FAB أبوظبي الأول للأوراق المالية SECURITIES

MENA CREDIT RESEARCH

November 2025

Market Volatility Propels Investors Toward Risk-Averse Allocations

Sector Weighting:
MARKET WEIGHT

GCC Fixed Income Outlook

GCC debt capital markets continued to expand in 2025, with outstanding volumes rising 12.7% YOY to USD 1.1 Tn in 3Q25. According to Fitch Ratings, Sukuk issuance remained a key growth driver, increasing c. 22.0% and lifting Sukuk's share to over 40.0% of total GCC Debt Capital Market outstanding. The region totalled 32% of emerging-market (excluding China) USD debt issuance in 9M25, driven by sovereign diversification agendas, funding needs, and substantial upcoming maturities. KSA and the UAE continue to dominate the market, representing 46% and 30% of total outstanding debt, respectively. ESG issuances are also gaining traction, reaching USD 62.8 Bn by end of 9M25, with strong growth in ESG-linked sukuk. Overall, Fitch's outlook reflects to continued strength and robust activity in the GCC debt capital market through 2026.

The GCC bond and sukuk issuances continued their upward trajectory, reaching USD 12.5 Bn during November 2025. The momentum was predominantly driven by Financial Institutions, which accounted for the majority of the total issue volume during the month. The GCC Financial institution led the activity with USD 6.4 Bn issuances, representing 51.2% of the total issuance during the month. Additionally, Sovereign issuers also played a significant role, issuing USD 4.7 Bn, representing 38.0% of total issuance. The issuance was further supported by the corporate issuers, which together issued USD 1.3 Bn during November 2025.

During its last meeting in October 2025, the US Federal Reserve cut the federal funds rate by 25 bps to 3.75%-4.00% and resumed limited Treasury purchases amid liquidity concerns and limited data. Looking ahead, market expectations point toward a gradual easing cycle through 2026, supported by moderating inflation, cooling labor market indicators, and an ongoing decline in long-term inflation expectations. In November 2025, the US 10-year Treasury yield started the month at roughly 4.1%, fluctuated modestly mid-month, and ended the month at 4.0%. Meanwhile, the 5-year CDS grew across all the GCC countries except Dubai. The UAE's non-oil private sector PMI eased to 53.8 in October 2025 from 54.2 in September 2025 yet remained comfortably in expansion territory and above the levels recorded over the past few months. Business activity rose sharply, driven by new orders and new project initiations. Employment grew at the slowest pace in seven months as firms were less confident about future growth and more cautious towards hiring. In comparison, input costs increased moderately, with inflation easing for the second month, and very few firms reporting higher expenses. With cost pressures subdued, companies kept their selling prices broadly unchanged for the second month in a row. IMF has revised the UAE outlook by lifting the real GDP growth forecast to 4.8% for 2025, supported by strong non-oil sector performance and resilient investor confidence in the country's diversified economic base. The IMF expects the momentum to carry forward into 2026, underscoring the UAE's solid medium-term growth trajectory. Dubai's economy sustained strong growth in 1H25, with GDP rising 4.4% to AED 241 Bn, driven by robust performance across key sectors that reinforce its economic resilience and global competitiveness. The country approved a three-year 2026-2028 budget of AED 302.7 Bn spending and AED 329.2 Bn revenues, allocating AED 99.5 Bn for 2026, with 48.0% directed to infrastructure to boost trade, logistics, and tourism. Saudi Arabia's non-oil private sector PMI surged at its fastest from 57.8 in September 2025 to 60.2 in October 2025, marking the second-highest growth in 11 years and reflecting robust growth in the non-oil private sector. The rise was mainly driven by a sharp increase in new orders and output. Employment accelerated to its fastest pace in nearly 16 years in October, as firms hired to expand capacity and manage backlogs. The number of new orders strengthened for the third straight month in October, with 48.0% of firms recording higher sales while just 4.0% noting a decline, driven by better economic conditions, more clients, and increased foreign investment. Saudi Arabia's annual inflation remained stable at 2.2% in October 2025, with CPI reflecting an increase of 0.3% in October 2025. According to flash estimates by the General Authority for Statistics (GASTAT), the country's GDP increased to 5.0% in 3Q25, compared to 3Q24, driven by an 8.2% rise in oil activities, 4.5%

growth in non-oil sectors, and a 1.8% increase in government activities. Oman's CPI rose 1.1% YOY in September 2025, with average inflation of 0.8% for January to September, primarily due to increases in Miscellaneous Goods & Services, Transport and Restaurants & Hotels. Bahrain recorded 2.6% GDP growth in 2024, with inflation remaining low at 0.9%, though fiscal strains increased as the deficit widened to 11.0% of GDP and public debt surpassed 133%. The IMF expects growth to pick up to 2.9% in 2025 and 3.3% in 2026, driven by refinery modernisation, a strong tourism rebound, and continued expansion in financial services. Over the medium term, the economy is forecast to grow at an average rate of around 3%, with the non-oil sector projected to make up nearly 90% of total output by 2030. Qatar recorded a budget deficit of QAR 1.4 Bn in 3Q25, as revenues fell 4.0% YOY to QAR 49.2 Bn and spending totalled QAR 50.6 Bn.

Gold Outlook

Gold prices rose 5.9% MOM in November 2025, reaching USD 4,239.43 per ounce by 28 November 2025. During the first week of November, gold initially declined, pressured by a stronger US dollar, easing US-China trade tensions, and better-than-expected US private payroll data, which reduced expectations of another Fed rate cut. These factors weakened safe-haven demand and kept bullion under pressure. However, the downside was limited as several supportive forces offset the decline. Rate-cut expectations, concerns stemming from the prolonged US government shutdown, and episodes of dollar softness helped lift prices back up. As a result, gold remained volatile but ultimately traded within a narrow band, ending the first week close to where it started. During the second week of November, gold advanced to a near three-week high as expectations of a December Fed rate cut strengthened and progress toward ending the US government shutdown reduced uncertainty. Hopes of resumed economic data releases and weaker sentiment following recent job losses also supported the metal. However, gains were partially capped as the dollar firmed toward the end of second week. During the mid-November period, gold trended marginally lower as a stronger dollar and sharply reduced expectations of a December Fed rate cut weighed on sentiment. Cautious comments from Fed officials further dampened rate-cut hopes, pressuring the metal. However, losses were moderated by ongoing economic uncertainty and supportive long-term fundamentals, including geopolitical risks and steady central-bank demand. Overall, gold remained under pressure but held within a relatively stable range. At the end of November, gold held within a firm range and briefly touched its highest levels in nearly two weeks as policy-softening signals from several Fed officials sharply boosted expectations of a December rate cut. Comments from policymakers revived optimism for easing, driving rate-cut assumptions and supporting gold despite a strong dollar. However, conflicting views within the Fed and mixed US data kept prices in consolidation mode, limiting further upside.

Oil Outlook

Oil prices fell 2.9% MOM to USD 63.20 per barrel in November 2025, pressured by oversupply concerns following OPEC+'s decision to raise output and expectations of a significant supply wave in 2026. Additional downward pressure came from a stronger US dollar, rising US crude inventories, and bearish sentiment despite temporary rebounds driven by geopolitical tensions and sanctions on Russian oil. Prices ended lower as oversupply fears were highlighted by optimism around Russia-Ukraine peace talks.

FAB أبوظبي الأول للأوراق المالية SECURITIES

Our Top Bond/Sukuk Picks:

Top Bond Picks

No	Issuer Name	Ticker	ISIN	Yield to Maturity	Amount Issued	Fitch Rating	Moody Rating	S&P Rating	Country of Risk	Coupon	Maturity	Currency
1	Saudi Government International Bond	KSA	US80413TBH14	5.66	4,750,000,000	A+	Aa3	N/A	SA	5.75	1/16/2054	USD
2	Abu Dhabi Government International Bond	ADGB	XS2811094213	5.26	1,750,000,000	AA	N/A	AA	AE	5.50	4/30/2054	USD
3	DP World Ltd/United Arab Emirates	DPWDU	US23330JAA97	5.20	1,750,000,000	BBB+	Baa2	NR	AE	6.85	7/2/2037	USD
4	SNB Funding Ltd	SNBAB	XS3019019416	5.00	750,000,000	A-	N/A	A	SA	5.35	3/17/2030	USD
5	Emirates NBD Bank PJSC	EBIUH	XS2976518972	4.86	750,000,000	A+	A1	N/A	AE	5.17	1/22/2030	USD
6	Abu Dhabi Commercial Bank PJSC	ADCBUH	XS3086362756	4.85	600,000,000	A+	N/A	A+	AE	5.18	6/10/2030	USD
7	Saudi Government International Bond	KSA	US80413TBL26	4.74	4,000,000,000	A+	Aa3	N/A	SA	5.63	1/13/2035	USD
8	Abu Dhabi National Energy Co PJSC	TAQAUH	US00386SAB88	4.73	912,487,000	AA	Aa3	NR	AE	6.50	10/27/2036	USD
9	National Bank of Ras Al-Khaimah PSC/The	RAKBNK	XS2765600262	4.54	600,000,000	BBB+	Baa1	N/A	AE	5.38	7/25/2029	USD
10	Saudi Government International Bond	KSA	US80413TBA60	4.46	2,500,000,000	A+	Aa3	N/A	SA	5.50	10/25/2032	USD
11	BSF Finance	BSFR	XS2493296813	4.34	700,000,000	A-	A1	N/A	SA	5.50	11/23/2027	USD
12	Abu Dhabi Government International Bond	ADGB	US29135LAT70	4.24	1,500,000,000	AA	N/A	AA	AE	5.00	4/30/2034	USD
13	Abu Dhabi Commercial Bank PJSC	ADCBUH	XS2677030194	4.13	650,000,000	A+	N/A	A+	AE	5.50	1/12/2029	USD
14	Saudi Government International Bond	KSA	US80413TBJ79	4.05	5,000,000,000	A+	Aa3	N/A	SA	5.13	1/13/2028	USD
15	Emirates NBD Bank PJSC	EBIUH	XS2625209270	4.04	750,000,000	A+	A1	N/A	AE	5.88	10/11/2028	USD

