

GCC market performance and activity summary

In GCC fixed income

Global benchmark bond index ended flat for the week ending 9th September. Global Aggregate bond index also ended flat and Global Treasuries also rose (0.16%). In credit, Global corporate IG index and Global HY index posted declines.

All GCC bond indices recorded declines over the week. UAE, Saudi Arabia and Oman 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 ended mixed over the week. UAE and Qatar outperformed. While Bahrain, Saudi Arabia, and Oman underperformed the most. Overall, MSCI GCC, MSCI EM recorded gains and MSCI ACWI declined.

GCC key macro developments

- UAE non-oil trade exceeded USD517bn in H1'26.
- Saudi Arabia's non-oil and government sectors expanded in Q2'26.
- Oman's economy forecast to grow 4% in 2026.
- Qatar recorded a budget deficit of QAR21.2bn (USD5.82bn) during Q2'26.

GCC corporate news

- FAB raised USD500mn through 5-Year bond issue.
- DP World Plans Dual-Tranche Euro and Dollar Bond Offering.

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

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 3rd September 2026 to 9th September 2026, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

Developments

UAE non-oil trade exceeded USD517bn in H1'26 amid growing investment momentum

- UAE Minister of Foreign Trade, Dr. Thani bin Ahmed Al Zeyoudi, highlighted the UAE's continued emergence as a global trade and investment hub. He attributed this success to the country's open economic framework, extensive international partnerships, advanced infrastructure, and business-friendly regulatory environment. The minister noted that the global economy is undergoing significant changes driven by technological advancement, geopolitical shifts, sustainability priorities, and the rise of new economic centers. He emphasized that the UAE has proactively adapted to these developments through a strategy centered on openness and international collaboration. The UAE's non-oil foreign trade surpassed AED1.9tn during the first half of 2026. Meanwhile, foreign direct investment (FDI) inflows reached USD48.3bn in 2025, elevating the UAE to ninth place globally among FDI destinations, with total accumulated FDI stock exceeding AED1.17tn. Looking ahead, future economic growth will increasingly be shaped by technology-driven industries and sustainability initiatives. He identified artificial intelligence, renewable energy, climate technology, food and water security, and sustainable infrastructure as priority sectors for investment. He reaffirmed the UAE's ambition to serve as a global platform for investors while promoting long-term partnerships that encourage knowledge transfer, technological innovation, job creation, and sustainable economic development. (Source: Zawya).

Saudi Arabia's non-oil and government sectors expanded in Q2'26

- According to the General Authority for Statistics (GASTAT), Saudi Arabia's non-oil economy and government-related activities each recorded annual growth of 0.9% during Q2'26. Among all sectors, community, social and personal services posted the strongest annual growth at 4.1%, followed by finance, insurance and business services at 3.3%, and agriculture, forestry and fishing at 2.6%. Quarterly growth rates for these sectors stood at 0.6%, 0.7%, and 0.9%, respectively. Despite this positive performance, the Kingdom's overall real GDP contracted by 4.7% year-on-year due to a significant 24.8% decline in oil-sector activity. On the expenditure side, the government consumption increased 5% year-on-year, gross fixed capital formation rose 2.7%, and private consumption expanded by 0.8%. However, quarter-on-quarter figures showed a decline in government spending and investment, while private consumption continued to rise. External trade remained under pressure, with exports dropping 24.6% year-on-year and imports declining 14.8%. On a quarterly basis, exports fell 24% while imports were down 5.5%. (Source: Zawya).

Oman's economy forecast to grow 4% in 2026

- According to the Central Bank of Oman (CBO), that Oman's real GDP expanded by 2.4% in 2025, improving from 1.6% growth recorded in 2024. The stronger performance was supported by positive developments across both hydrocarbon and non-hydrocarbon sectors. According to the CBO's 2025 Annual Report, total assets within Oman's banking sector increased by 9.2% to OMR44.6 billion by the end of December 2025. The CBO further projects that economic growth will accelerate to 4% in 2026. The country is also expected to maintain healthy fiscal and external balances, with fiscal and current account surpluses estimated at approximately 2.5% and 4.1% of GDP, respectively. (Source: Zawya).

