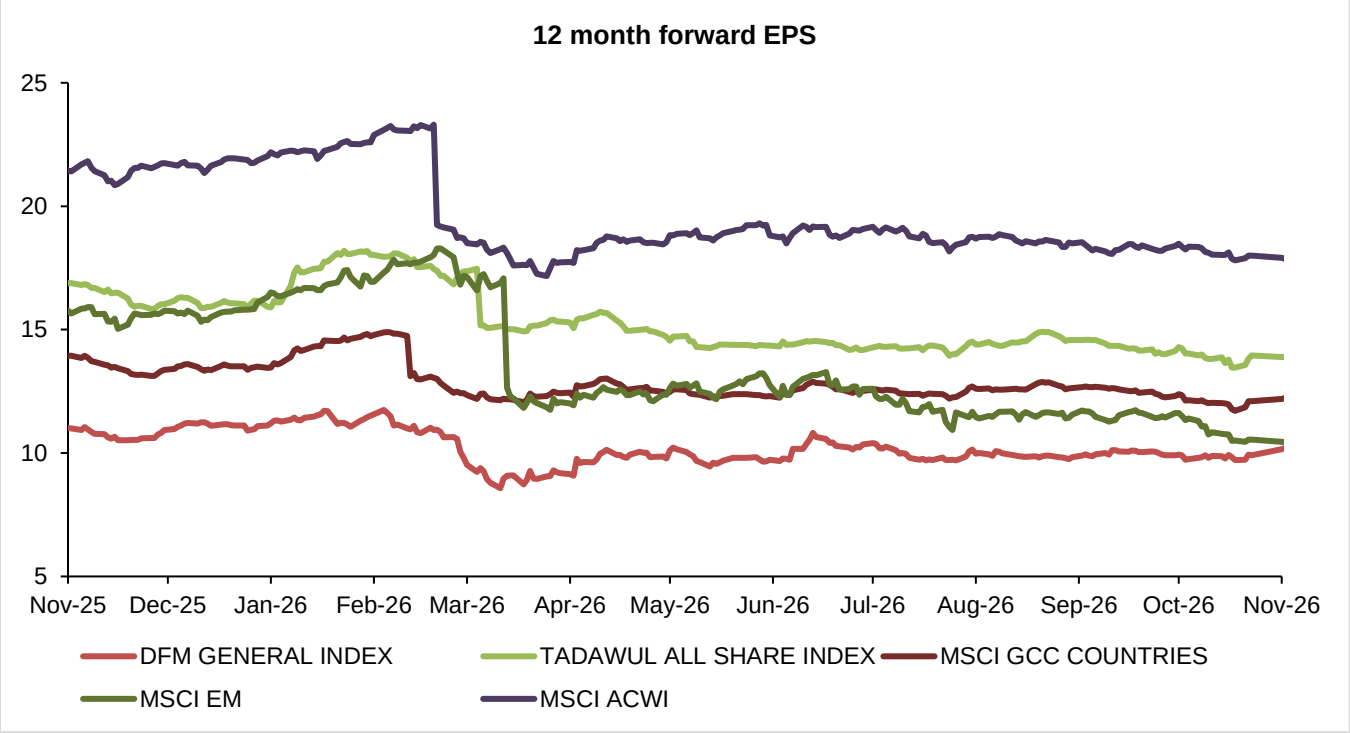
Notes: *data as of 20 November 2026 | Source: Bloomberg, ADCB Asset Management