Data Source: Bloomberg

Top SUKUK Picks

No	Issuer Name	Ticker	ISIN	Yield to Maturity	Amount Issued	Fitch Rating	Moody Rating	S&P Rating	Country of Risk	Coupon	Maturity	Currency
1	Saudi Electricity Sukuk Programme Co	SECO	XS2608638602	5.65	1,500,000,000	A+	Aa3	N/A	SA	5.68	4/11/2053	USD
2	Saudi Electricity Global Sukuk Co 3	SECO	US80413MAB00	5.40	1,000,000,000	A+	Aa3	A+	SA	5.50	4/8/2044	USD
3	Sharjah Sukuk Program Ltd	SHARSK	US81953JAA34	5.21	750,000,000	N/A	Ba1	BBB-	AE	5.43	4/17/2035	USD
4	Sharjah Sukuk Program Ltd	SHARSK	XS2680379695	5.12	900,000,000	N/A	Ba1	BBB-	AE	6.09	3/19/2034	USD
5	DP World Crescent Ltd	DPWDU	US260979AA70	5.03	1,500,000,000	BBB+	Baa2	N/A	AE	5.50	5/8/2035	USD
6	Aldar Investment Properties Sukuk Ltd	ALDAR	XS2816816305	4.89	645,000,000	N/A	Baa1	N/A	AE	5.50	5/16/2034	USD
7	EDO Sukuk Ltd	ENEDEV	US28135J2A42	4.89	1,000,000,000	BB+	N/A	BBB-	OM	5.88	9/21/2033	USD
8	Saudi Electricity Sukuk Programme Co	SECO	XS2993847131	4.87	1,250,000,000	A+	Aa3	N/A	SA	5.49	2/18/2035	USD
9	SRC Sukuk Ltd	SRCSUK	XS3010536145	4.82	1,000,000,000	A+	Aa3	N/A	SA	5.38	2/27/2035	USD
10	Esic Sukuk Ltd	ESICSU	XS2747181613	4.78	700,000,000	N/A	Baa3	N/A	AE	5.83	2/14/2029	USD
11	Almarai Co JSC	ALMARA	XS2641777235	4.76	750,000,000	N/A	Baa3	BBB-	SA	5.23	7/25/2033	USD
12	Suci Second Investment Co	PIFKSA	XS2706163305	4.70	1,250,000,000	A+	Aa3	N/A	SA	6.25	10/25/2033	USD
13	KSA Sukuk Ltd	KSA	US48266XAK19	4.67	2,250,000,000	A+	Aa3	N/A	SA	5.25	6/4/2034	USD
14	EDO Sukuk Ltd	ENEDEV	XS2852997993	4.65	750,000,000	BB+	N/A	BBB-	OM	5.66	7/3/2031	USD
15	RAK Capital	RAKS	XS3016636683	4.54	1,000,000,000	A+	N/A	A	AE	5	3/12/2035	USD

Data Source: Bloomberg

Content:

MENA credit outlook

SIB launches USD 500 Mn 5-year Reg S sukuk

Sharjah Islamic Bank tightened its pricing on USD 500 Mn 5-year Reg S sukuk to T+95bps from T+125bps. The sukuk offers a coupon of 4.60%, with a yield of 4.651%. Amid strong demand, the orderbook exceeded above USD 1.3 Bn. The Wakala sukuk is issued under SIB's USD 3 Bn Trust Certificate Programme and listed on Euronext Dublin and Nasdaq Dubai. Emirates NBD Capital and Standard Chartered acted as global coordinators, supported by regional banks as joint leads.

Saudi Investment Bank increases Asian loan size to USD 750 Mn

Saudi Investment Bank increased its debut Asian syndicated dual tranche loan to USD 750 Mn after attracting strong demand, with the deal oversubscribed 2.2x and receiving over USD 1 Bn in commitments. The facility size was initially increased from USD 500 Mn to USD 750 Mn. MUFG acted as the sole lead manager and bookrunner on the transaction. The loan was issued in three and five-year tranches.

UAE Islamic T-Sukuk auction draws AED 4.57 Bn in bids

The UAE Ministry of Finance completed its AED 1.1 Bn Islamic Treasury Sukuk auction for October 2025, attracting AED 4.57 Bn in bids with an oversubscription of 4.2x across the 2-year tranches maturing in October 2027 and other tranches maturing in May 2030. Yields were set at 3.49% for the new 2-year sukuk and 3.65% for the 2030 tranche, priced tightly against U.S. Treasuries. The instruments will be listed under the UAE Treasury Islamic Sukuk Programme with Nasdaq Dubai. The sukuk, listed on Nasdaq Dubai, supports the UAE's dirham yield curve and strengthens the local debt capital market.

Qatar sets IPT for dual-tranche USD Bond and sukuk offering

Qatar, via its Ministry of Finance, achieved tight pricing on its dual-tranche global issuance comprising a USD 1 Bn 3-year senior unsecured bond and a USD 3 Bn 10-year sukuk, signalling strong investor confidence. The conventional bond carries a 3.625% coupon and was reoffered at US Treasuries +15 bps, yielding 3.759%, compared to initial guidance of US Treasuries +45 bps. The sukuk offered a 4.25% profit rate, priced at Treasuries +20 bps for a yield of 4.308%, tightening from IPTs of Treasuries +55 bps. The order book peaked at USD 13.5 Bn, before settling at USD 11.25 Bn.

GIB KSA priced its inaugural USD 500 Mn AT1 Bond at 6.625%

Saudi Arabia's PIF backed GIB KSA, rated A- (stable) by Fitch and A2 (stable) by Moody's, priced its inaugural USD 500 Mn Reg S only perpetual non-call 5.5-year AT1 bond at par with a 6.625% coupon. The reset margin was fixed at 282.5 basis points, with a yield of 6.625%, compared to initial guidance of around 6.875%. Order books exceeded USD 1.1 Bn. This marks the first benchmark fixed-rate resettable AT1 issuance under GIB KSA's USD 1.5 Bn Additional Tier 1 Capital Note Programme.

Cenomi centres issued mandate for SAR 4.5 Bn Sukuk under issuance programme

Arabian Centres Company (Cenomi Centres), based in KSA, issued a mandate for a senior unsecured Reg S six-year sukuk, denominated in the local currency. The Tadawul-listed firm, which develops and operates modern lifestyle centres in Saudi Arabia, announced the sukuk mandate with an annual coupon rate of 8.5%, payable quarterly. The issuance falls under Cenomi's SAR 4.5 Bn (USD 1.15 Bn) Sukuk Programme. Al Rajhi Capital will function as financial advisor, dealer, and lead manager.

Central Bank of Egypt to auction EUR 600 Mn one-year euro T-bills

Egypt's central bank announced an auction for one-year euro-denominated treasury bills worth of EUR 600 Mn, as part of regular short-term debt issuance strategy. These new bills are intended to replace EUR 642.8 Mn in maturing one-year T-bills, which previously carried an average weighted yield of 3.5%.

NBK raised KWD 150 Mn through Tier 2 bond issuance

The National Bank of Kuwait (NBK) had successfully raised KWD 150 Mn (USD 488 Mn) through a Tier 2 subordinated bond issuance. The bond carried a tenor of 10 years and three months with an early call option after five years. Its fixed-rate tranche offers a 5.25% coupon for the first five years and three months, followed by 1.50% above the prevailing CBK discount rate, while the floating-rate tranche pays 2% over the CBK discount rate annually, capped at 1% above the fixed-rate tranche and reset semi-annually. The transaction follows NBK's earlier USD 300 Mn Tier 2 subordinated bond issued in November, priced at par with a 5.25% fixed semi-annual coupon.

Alinma Bank priced USD 500 Mn Tier 2 Sukuk at 5.792% after strong demand

Alinma Bank, rated A2 (Moody's) and A– (S&P, Fitch), appointed Alinma Capital, Citi, ASB Capital, DBS, Goldman Sachs, JP Morgan, and Standard Chartered as joint leads for a planned USD Tier 2 sukuk. The 10-year notes are callable after five years. Alinma priced USD 500 Mn Tier 2 sukuk at 5.792%, tightening 30 bps from initial guidance to 210 bps over US treasuries. The transaction saw strong demand, with order books peaking at USD 1.5 Bn before settling at USD 1.2 Bn excluding JLM interest. The sukuk will distribute profits on a semi-annual basis, with the first payment scheduled for 10 May 2026.

Ittihad priced USD 550 Mn 5-year sukuk at 7.375%, launched tender for USD 450 Mn Notes

Abu Dhabi-based Ittihad International Investment priced its USD 550 Mn five-year sukuk at par with a 7.375% coupon, callable after two years. The Reg S Eurobond includes a make-whole call at Treasury +50bps, yielding 7.375%. Final order book topped USD 2 Bn, excluding JLM interest. Ittihad also launched a tender offer for its USD 450 Mn 9.75% certificates due 2028. The company holds a BB- rating from both Fitch and S&P.

AviLease mandated banks for 5-Year USD bond

Jet-leasing firm AviLease, backed by Saudi Arabia's PIF, hired banks for a five-year USD bond. Citigroup and MUFG will act as a global coordinator and active bookrunners, joined by ADCB, BNP Paribas, FAB, HSBC, and Mizuho. Passive bookrunners include Al Ahli Bank of Kuwait, BSF Capital, GIB Capital, Emirates NBD, JPMorgan, Natixis, Morgan Stanley, Riyad Capital, Credit Agricole, and SNB Capital.

QIIB priced USD 500 Mn 5-Year Sukuk at T +85bps after strong demand

Qatar Islamic International Bank, rated A2/Stable (Moody's) and A/Stable (Fitch), priced its USD 500 Mn five-year senior unsecured sukuk at Treasuries +85 bps, down from initial guidance near T +125 bps. The Eurobond carries a 4.50% coupon, reoffered at 99.787 for a 4.548% yield. Orderbook reached USD 1.85 Bn, excluding JLM interest. Issued under the USD 2 Bn Trust Certificate Programme, which is rated A by Fitch, the sukuk will be listed on the London Stock Exchange's International Securities Market. Joint leads include Al Rayan Investment, Bank ABC, Citi, DIB, Dukhan Bank, Emirates NBD, HSBC, Mashreq, QNB Capital, and Standard Chartered.

