GCC Weekly Market View

Investment Strategy ♦ August 27, 2026

GCC market performance and activity summary

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In GCC fixed income

Global benchmark bond index recorded gains for the week ending 25th August. Global Aggregate bond index rose (0.23%) and Global Treasuries also rose (0.22%). In credit, Global corporate IG index and Global HY index posted gains.

All GCC bond indices recorded gains over the week. Oman outperformed the most. 5Y sovereign CDS spreads winded 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. Oman and Dubai underperformed the most. Overall, MSCI GCC, MSCI EM and MSCI ACWI recorded gains.

GCC key macro developments

- Saudi Arabia's trade surplus rose 53.2% in H1 2026.
- Saudi Arabia's non-oil exports fell 11.4% in June.
- Oman's public revenue rose 13% in H1 2026.
- Oman's manufacturing sector contribution reached OMR3.7bn.
- Bahrain's non-oil economy expanded 2.2% in Q1 2026.

GCC corporate news

- ADIB plans to raise up to AED1.75bn rights issue.

GCC Weekly Market Performance

Index				Rates			
Fixed Income	Latest	-1w %	YTD %	3M interbank	Latest	-1w (bp)	YTD (bp)
Global Agg	502.1	0.23	8.75	Saudi	4.81	0.40	-4.44
Global Treasuries	207.6	0.22	6.82	UAE	3.87	-3.59	39.78
EM USD Agg TR	1410.1	0.18	12.91	Kuwait	3.56	0.00	-
EM LatAm TR	1320.7	0.18	16.61	Bahrain	5.15	-0.73	16.91
EM EMEA TR	413.2	0.20	12.12	Oman	4.25	0.20	-
EM Asia TR	710.0	0.16	9.41	Qatar	4.03	3.33	-
Bahrain TR	219.6	0.22	7.96	US SOFR	3.66	4.00	-21.00
Oman TR	174.7	0.41	11.64	5Y Sov. CDS	Latest	-1w (bp)	YTD (bp)
Kuwait TR	168.6	0.15	7.49	Saudi Arabia	69.67	1.20	1.50
Qatar TR	147.1	0.28	6.85	Abu Dhabi	45.40	4.40	16.90
Saudi Arabia TR	153.7	0.27	8.83	Dubai	87.12	7.40	35.60
UAE TR	153.9	0.22	7.93	Kuwait	59.62	0.30	6.10
Equity	Latest	-1w %	YTD %	Bahrain	260.01	20.80	71.60
ADX	10059.5	0.64	8.02	Oman	74.87	1.70	-
DFM	5885.6	-0.12	13.22	Qatar	38.19	0.50	10.10
Tadawul	11270.7	2.80	-7.20	10Y yield	Latest	-1w (bp)	YTD (bp)
DSM	9896.9	0.13	-7.44	Saudi Arabia	5.18	-5.90	51.90
MSM30	7532.5	-0.58	64.05	Abu Dhabi	4.95	-2.50	71.80
BHSE	1942.3	0.09	-1.63	Dubai	4.89	-4.70	89.30
KWSE	9302.7	0.80	18.92	Bahrain	7.53	-4.00	128.60
MSCI GCC	766.6	2.12	5.23	Oman	5.20	-7.10	40.50
MSCI EM	1717.1	2.14	59.11	Qatar	4.79	-5.30	60.60
MSCI ACWI	1149.9	0.25	36.87				

Note: data from 19th August 2026 to 26th August 2026, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

Developments

Saudi Arabia's trade surplus rose 53.2% in H1 2026

- According to the General Authority for Statistics (GASTAT), Saudi Arabia's trade surplus rose 53.2% YoY to SAR154.72bn in H1 2026, from SAR101.01bn a year earlier, supported by a 7.3% increase in exports and a 2.7% decline in imports. Total merchandise trade increased 2.8% to SAR1.05tn. (Source: Zawya).