Qatar recorded a budget deficit of QAR21.2bn (USD5.82bn) during Q2'26

- Qatar recorded a budget deficit of QAR21.2bn (USD5.82bn) during Q2'26, a significant increase from the QAR757mn deficit reported during the same period in 2025. According to Ministry of Finance, total government revenues fell by 57.1% year-on-year to QAR25.64bn during the quarter. Revenue from oil and gas plunged from approximately QAR34bn a year earlier to just QAR874mn. Non-hydrocarbon revenues also slipped by 4.2% to QAR24.77bn. Government spending was reduced to QAR46.87bn, down from QAR60.60bn a year earlier. Qatar had already reported a deficit of approximately USD2.83bn during Q1'26. (Source: Zawya).

FAB raised USD500mn through 5-Year bond issue

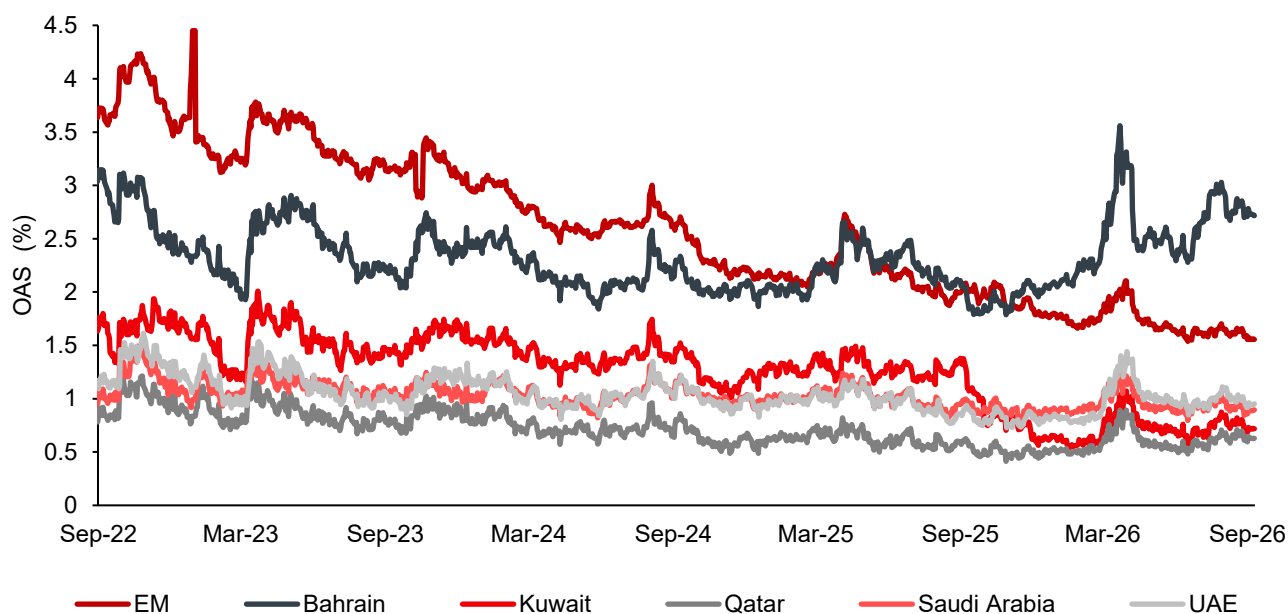
- First Abu Dhabi Bank (FAB), successfully raised USD500mn through a benchmark 5-year senior unsecured bond after investor demand exceeded USD1bn, excluding interest from joint lead managers. The bond was priced at 90bp above US Treasuries, tighter than the initial pricing guidance of Treasury plus 115bp. The notes carry a coupon rate of 5.456% and were issued at par value. FAB maintains strong investment-grade credit ratings of Aa3 from Moody's and AA- from both S&P Global Ratings and Fitch Ratings, supporting robust investor interest in the issuance. (Source: Zawya).