Bank of Sharjah Priced USD 500 Mn 5-year bond at T +145bps after strong demand

Bank of Sharjah, rated BBB+/Stable (Fitch), raised USD 500 Mn via five-year Reg S bond, with tightened spread of T +145 bps, compared to initial T +175 bps. The senior unsecured Eurobond offered a 4.875% coupon, 5.109% yield, and reoffer price of 98.979. Orders peaked at USD 1.6 Bn, settling at USD 1.25 Bn (excluding JLM). The bond is listed on the International Securities Market of the London Stock Exchange.

DIB prices USD 1 Bn debut sustainability-linked sukuk at T+90 bps following strong demand

Dubai Islamic Bank (DIB) mandated banks for its first sustainability-linked sukuk. Rated A3 (Moody's) and A (Fitch), DIB appointed Arqaam, Bank ABC, FAB, Emirates NBD, HSBC, KFH Capital, ICBC, KIB Invest, QInvest, Maybank, SIB, and Standard Chartered as joint leads. DIB priced its debut USD 1 Bn sustainability-linked sukuk at T +90 bps with a 4.572% semi-annual coupon, which tightened from IPTs at T +120 bps. Books closed at USD 1.85 Bn after peaking at USD 2 Bn.

NBO priced USD 450 Mn AT1 Bond at 6.625%

National Bank of Oman (NBO), appointed banks for investor meetings ahead of a potential AT1 issuance. Subject to conditions, NBO planned a Reg S benchmark perpetual non-call 5.5-year Basel III-compliant fixed-rate resettable AT1 security. NBO, rated Baa3 (Moody's) and BB (Fitch), priced its USD 450 Mn AT1 bond at 6.625%, which tightened from IPTs near 7.125%. Final orders exceeded USD 1.5 Bn, excluding JLM interest.

KFH priced USD 850 Mn AT1 sukuk at 6.25%

Kuwait Finance House (KFH), rated A2 (Moody's) and A (Fitch), mandated banks for a USD-denominated Reg S perpetual non-call 5.5-year AT1 sukuk. KFH Capital acted as global coordinator with ADCB, Arqaam, Emirates NBD, FAB, ADIB, HSBC, Kamco, ASB, Mashreq, DIB, and Standard Chartered as joint leads. KFH priced USD 850 Mn AT1 sukuk at 6.25% semi-annual coupon, which tightened from IPTs near 6.625%. Reoffer at par, yield 6.25%, spread T +250.2bps. Final orders exceeded USD 1.7 Bn (excluding JLM).

MAF priced USD 500 Mn perpetual bond at 5.75%

Majid Al Futtaim (MAF), rated BBB (S&P, Fitch), mandated banks for a USD 500 Mn Reg S perpetual non-call 5.25-year subordinated bond. MAF priced the notes at 5.7477%, which tightened from IPTs near 6.375%, with a yield of 5.75% and reoffer at par. Final orders exceeded USD 1.8 Bn (excluding JLM). MAF Holding has launched a fixed-price tender offer to buy back its USD 400 Mn reset subordinated perpetual notes, which become callable on 20 December 2025. In addition, the Company plans to repurchase up to USD 190 Mn of its USD 500 Mn outstanding notes, which carry a first call date of 30 June 2027.

BSF raised SAR 2.5 Bn through AT1 sukuk offering an annual return of 6.4%

Banque Saudi Fransi (BSF) raised SAR 2.5 Bn (USD 666.6 Mn) through its latest sukuk issuance. The riyal-denominated AT1 sukuk offered a 6.4% annual return and included 2,500 certificates at SAR 1 Mn each. Issued through private placement under BSF's SAR 8 Bn AT1 Capital Sukuk Programme, these Sharia-compliant perpetual instruments have no maturity and allow early redemption per terms. Saudi Fransi Capital acted as a sole bookrunner, lead arranger and lead manager for the placement offer.

First Abu Dhabi Bank issued EUR 850 Mn 5-year green note

First Abu Dhabi Bank (FAB) initially mandated a potential benchmark fixed-rate, EUR-denominated Regulation S long five-year green bond under its USD 20 Bn Euro Medium Term Note (EMTN) Programme. Additionally, the bond will be listed on the London Stock Exchange. Furthermore, FAB priced its EUR 850 Mn benchmark Regulation S long five-year green bond with a coupon of 3.1201%. The spread on the EMTN tightened from the initial price of 100 bps over the mid-swap (MS) rate to 70 bps over MS, with a yield of 3.122%. Investor demand was strong, with the order book of EUR 1.9 bn including JLM interest.

ADIB launches UAE's first AED-denominated sovereign sukuk platform for retail investors

Abu Dhabi Islamic Bank (ADIB), in partnership with the Ministry of Finance, launched the UAE's first AED-denominated sovereign sukuk designed for individual investors through the ADIB Smart Sukuk Platform. The initiative enables retail investors to access government sukuk in far smaller denominations than before. Moreover, Investors can begin with a minimum investment of AED 4,000 compared with the usual AED 100,000 minimum for Ministry of Finance sukuk and USD 200,000 for USD-denominated issuances, with the option to add further amounts in AED 4,000 increments up to AED 28,000 per transaction.

Sharjah mandated banks to arrange 10.5-Year dollar sukuk

The Government of Sharjah appointed a group of regional and international banks to arrange a benchmark-sized USD-denominated USD 750 Mn 10.5-year senior unsecured sukuk issuance through Sharjah Sukuk Programme Limited, in line with its strategy to diversify funding sources and extend its debt maturity profile. Furthermore, Sharjah priced the sukuk at a semi-annual coupon of 5.192%, launching the transaction at a spread of UST + 110 bps, tightened from initial price thoughts of T+145 bps. HSBC acted as dealer and bookrunner.

Dubai's Emirates may raise new debt as airline accelerated expansion strategy

Dubai's flagship carrier emirates may tap international debt markets to support its expansion plans, stating that it remains open to issuing a sukuk or bond despite holding healthy cash reserves. The update follows order for 65 new Boeing aircraft worth USD 38 Bn, the retrofit programme for 111 existing aircraft, and its commitment to equip the entire operating fleet with Starlink Wi-Fi, aiming to reach a total fleet size of 232 aircraft by 2027.

FAB priced USD 1 Bn AT1 Bond at 5.875% amid strong demand

First Abu Dhabi Bank (FAB) had successfully priced a USD 1 Bn perpetual AT1 bond with a non-call period of six years at a coupon rate of 5.875%, after initially marketing the deal with price guidance in the 6.375%–6.500% range. Investor demand was strong, with final order books exceeding USD 2.35 Bn (excluding joint lead manager interest).

Saudi's Cenomi centers mandated banks for USD benchmark 5NC2 Sukuk

Arabian Centres Company (Cenomi Centers), a Saudi based mall developer and operator mandated banks for its second sukuk issuance during November 2025, a USD-denominated benchmark transaction structured as a five-year sukuk with a two-year non-call period, following its earlier SAR 2.05 Bn (USD 547 Mn) issuance. Furthermore, the proceeds from both the SAR-denominated and USD-denominated sukuk will be used to refinance the Company's existing USD sukuk maturing in October 2026 and repay bank debt. The wakala–murabaha structure will be issued under Cenomi Centers' USD 1 Bn trust certificate programme, with Arabian Centres Sukuk IV Limited acting as trustee. The certificates will be listed on The International Stock Exchange (TISE). Emirates NBD Capital serves as the lone Islamic structuring bank, and FCA/ICMA stabilisation rules will apply.

IILM raised USD 1.35 Bn through short-term Sukuk issuance

The International Islamic Liquidity Management Corporation (IILM), which counts the UAE, Qatar, and Kuwait among its member countries, issued and reissued a total of USD 1.35 Bn in multi-tenor short-term sukuk, attracting strong demand with USD 3.29 Bn in bids. Furthermore, the issuance was divided into five tranches with maturities ranging from one to nine months. The one-month USD 290 Mn tranche carried a profit rate of 4.10%, while the USD 385 Mn two-month tranche offered 4.15%. Additionally, the three-month USD 365 Mn tranche also priced at 4.10%, followed by the six-month USD 210 Mn tranche at 4.12% and the nine-month USD 100 Mn tranche at 4.05%. IILM's total outstanding short-term sukuk has reached a record USD 6.4 Bn.

SNB priced SGD 425 Mn Tier 2 bond at 3.40%

Saudi National Bank (SNB), through its subsidiary SNB Funding Limited, had priced SGD 425 Mn Tier 2 benchmark bond under its EMTN program. The issuance, structured as a 10-year non-call five Reg S bond, carries a coupon of 3.40% tightened from initial guidance of around 3.70%, with a spread of Singapore Overnight Rate Average (SORA) plus 172 bps. Investor demand was strong, with books exceeding SGD 1 Bn.

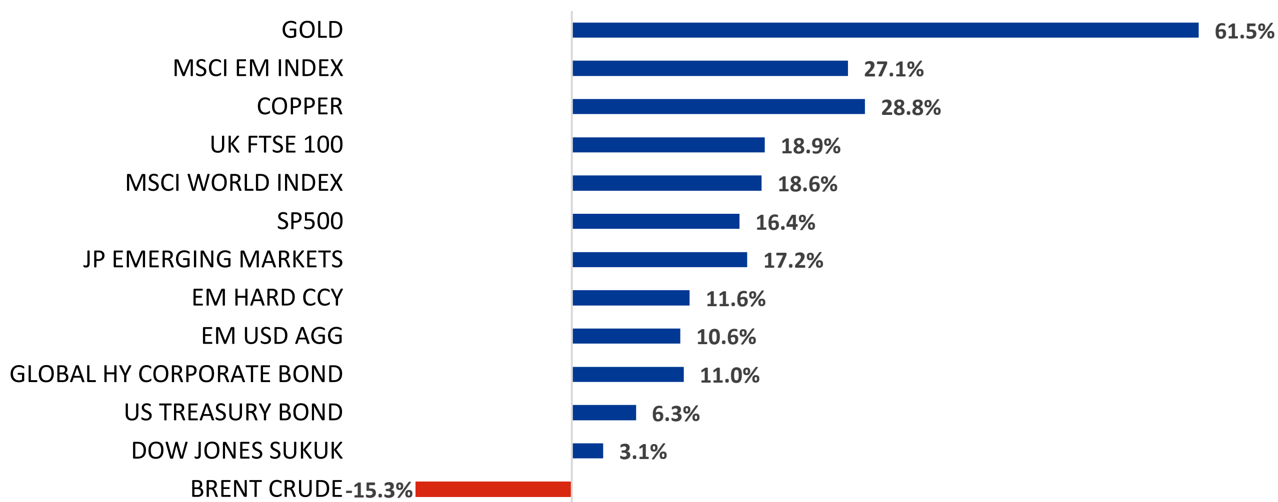
ABK secures approval to issue KWD 30 Mn Tier 2 bonds

Al Ahli Bank of Kuwait (ABK), rated A (Fitch) and A2 (Moody's), both with a stable outlook, had secured regulatory approval to offer dinar-denominated subordinated Tier 2 bonds, with a principal amount capped at KWD 30 Mn (USD 98 Mn). The structure includes two equal tranches of KWD 15 Mn each, one at a fixed rate and the other at a floating rate, with a tenor of 10 years and an early call option after five years.