Saudi Arabia's non-oil exports fell 11.4% in June

- According to the General Authority for Statistics (GASTAT), Saudi Arabia's national non-oil exports fell 11.4% YoY in June 2026, while the merchandise trade surplus declined 10%. Total exports dropped 4.5%, with oil exports down 2.3%, although oil's share of overall exports increased to 72%. Imports declined 3% YoY. (Source: Zawya).

Oman's public revenue rose 13% in H1 2026

- According to the Omani Ministry of Finance, Oman's public revenue increased 13% YoY to OMR6.60bn in H1 2026, mainly supported by stronger hydrocarbon income. Net oil revenue rose 10% to OMR3.33bn, while gas revenue jumped 32% to OMR1.16bn. Public expenditure increased 9% to OMR6.62bn, resulting in a modest fiscal deficit. (Source: Zawya).

Oman's manufacturing sector contribution reached OMR3.7bn

- According to the National Centre for Statistics and Information (NCSI), Oman's manufacturing sector contributed around OMR3.7bn to real GDP in 2025, while its contribution reached OMR869mn in Q1 2026. Non-oil merchandise exports increased 1.5% YoY to OMR2.74bn by May 2026, while re-exports surged 64.4% to over OMR1bn. (Source: Zawya).

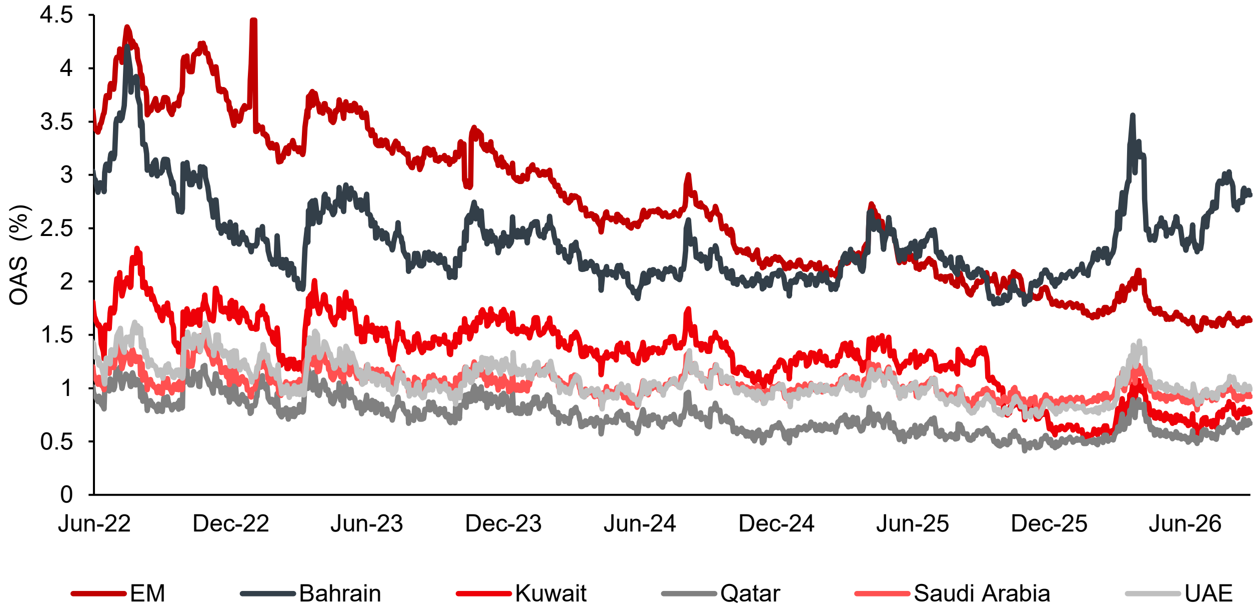
Bahrain's non-oil economy expanded 2.2% in Q1 2026

- According to Bahrain Ministry of Finance and National Economy, Bahrain's non-oil GDP grew 2.2% YoY in Q1 2026, despite overall real GDP contracting 3.8% due to a 37.2% decline in oil activity. Non-oil sectors accounted for 90.1% of real GDP, with financial and insurance activities growing 8.6% and remaining the largest contributor. (Source: Zawya).