DP World Plans Dual-Tranche Euro and Dollar Bond Offering

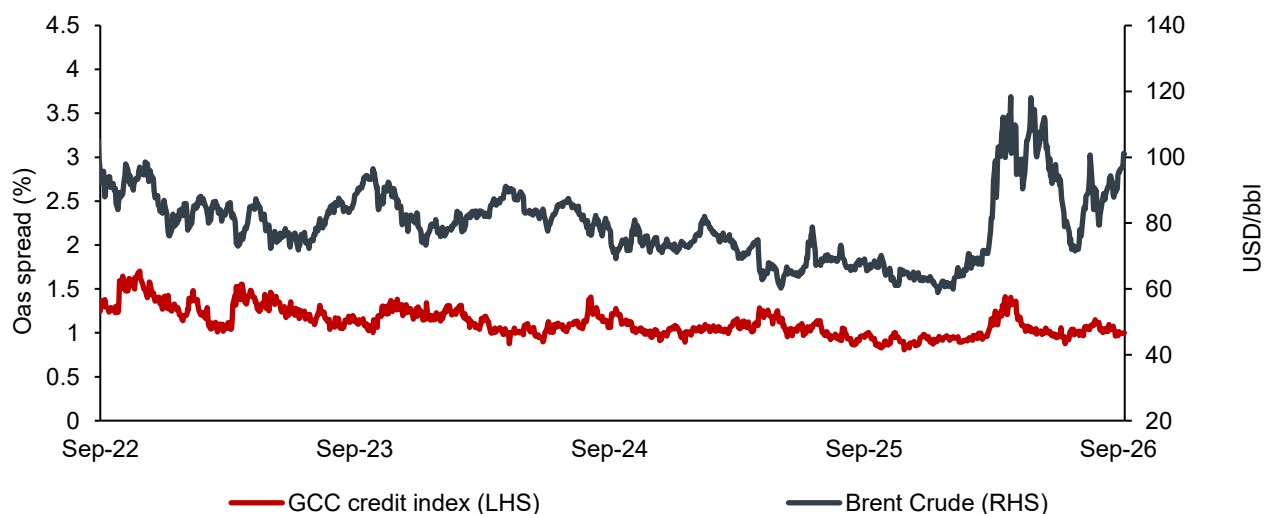
- Dubai-based ports and logistics operator DP World has appointed a group of international banks to organize a global investor roadshow ahead of a planned dual-tranche bond issuance. The transaction will include benchmark-sized 6-year euro-denominated green bonds and benchmark-sized 10-year USD-denominated conventional notes under the company's USD10bn Global Medium Term Note Programme. Rated Baa2 by Moody's and BBB+ by Fitch, both with stable outlooks, DP World intends to use proceeds from the green bond tranche to fund or refinance environmentally sustainable projects in line with its sustainable finance framework. (Source: Zawya).

Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



GCC corporate OAS spread versus Brent Crude



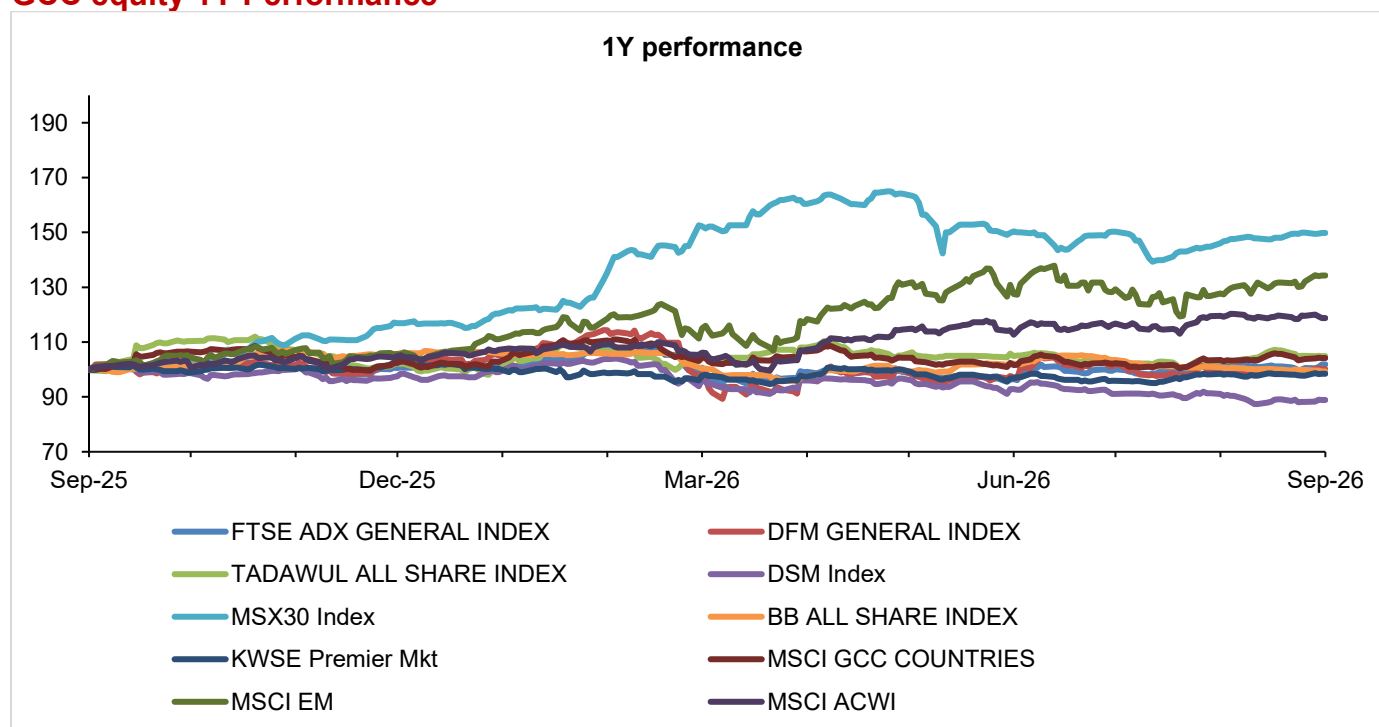
Source: Bloomberg, ADCB Asset Management