Global Asset Performance

Global asset classes delivered mixed performance in November 2025, shaped by evolving expectations of US Federal Reserve rate cuts and heightened uncertainty from the extended government shutdown. The longest shutdown in US history delayed key economic data releases, leaving markets without clear support for additional rate cuts. This lack of clarity drove investors toward safe-haven assets. Equity markets were generally weak, with emerging markets underperforming. The MSCI Emerging Markets Index declined 2.5% MOM in November 2025, weighed down by losses in China, Taiwan, and South Korea. In contrast, developed markets posted modest gains with S&P 500 edged up 0.1% MOM, while the MSCI World Index rose 0.2% MOM during November 2025, supported by strength in US and French equities. The UK's FTSE remained flat during November 2025, reflecting no significant deviation from expectations. Fixed-income markets recorded modest gains in November 2025. The JP Morgan Emerging Markets Bond Index (EMBI) rose 1.4% MOM, while Emerging Market Hard Currency Debt and EM USD Aggregate Bonds each advanced 0.3% and 0.2% MOM, respectively. These gains were supported by uncertainty around the Fed's rate-cut outlook, alongside contained inflation and monetary easing by several EM central banks. Accommodative policies improved liquidity and stimulated economic activity, helping offset the impact of tariff hikes through lower interest rates. US Treasuries posted a 0.6% MOM gain and Dow Jones Sukuk Index gained 0.2% MOM in November 2025. Global High Yield Corporate Bonds advanced 0.6% MOM, supported by sustained risk appetite and robust corporate earnings. Commodities largely delivered positive returns with gold extended its upward trend, surging 5.9% MOM amid heightened uncertainty over a potential Fed rate cut in December 2025. Copper also outperformed with a 1.9% MOM rise, amid severe global supply disruptions. While Brent crude declined 2.9% MOM on oversupply concerns from OPEC+ extending into 2026 and no clear signs of a deficit in 2027.

Figure 1: Global Asset Performance (YTD in FY2025)

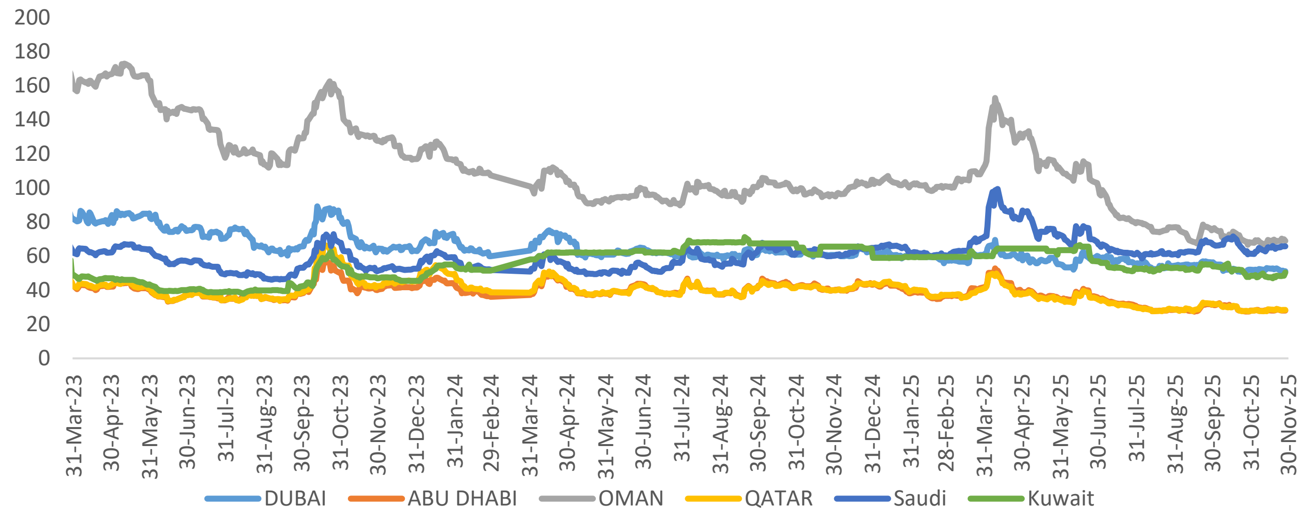


Source: Bloomberg

5-Year CDS

The 5-year CDS spread expanded across all GCC Countries except Dubai during November 2025. KSA recorded the highest expansion of 7.32% MOM in November 2025. Kuwait recorded the second-highest expansion of 3.96% on a MOM basis in November 2025. Followed by Qatar, which recorded the third-highest expansion of 1.68% on a MOM basis in November 2025. Additionally, on a MOM basis, other GCC countries such as Oman and Abu Dhabi also recorded an expansion of 1.49%, and 0.08%, respectively, during November 2025. However, Dubai recorded contraction of 1.75% on MOM basis in November 2025.

Figure 2: GCC Countries- 5 Year CDS



Source: Bloomberg

Sovereigns	Dubai	Abu Dhabi	Oman	Kuwait	Qatar	Saudi
MTD (%)	-1.75%	0.08%	1.49%	3.96%	1.68%	7.32%

Banking Sector

SAIB secured USD 213 Mn from major land divestment

The Saudi Investment Bank (SAIB) generated more than SAR 801 Mn (USD 213 Mn) from the sale of a land asset in Saudi Arabia. The bank divested its 44.4% ownership in a 2.71 Mn-square-metre property located on Khurais Road in Riyadh through a public auction. SAIB received the full proceeds on 24 November 2025, and the transaction is expected to positively influence its financial performance in the 4Q25.

Corporate Sector

AD Ports signed a USD 8 Bn deal with Nimex to build the UAE’s first private LNG, LPG terminal hubs

Abu Dhabi Ports Company (AD Ports) entered into a contract with Nimex Terminals to establish the UAE’s first private-sector LNG and LPG terminal hubs, valued at over AED 30 Bn (USD 8.17 Bn). The two facilities will be developed in multiple phases over five years. Furthermore, AD Ports will invest up to AED 1.3 Bn to develop essential infrastructure, including dredging and jetty works, while Nimex Terminals will invest up to AED 2.6 Bn for the development of advanced LNG and LPG storage tanks and associated construction.

Abu Dhabi's AD Ports agreed to acquire a minority stake in the Syrian container terminal

Abu Dhabi's AD Ports Group entered into a contract to acquire a 20% stake in the Latakia International Container Terminal (LICT) for USD 22 Mn, Syria's main container port, which handles 95% of the country's container traffic. Furthermore, the transaction formed part of a joint venture and shareholders' agreement with CMA CGM Group, aiming to enhance the terminal's infrastructure, digital systems and expand capacity from 250,000 to 625,000 TEUs by next year.

Aldar acquired AD Ports assets worth a USD 155 Mn in a deal

Abu Dhabi-based developer and investor Aldar acquired two institutional-grade industrial and logistics assets from a subsidiary of AD Ports Group for AED 570 Mn (USD 155 Mn). The assets, located within Khalifa Economic Zones (KEZAD), comprise two Grade-A facilities currently leased to Noon as an e-commerce fulfilment centre and to Emtelle for the manufacturing of fibre-optic solutions for the telecom sector.

Saudi education firm Almasar Alshamil targeted USD 160 Mn in IPO

Saudi Arabia's Almasar Alshamil Education aimed to raise SAR 599 Mn (USD 160 Mn) from the IPO, with the final offer price set at the top of the range at SAR 19.50 per share. The IPO involves the listing of 30.7 Mn ordinary shares on the Saudi Main Market, representing 30% of the share capital. Furthermore, the implied market capitalisation at listing is expected to be just under SAR 2 Bn. The institutional bookbuilding process generated strong demand, recording an order book of approximately SAR 61.6 Bn, reflecting an oversubscription of 102.9 times. All net proceeds from the offering will be paid directly to Amanat Special Education and Care Holdings Ltd., the selling shareholder.

PIF-backed Helicopter Co. bought 76% stake in Africa's Heliconia

Saudi Arabia's Public Investment Fund–owned The Helicopter Company (THC) acquired a 76% stake in Heliconia, a leading aviation services operator with a strong presence across North and West Africa, particularly in Morocco. The acquisition will support THC's entry into the offshore aviation sector and reinforce its role in building Saudi Arabia's global general aviation footprint.

TAQA, DUBAL Holding to buy EGA assets for USD 1.9 Bn

Abu Dhabi National Energy Company PJSC (TAQA) and DUBAL Holding will acquire Emirates Global Aluminium's (EGA) power and water generation assets for USD 1.9 Bn. Furthermore, these assets will be held jointly through a joint venture, with both parties having equal ownership. Additionally, asset operations will be overseen by a newly established company jointly owned by TAQA and EGA. Concurrently, the joint venture executed a long-term power purchase agreement with Emirates Water and Electricity Company (EWEC), under which EWEC will source electricity from the Al Taweelah plant through 2049. In addition, TAQA Transmission will take ownership of EGA's electricity transmission infrastructure.