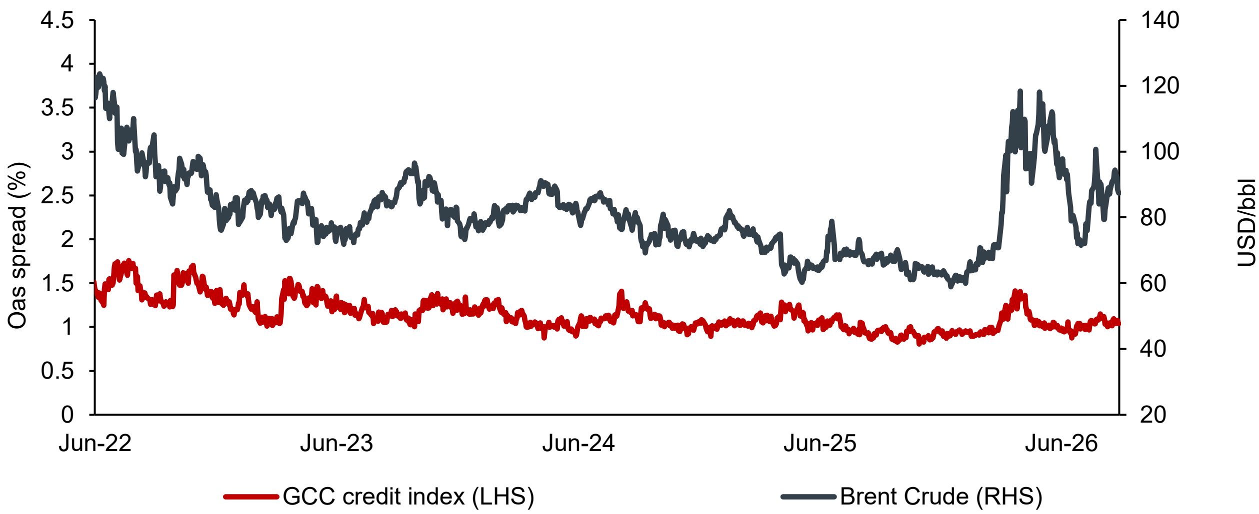
ADIB plans to raise up to AED1.75bn rights issue

- Abu Dhabi Islamic Bank's board approved a proposal to raise up to AED1.75bn through a rights issue, comprising 106.4mn new shares priced at AED16.45 each, including a AED15.45 share premium. The proposal remains subject to regulatory and shareholder approvals. (Source: Zawya).