GCC equities – performance, earnings, and valuations snapshot

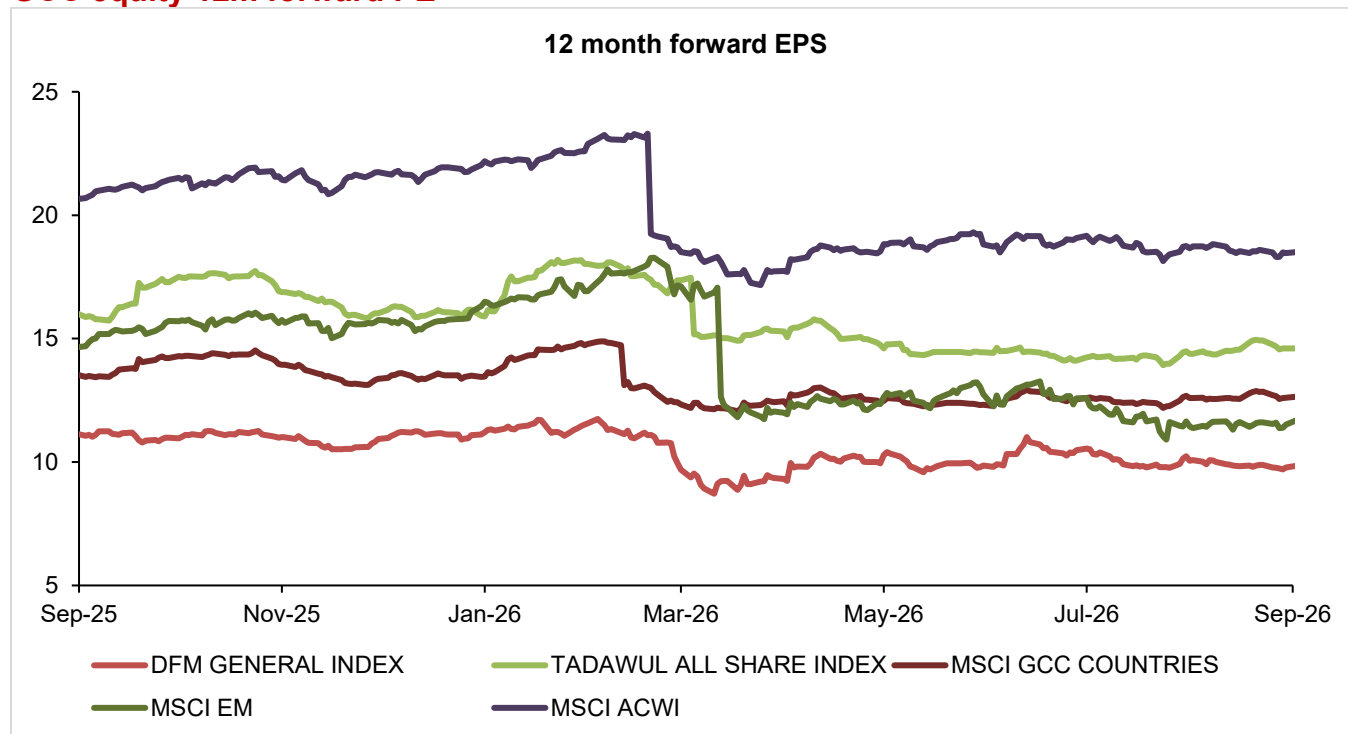
Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	11.2x	8.1%	2.5%
DFM	9.8x	-	5.4%
Tadawul	14.6x	13.9%	3.5%
DSM	11.9x	-7.0%	4.2%
MSM30	12.0x	-	4.0%
BHSE	7.6x	-	4.3%
KWSE	16.3x	9.5%	3.8%
MSCI GCC	12.7x	10.9%	3.9%
MSCI EM	11.6x	72.7%	1.9%
MSCI ACWI	18.4x	35.3%	1.5%