Alpha Dhabi bought NMDC Stake for USD 436 Mn

Abu Dhabi-based Alpha Dhabi Holding acquired a stake valued at AED 1.6 Bn (USD 436 Mn) in NMDC Group. The transaction includes 82.5 Mn shares, representing 9.77% of NMDC's issued share capital. Following this acquisition, Alpha Dhabi's total ownership in NMDC increases to 76.68%.

Investcorp divested majority stake in digital platform Shine

Bahrain-based alternative investment firm Investcorp is divesting its majority stake in Shine, a European unicorn that provides an integrated digital platform for small and medium-sized businesses, to Cegid, a cloud management and AI solutions provider, majority owned by Silver Lake. The sale will be executed through Investcorp Technology Partners. Shine, formerly known as Ageras, offers services ranging from company formation and invoicing to daily banking and accounting, with a customer base across France, the DACH region, the Netherlands, and Denmark.

Rating Outlook

- **Abu Dhabi**'s Long-Term Foreign-Currency Issuer Default Rating (IDR) has been confirmed by Fitch Ratings at 'AA' with a Stable Outlook. The 'AA' grade reflects Abu Dhabi's excellent fiscal and external metrics, as well as a high GDP per capita, which are offset by the country's substantial reliance on hydrocarbons, a weak but developing economic policy framework, and low governance indices when compared to peers. The government debt of Abu Dhabi is the lowest among Fitch-rated sovereigns, while sovereign net foreign assets are among the greatest. Lastly, Moody's assigned Aa2 rating to the UAE government with a stable outlook. This is a testament that depicts the nation's financial and economic vision and policies success and the strength and stability of its economic, financial and credit sectors.
- Fitch affirmed **Oman**'s credit rating at BB+ and revised its outlook from stable to positive. Fitch cited improved public and external finances, including a reduction in government debt-to-GDP, lower net external debt, improved balance sheet, fiscal prudence, and stronger sovereign foreign assets as the factors driving the revision in outlook. The upgrade is driven by a decline in the debt-to-GDP ratio, improved government spending, and rise in oil prices. The upgrade is based on the premise that Oman is using oil revenues to pay down debt, extend its maturity, use fiscal restraint to mitigate external risks, and forecast higher oil prices by Fitch. According to Fitch estimates, government debt-to-GDP will fall from 37.5% in 2023 to 34% in 2024 and further to 33.3% in 2026. It further expects Oman's external debt to decline by USD 2.8 bn to USD 26.6 Bn in 2024 (24% of GDP). Moody's recently upgraded Oman's long-term issuer and senior unsecured ratings to **"Baa3" from "Ba1**", citing expected enhancements in the country's debt position and improved resilience to lower oil prices. However, Moody's revised the country's outlook to "stable" from "positive", as Oman's fiscal and economic outlook remains exposed to risks stemming from its continued heavy reliance on the hydrocarbon sector and potential declines in global oil demand and prices. S&P Global Ratings upgraded Oman's long-term ratings from 'BB+' to 'BBB- 'with a stable outlook due to continued deleveraging of public sector entities. It also raised the short-term ratings on Oman from 'B' to 'A-3', while it revised the transfer and convertibility assessment from 'BBB-' to 'BBB'. The rating upgrade is attributable to the deleveraging balance sheet of the Omani government and several state-owned enterprises (SOEs) coupled with the commitment of the authorities to advance its longer-term structural reform agenda to solidify its economy.
- S&P Global Ratings revised its credit rating outlook on **Bahrain** from **negative to stable**. The rating agency affirmed Bahrain's long-term foreign and local currency sovereign credit ratings at 'B' with a stable outlook. The downgrade of the rating is driven by the growing risks to the fiscal position and the government's ability to service and refinance debt. The agency also cited that market volatility and weak financial conditions will lead higher interest burden on the government. It also expects the fiscal deficit to remain elevated due to lower oil prices, ongoing maintenance activity at the key Abu Sa'fah oil field and higher social spending. S&P expects the fiscal deficit to widen to 7.6% of GDP in 2025 compared to 5.8% in 2024. Fitch has recently revised the outlook on Bahrain's long-term foreign currency issuer default rating to Negative from Stable with a rating of B+. The revision in the credit rating is mainly due to mounting fiscal pressures, growing debt levels, coupled with high interest burden and delayed fiscal reforms.
- Fitch Ratings affirmed **Kuwait**'s long-term foreign-currency issuer default ratings, or IDR, to 'AA-' with a stable outlook. This is due to the Gulf state's fundamental issues being worsened by continued political limitations on decision-making. Since 2017, the Gulf state has been debating debt legislation, demonstrating the slowness with which decisions are made. Kuwait's debt is expected to climb to about 50% of GDP after the debt law is approved, according to the credit rating agency, up from the current 10%. The Kuwaiti administration has been attempting to adopt new public debt legislation to alleviate the country's liquidity constraints, but the bill has been continually blocked by parliament. S&P Global Ratings upgraded Kuwait's long-term sovereign credit rating to **'AA-**' with a **stable** outlook, reflecting expectations that the government will continue implementing fiscal and monetary reforms under its Vision 2035 strategy.
- **Saudi Arabia**'s Long-Term Foreign-Currency Issuer Default Rating (IDR) remained unchanged at 'A+' by Fitch Ratings, with a 'Stable' outlook. The key reasons cited by the rating agency for the rating are strong fiscal and external balance

sheet, low government debt and sizable foreign reserve. The growth in the non-oil sector remains robust and the reform momentum is strong, while rising deficit, continued reliance on oil and external borrowing pose challenges. Moody's Investors Service affirmed Saudi Arabia's credit rating outlook at stable, noting the kingdom's continuous progress in economic diversification coupled with the strong growth of its non-oil sector. According to a statement, Moody's maintained the sovereign's rating at Aa3, the fifth-highest rating citing the country's efforts to diversify the economy away from oil. S&P Global Ratings revised Saudi Arabia's outlook from positive to stable. It upgraded KSA's long-term foreign and local currency unsolicited sovereign credit rating from 'A' to 'A+' and affirmed short-term ratings at 'A-1'.

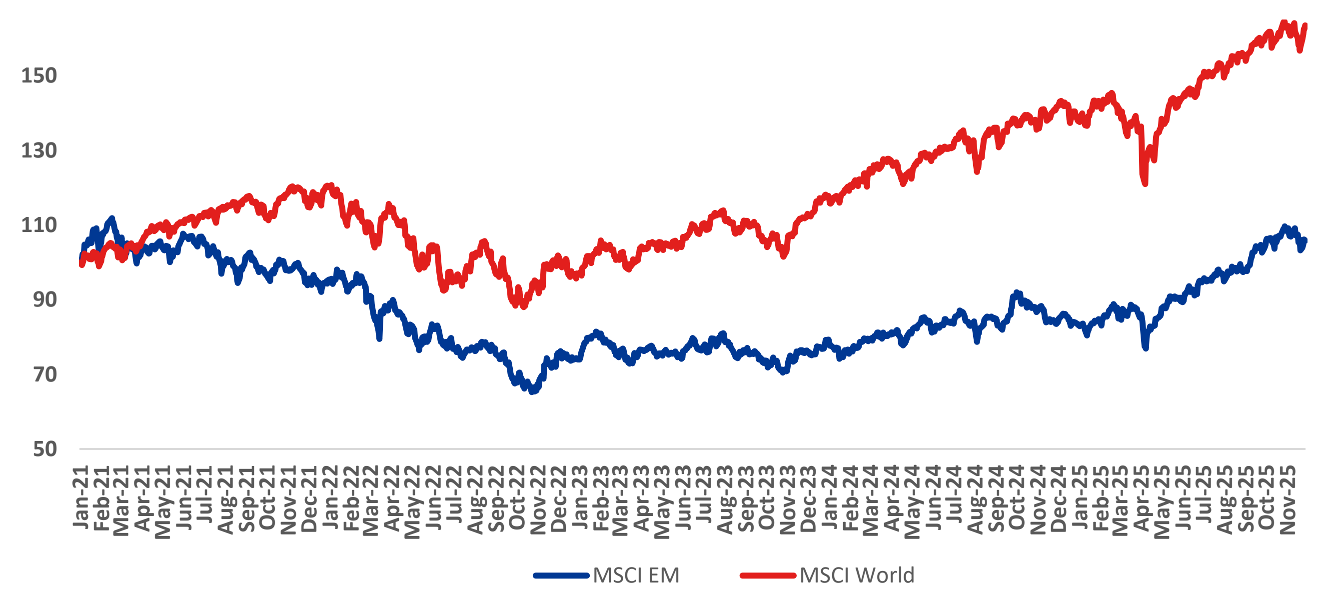
- In January 2024, Moody's upgraded **Qatar**'s local and foreign-currency Long-Term issuer and foreign currency senior unsecured debt ratings to Aa2 from Aa3. It also changed the outlook from positive to stable. The rating is attributed to significant improvements in Qatar's fiscal metrics during 2021-2023. Moody's anticipates that the improvement in Qatar's debt burden and debt-service metrics from 2021 to 2023 will continue into the medium term. Fitch Ratings has affirmed Qatar's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'AA' with a Stable outlook. The rating is supported by the Country's large sovereign net foreign assets (SNFA) and a flexible public finance structure. Further, Qatar is expected to maintain a fiscal surplus, averaging around 4.5% of GDP over the medium term. The country's government debt is also projected to fall below 30% of GDP by 2028.