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



GCC corporate OAS spread versus Brent Crude



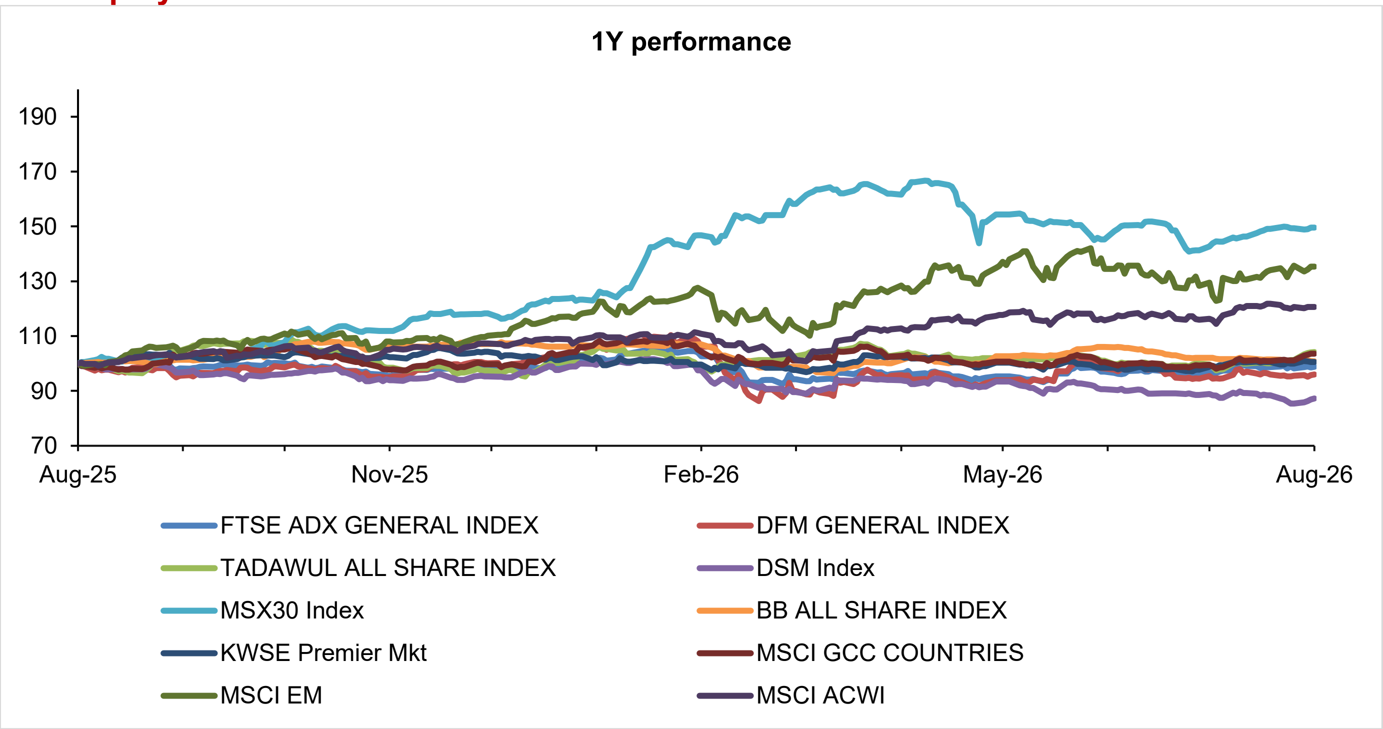
Source: Bloomberg, ADCB Asset Management

GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	11.0x	10.3%	2.5%
DFM	9.9x	-	5.4%
Tadawul	14.9x	13.3%	3.4%
DSM	12.0x	-8.3%	5.1%
MSM30	11.9x	-	4.0%
BHSE	7.6x	-	4.4%
KWSE	16.6x	8.1%	3.8%
MSCI GCC	12.8x	10.2%	4.0%
MSCI EM	11.5x	68.5%	2.0%
MSCI ACWI	18.5x	33.7%	1.5%