GCC equity 1Y Performance



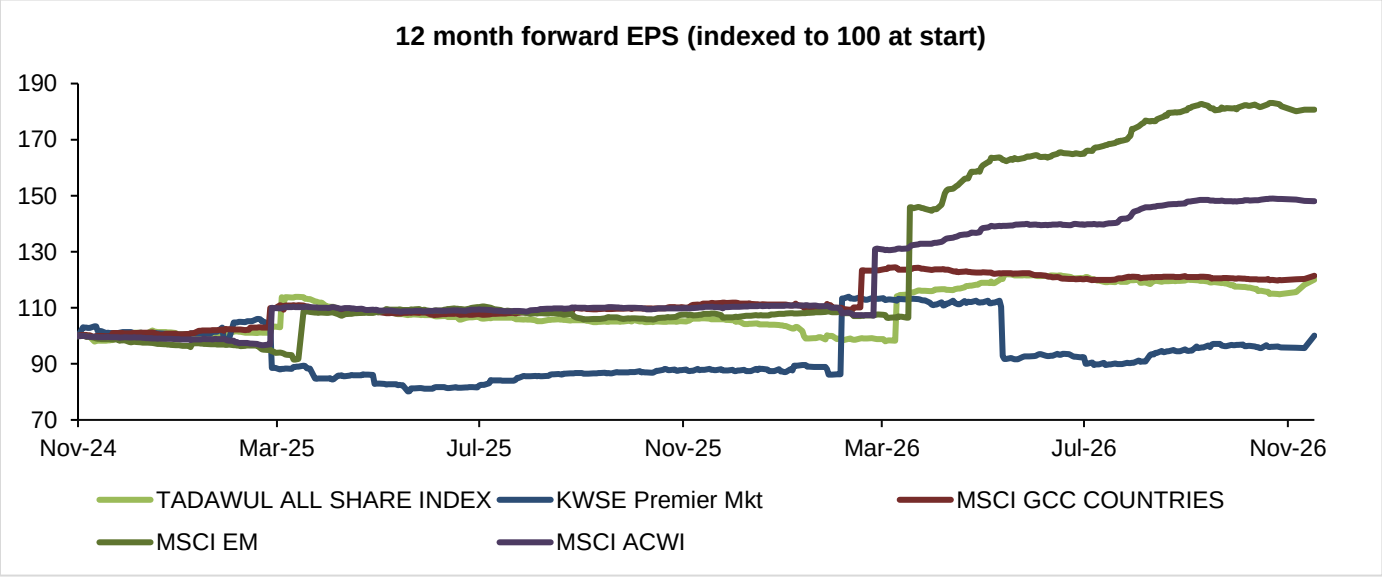
Source: Bloomberg, ADCB Asset Management

GCC equity 12m forward PE



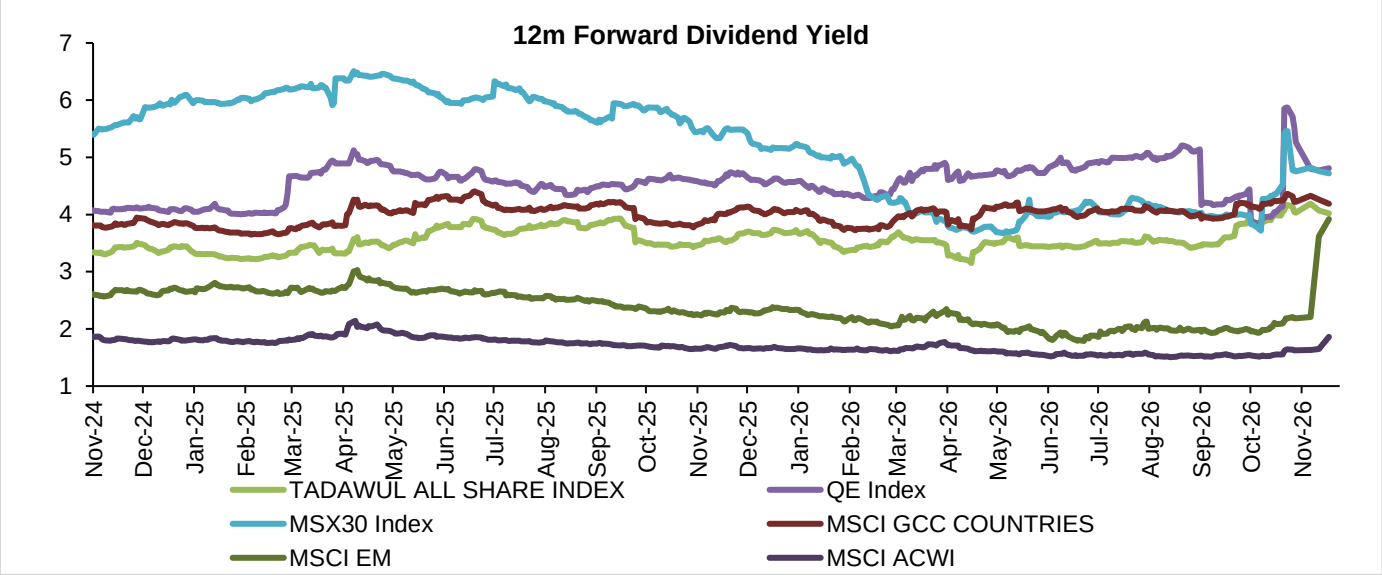
Source: Bloomberg, ADCB Asset Management

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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