Particulars	Moody's		S&P		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
UAE (Abu Dhabi)	Aa2	STABLE	AA	STABLE	AA	STABLE
Kuwait	A1	STABLE	AA-	STABLE	AA-	STABLE
Qatar	Aa2	STABLE	AA	STABLE	AA	STABLE
Saudi Arabia	Aa3	STABLE	A+	STABLE	A+	STABLE
Oman	Baa3	STABLE	BBB-	STABLE	BB+	POS
Bahrain	B2	STABLE	B	STABLE	B+	NEG

Global Markets

Global equity markets reversed their upward trend in November 2025, ending seven-month rally in the stocks. The market was impacted as investors engaged in profit-taking at market highs. MSCI Emerging Markets indices posted negative returns in November, driven by investor profit-taking and heightened US government uncertainty, which created a global risk-off environment. The MSCI Emerging Markets Index declined 2.5% MOM in November 2025, lagging behind developed markets. The downturn was primarily driven by weakness in China, Taiwan, and South Korea. South Korea's KOSPI and Taiwan's TAIEX ranked among the worst-performing global indices in November 2025, largely due to a sharp sell-off in technology stocks and diminishing expectations of a US Federal Reserve rate cut in December 2025. These factors hit both economies hard, given their deep integration with global AI. Nevertheless, overall EM performance was bolstered by strong contribution from Brazil in November 2025. However, on a YTD basis, EM equities continued to outperform global peers, with YTD returns of 27.1%, as of November 2025, compared with the 18.6% gain posted by the MSCI DM Index. Developed markets posted a flat performance in November 2025, with the MSCI DM Index edging up 0.2% MOM. Broad-based gains were largely offset by a sharp decline in Japan's Nikkei, which fell 4.1% during the month. The drop was driven by a rate hike by the Bank of Japan, strengthening the yen and making exports more expensive, thereby pressuring export revenues. In the US, the S&P 500 rose marginally 0.1% MOM during November 2025. As US government was in the longest shutdown in the history, the economic data was unclear and made market to remain flat in the month. Elsewhere, the UK's FTSE 100 and the broader FTSE All-Share remained flat in November 2025, performing in line with most developed markets. UK fundamentals showed no major surprises versus estimates, resulting in limited movement in share prices. Across Continental Europe, markets were also largely unchanged, as gains in energy and utilities were offset by declines in technology stocks.