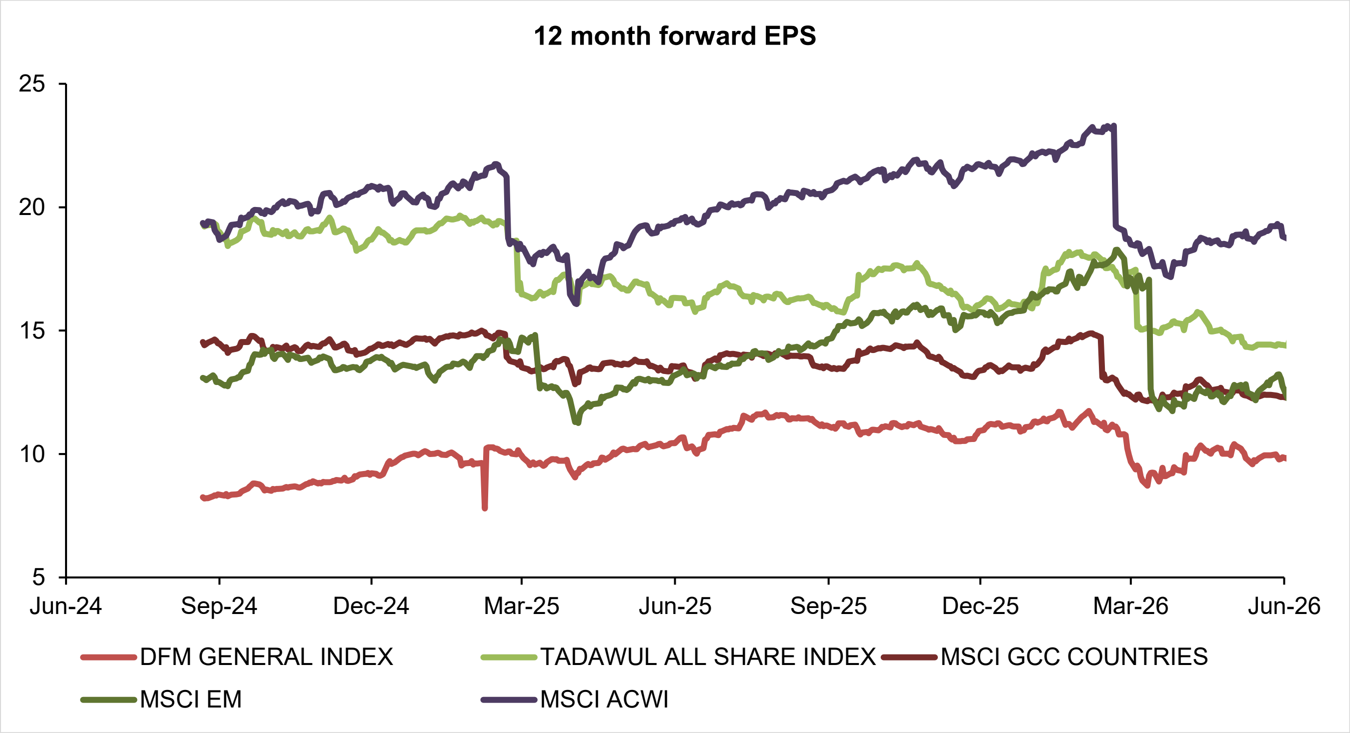
Notes: *data as of 02 September 2026 | Source: Bloomberg, ADCB