Notes: *data as of 10 September 2026 | Source: Bloomberg, ADCB

GCC equity 1Y Performance

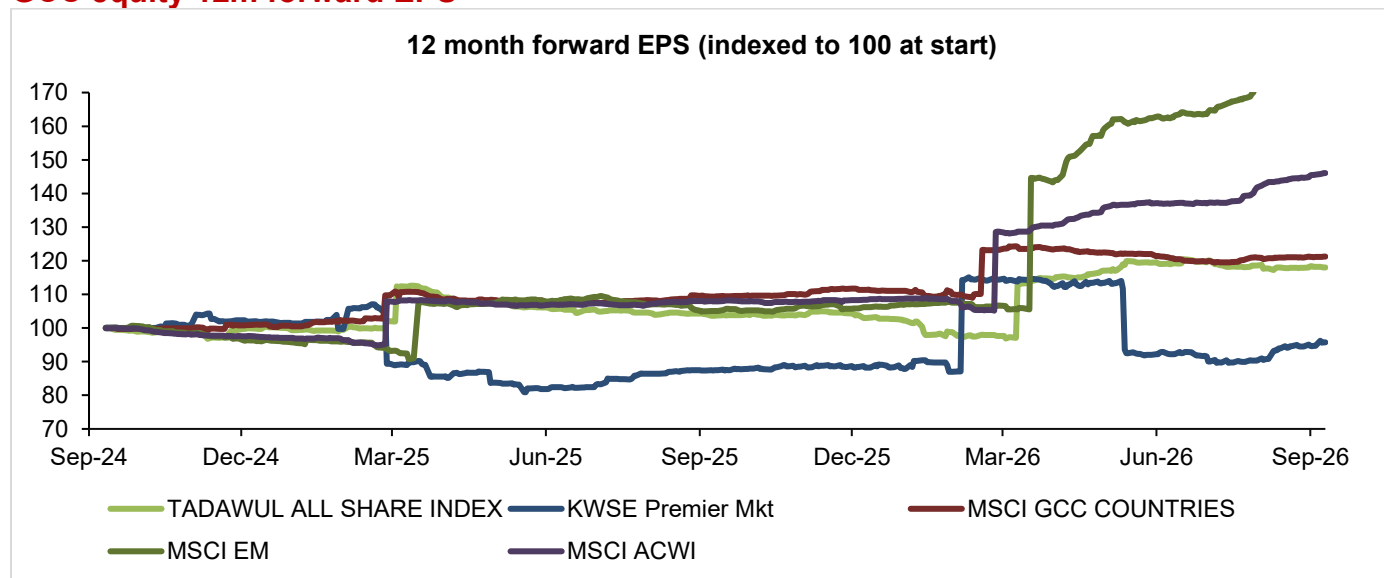


GCC equity 12m forward PE



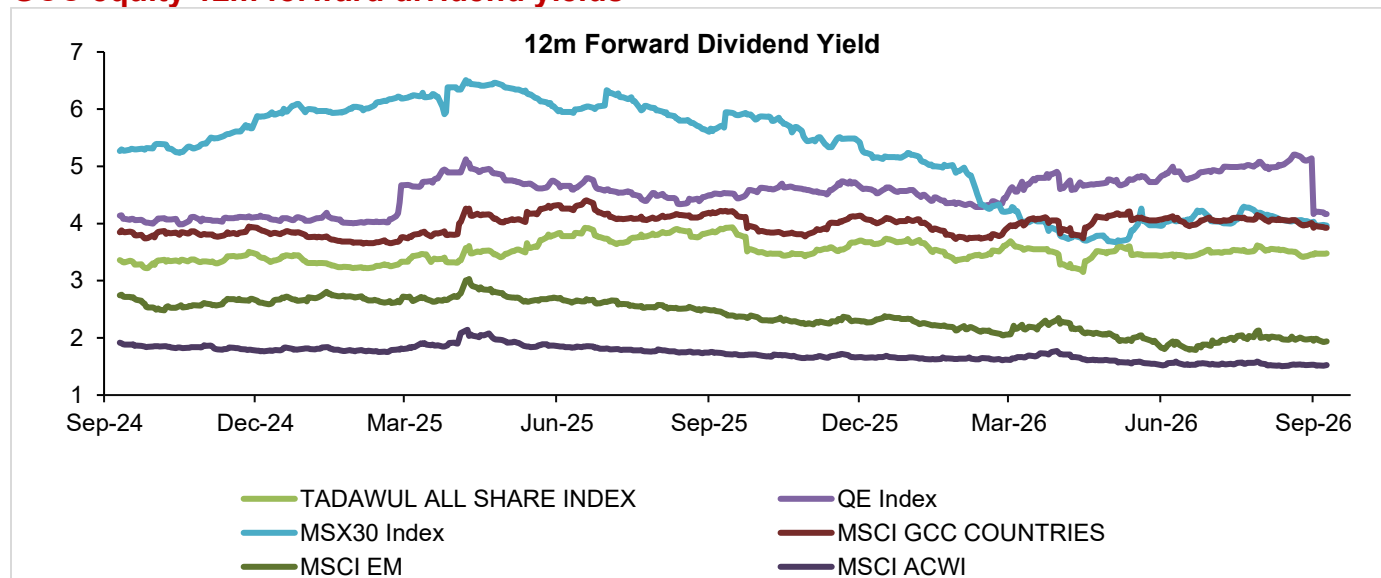
Source: Bloomberg, ADCB

GCC equity 12m forward EPS



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields



Source: Bloomberg, ADCB

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