Figure 3: MSCI World and Emerging Market Index Historical trend

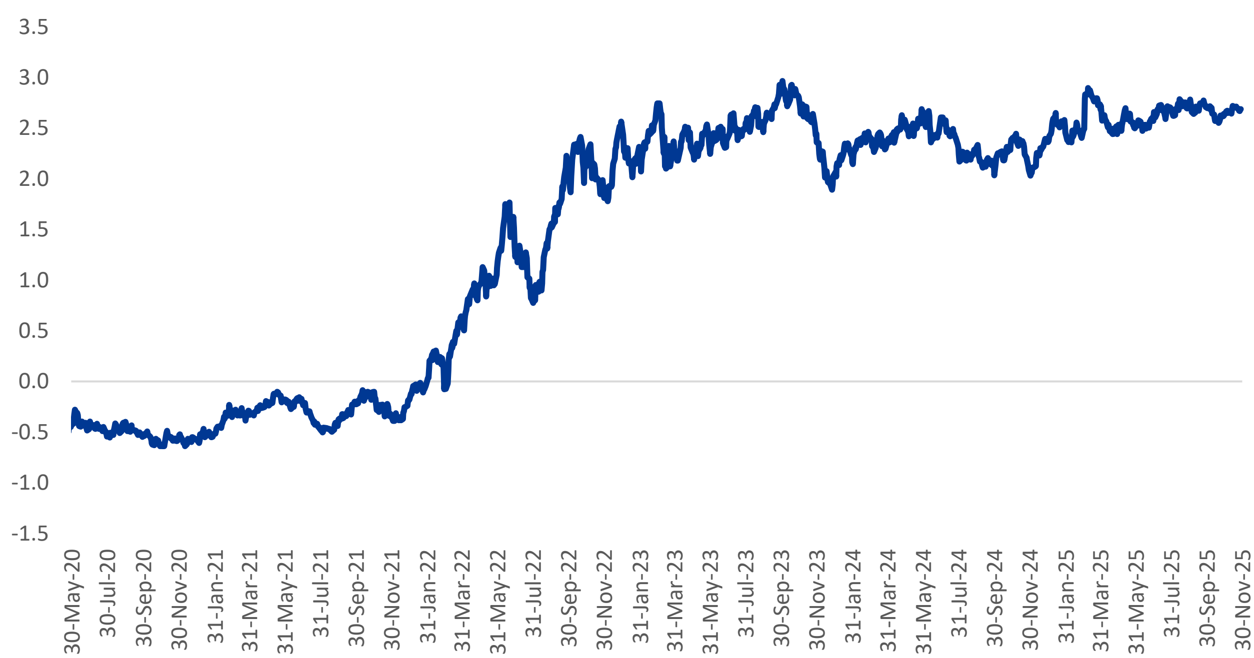


Yield on 10-year government

Figure 4: US 10-year government yield

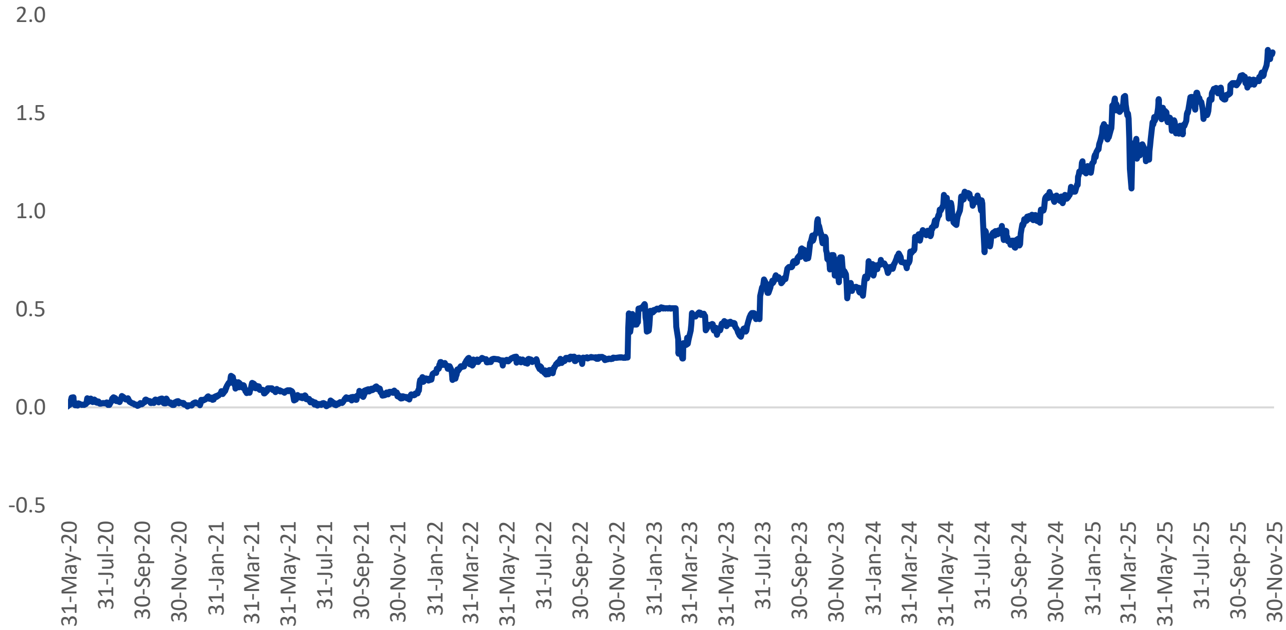
Source: Bloomberg

Figure 5: Germany 10-year government yield



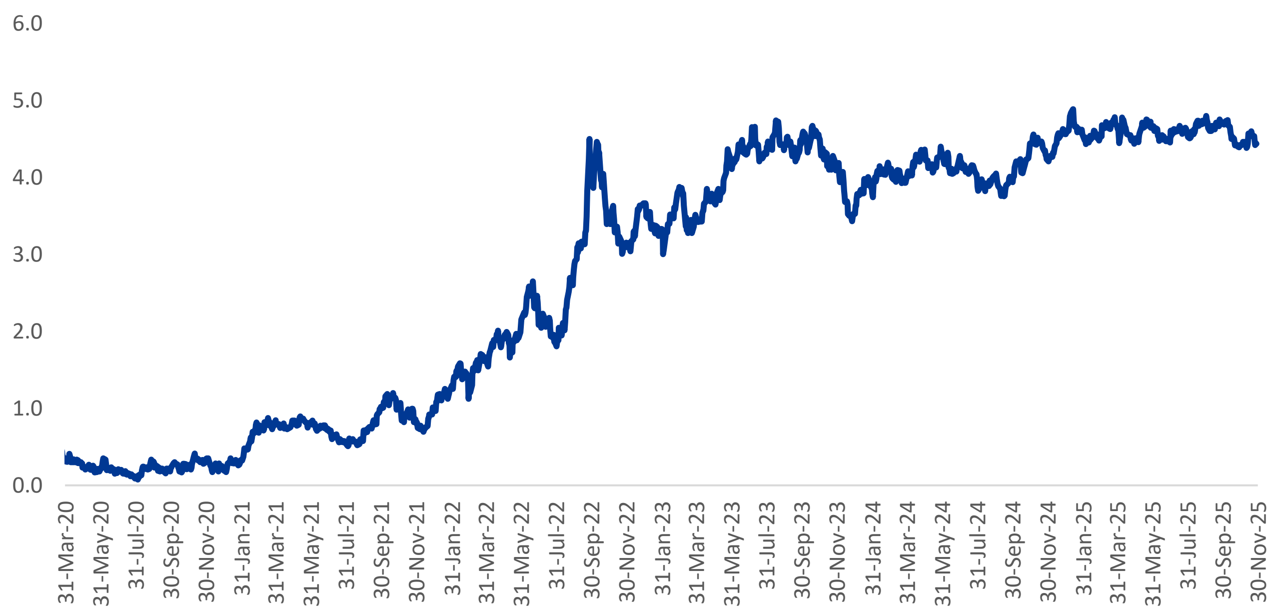
Source: Bloomberg

Figure 6: Japan 10-year government yield



Source: Bloomberg

Figure 7: UK 10-year government yield

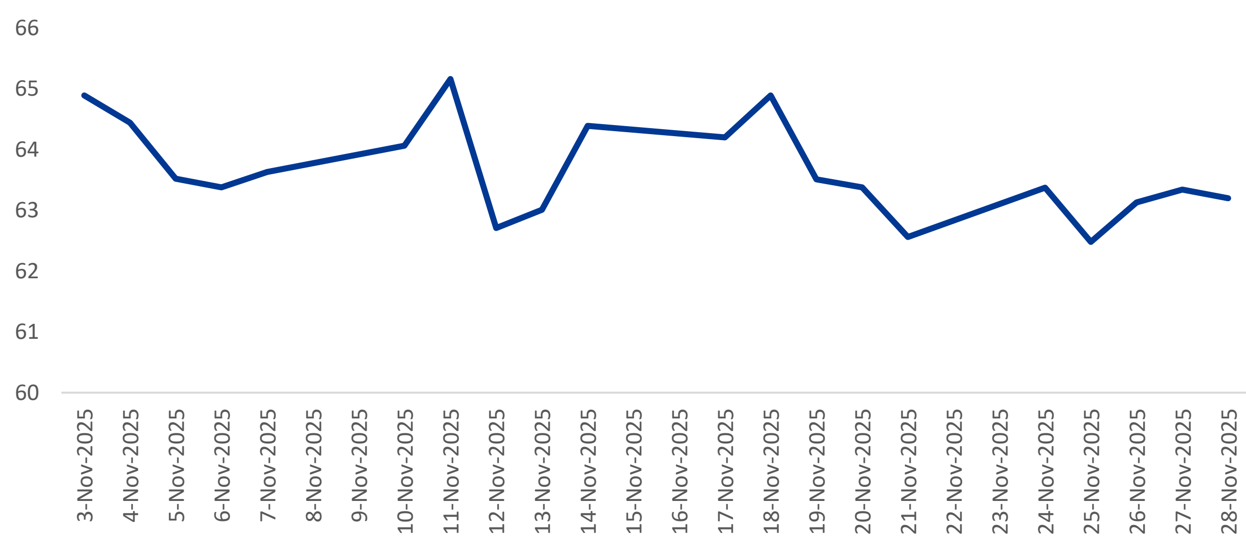


Source: Bloomberg

Oil Outlook

Oil prices fell 2.9% MOM to USD 63.20 per barrel in November 2025. Early in the month, prices dropped on concerns of oversupply following OPEC+'s decision to raise December output by 137 thousand barrels per day, even as the group announced a pause in production hikes for the 1Q26. Additional pressure came from a broad equity sell-off in Wall Street and Asian markets, which strengthened the US dollar, making oil costlier and dampening demand. Prices declined further after US crude inventories surged by 6.52 Mn barrels at the end of October. Toward the end of the first week, however, oil saw a modest rebound as prices approached a key technical support level. In the following week, oil prices rose as expectations grew that the US government shutdown would soon end, boosting prospects for a recovery in demand. Prices also stayed above early-week levels after a Ukrainian drone strike damaged a Russian oil depot, while the US imposed sanctions on Russian oil companies in an effort to pressure the Kremlin into peace talks over Ukraine. Mid-month, oil prices declined following the resumption of loadings at a Russian export hub that had been halted by a Ukrainian drone and missile strike. The attack had temporarily disrupted about 2.2 Mn barrels per day of supply. Market sentiment turned bearish as expectations grew for a significant supply wave in the near term, fueling oversupply concerns. Prices ended lower as traders anticipated potential acceptance of US proposals aimed at ending the war in Ukraine. Toward the end of the month, oil prices initially moved higher as markets weighed uncertainty over whether Russian shipments would remain under sanctions and the progress of peace talks to end the Ukraine war. However, concerns about a potential oversupply in 2026 estimated at atleast 2 Mn barrels per day, and the absence of any clear signs of a deficit even by 2027 overshadowed the impact of sanctions, pushing prices lower again. Eventually, prices rebounded slightly as optimism grew that Russia-Ukraine peace negotiations might soon advance.

Figure 8: Brent Crude Oil Prices (USD per barrel)

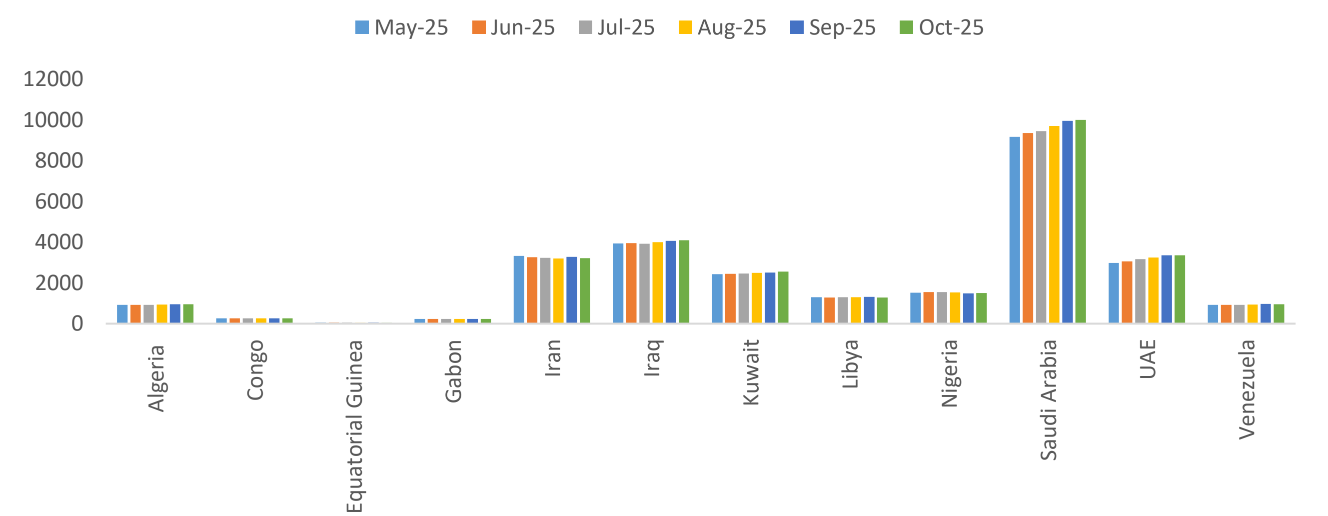


Source: Bloomberg

OPEC Production

Total Brent crude oil production from the OPEC-12 countries rose 34 thousand barrels per day (bpd) MOM, reaching 28.5 Mn bpd in October 2025. Seven out of the 12 OPEC members reported an increase in production during the month. Saudi Arabia witnessed the largest rise in production, increasing 43 thousand bpd MOM in October 2025, followed by Kuwait, which saw a 37 thousand bpd MOM growth. Iraq's oil output increased 34 thousand bpd MOM in October 2025, while Nigeria's oil output grew 15 thousand bpd MOM. Similarly, UAE and Algeria witnessed oil production growth of seven and four thousand bpd MOM, respectively, in October 2025. While, Congo saw an increase of one thousand bpd, however Gabon oil production remained unchanged at 226 thousand bpd in October 2025. Iran witnessed the highest fall of 66 thousand bpd in October 2025. Additionally, Libya, Venezuela and Equatorial Guinea oil production fell 30, 7, and 4 thousand bpd in October 2025.