GCC equity 1Y Performance



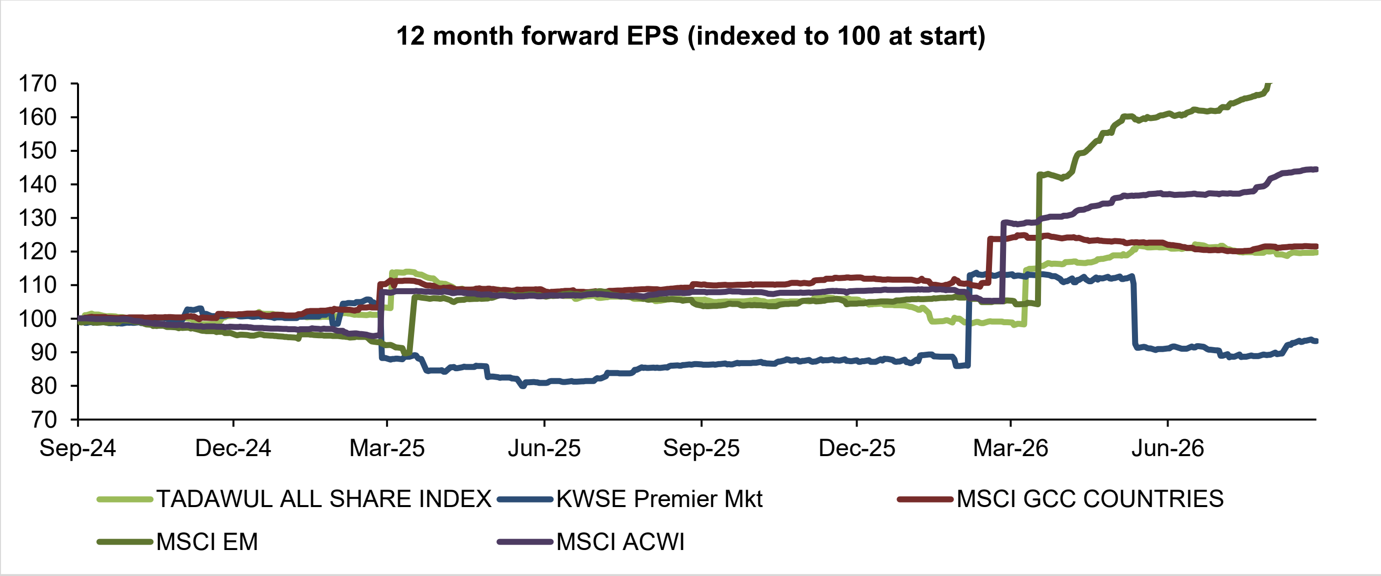
Source: Bloomberg, ADCB

GCC equity 12m forward PE



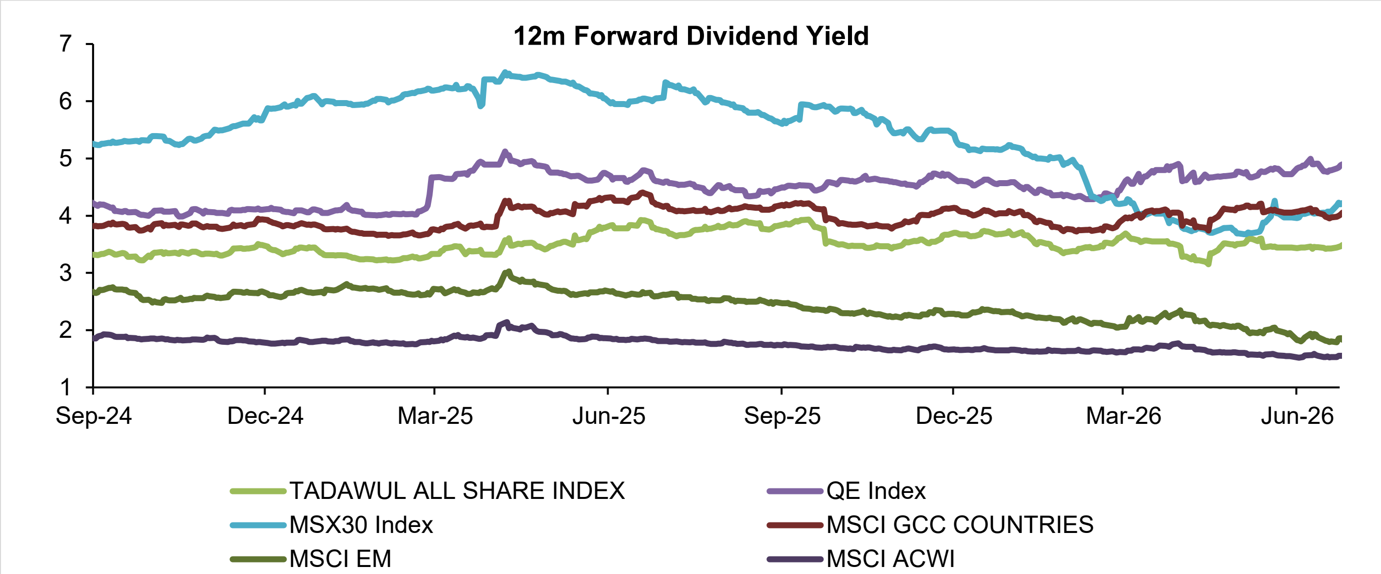
Source: Bloomberg, ADCB

GCC equity 12m forward EPS



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields



Source: Bloomberg, ADCB

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