Figure 9: OPEC Crude Oil Production

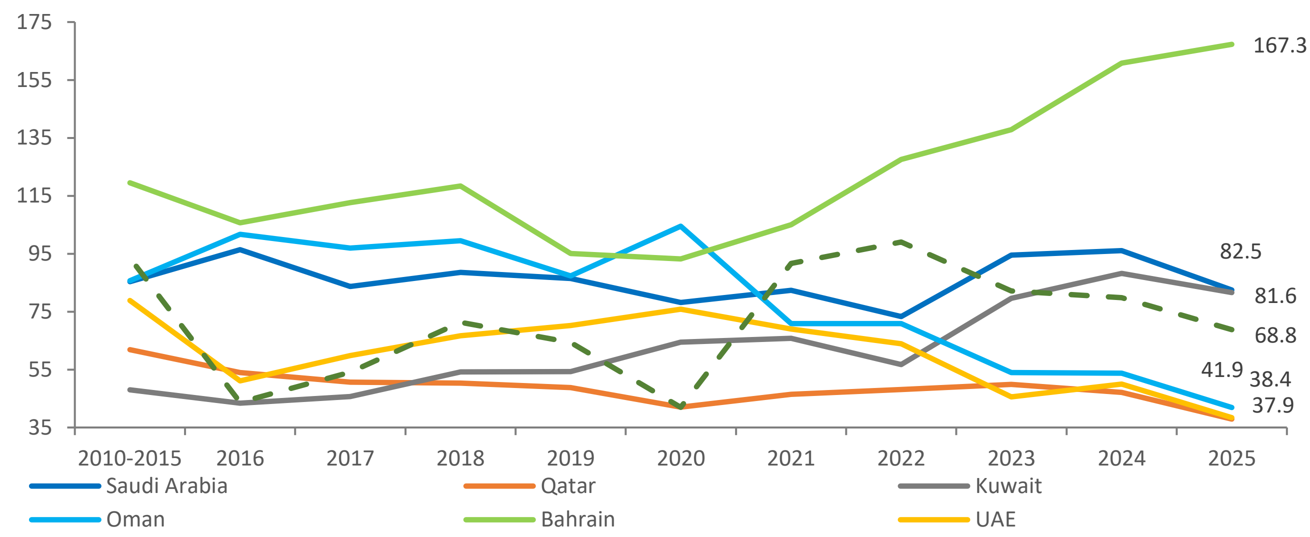


Source: OPEC

Fiscal Breakeven Oil Price

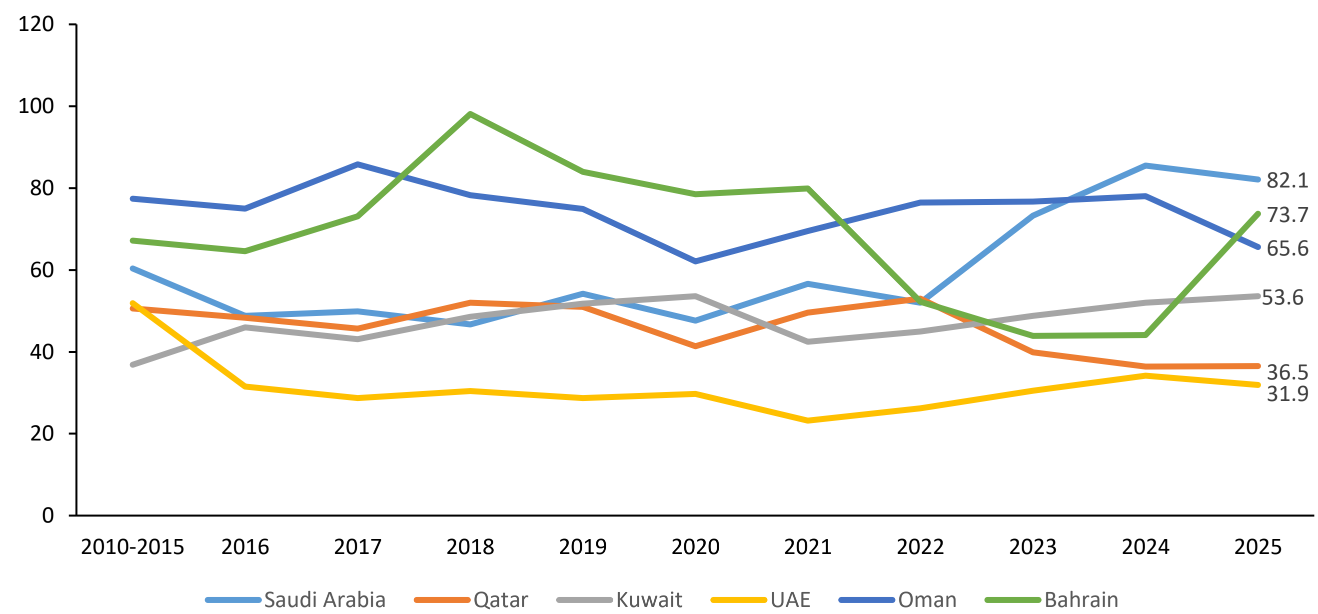
The overall fiscal breakeven oil price is expected to decline for all GCC Countries in FY2025, except Bahrain. Bahrain's fiscal breakeven is projected to grow from USD 160.8 per barrel in FY2024 to USD 167.3 in FY2025. Saudi Arabia, Qatar, Kuwait, UAE and Oman will record a decline in break-even oil prices in FY2025. Saudi Arabia is expected to record the highest drop in break-even oil price, from USD 96.1 per barrel in FY2024 to USD 82.5 per barrel in FY2025. Oman's break-even oil price will fall from USD 53.7 per barrel in FY2024 to USD 41.9 per barrel in FY2025, followed by the UAE, which is likely to witness a fall from USD 50.0 per barrel in FY2024 to USD 38.4 per barrel in FY2025. Qatar's break-even oil prices will fall from USD 47.1 per barrel in FY2024 to USD 37.9 per barrel in FY2025, while Kuwait will witness a decline from USD 88.2 in FY2024 to USD 81.6 in FY2025.

Figure 10: Fiscal Breakeven Oil Price (USD/bbl)



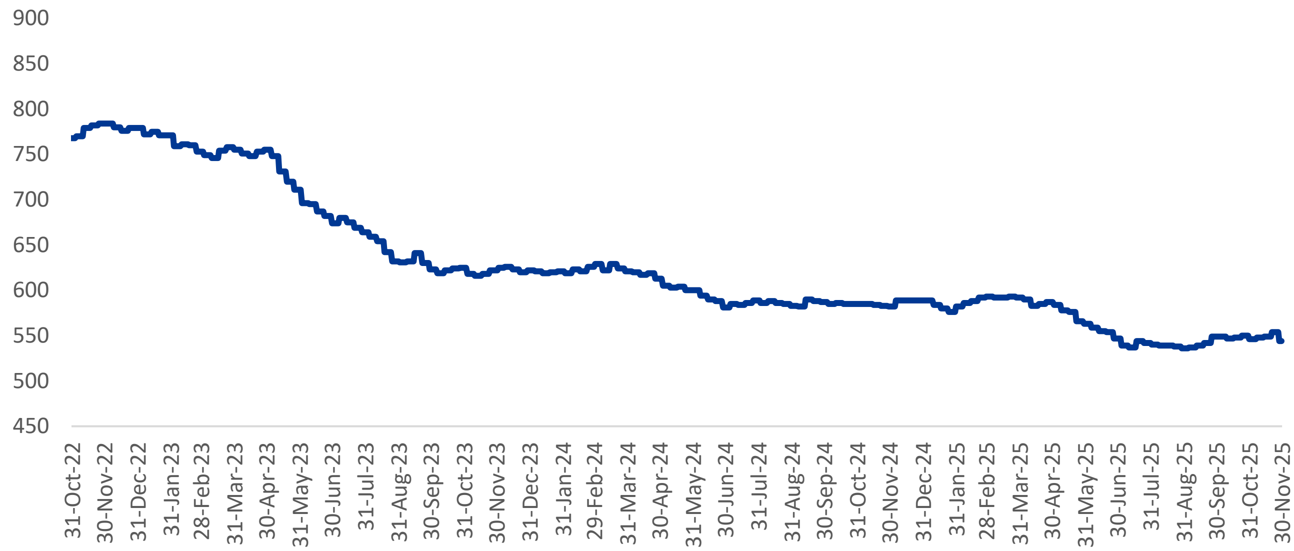
Source: Bloomberg

Figure 11: External Breakeven Oil Price (USD/bbl)



Source: Bloomberg

Figure 12: Oil Rig Count



Source: Bloomberg

Credit Strategy

Current View on Credit Initiation:

Name	Sector	Price	Mid YTM	Moody's/S&P/Fitch
ALDAR 3.875% 2029	Real Estate	97.89	4.50	Baa1/NA/NA
KWIPKK 4.5% 2027	Investment Co.	98.32	6.11	WR/NR/NA
ARAMCO 3.5% 2029	Oil & Gas	97.80	4.23	Aa3/NA/A+
BGBKKK 2.75% 2031	Bank	97.49	5.74	NA/NA/BBB+
GENHLD 4.76% 2025	Investment Co.	100.01	4.03	A1/NA/A
INTLWT 5.95% 2039	Power Generation and Water Utility	102.84	5.68	Baa3/NR/BBB-

*Source: Bloomberg *- Ratings for the instruments are based on Bloomberg data, while the issuing company rating is considered in the absence of an instrument rating in the bond description.*

We remain OVERWEIGHT on GENHLD, ARAMCO, and ALDAR while assigning MARKET WEIGHT ratings on INTLWT, KWIPKK, and BURGAN BANK.

Implications of Securities Recommendations

Bond Particulars	Call	Price	Yield[1]	1M Return	3M Return	YTD Return	12M Return
INTLWT 5.95% 2039	MW	102.84	5.54	-0.19	1.69	4.50	2.39
GENHLD 4.76% 2025	OW	100.01	3.65	0.00	0.82	0.35	0.21
BGBKKK 2.75% 2031	MW	97.49	6.08	-0.11	1.00	5.51	4.92
ARAMCO 3.5% 2029	OW	97.80	4.21	-0.39	0.24	3.88	2.83
KWIPKK 4.5% 2027	MW	98.32	5.94	-0.47	3.95	7.35	4.61
ALDAR 3.875% 2029	OW	97.89	4.47	-0.02	0.35	3.83	2.32

Source: Bloomberg, [1]Ask Yield

ALDAR 3.875% 2029: Maintain OVERWEIGHT rating

We assign an OVERWEIGHT rating on Aldar Properties PJSC's (Aldar Properties) 3.875% senior unsecured Sukuk maturing in October 2029. The Sukuk is trading at USD 97.89 with a yield of 4.50% when held until maturity (redemption at par) with a modified duration of 3.55. The Sukuk also enjoys Moody's investment-grade rating of 'Baa1' with a stable outlook.

- In Abu Dhabi, Aldar Properties is a leading real estate developer with a market cap of AED 70.1 Bn. Apart from being a reliable government contractor, the Company developed many innovative projects, such as Yas Island's F1 circuit and the Gate Towers in Shams Abu Dhabi. Demand for Abu Dhabi's real estate is robust, and the government supports it in terms of home purchasers. The current market has a good supply, and investors are confident in investing in quality projects in prime locations. Aldar diversified its operations and acquired SODIC in Egypt in FY2021. SODIC is a leading Egyptian real estate company with a strong 25-year track record, spanning a land area of 22.9 Mn square meters across three geographies in Egypt.
- Mubadala Investment Company, a Sovereign wealth fund of the Abu Dhabi government, owns a 25.1% stake in Aldar. Alpha Dhabi Holding owns a 26.5% stake through its related companies Sublime Commercial Corporation, Sogno Two, and Sogno Three Sole Proprietorship LLC. Aldar Properties is an important strategic partner to the government, having completed several large-scale infrastructure projects and developments in the UAE.
- Aldar Properties (Aldar) released its financial results for 9M25 with a revenue of AED 23.6 Bn, up 42.7% YOY, the growth was driven by strong double-digit performance in both the Development and Investment segments, supported by cross-platform growth driven by inventory sales, successful new launches, ongoing recognition of development revenue backlog, contributions from recurring income portfolio from both organic and acquisitions. It recorded a gross profit of AED 8.1 Bn, up 42.6% YOY in 9M25, and a net profit of AED 5.1 Bn, up 30.0% YOY, demonstrating the resilience of Aldar's diversified business model. Aldar EPS rose to AED 0.644 in 9M25 from AED 0.493 in 9M24, demonstrating consistent long-term shareholder value growth.

- Aldar's strong financial results are primarily driven by the robust revenue growth supported by high demand for new launches and strong sales from existing inventory. The Company’s revenue backlog stood at AED 66.5 Bn as of 9M25 compared to AED 54.6 Bn in FY2024, providing strong revenue visibility across the UAE and International Business. Additionally, Aldar launched 8 new developmental projects, Manarat Living III and The Wilds, Fahid Beach Residences, The Beach House, Waldorf Astoria Residences Yas, Fahid Beach Terraces, Al Deem Townhomes, and Rise by Athlon in 9M25. The project management service segment backlog stood at AED 82.3 Bn as of 9M25, with AED 53 Bn under construction. The Company’s growth was sustained by continued execution of the development revenue backlog, record development sales, and contributions from the recurring income portfolio. High occupancy and strong rental growth across the core investment portfolio drove a solid performance, further boosted by strategic acquisitions, including Masdar City assets, which brought the platform’s assets under management to AED 47 Bn in 9M25. Strategic acquisitions, increasing rental rates and near-full occupancy levels, alongside strong growth from Aldar Estates and Aldar Education, are driving income stability and revenue growth.
- Aldar’s UAE landbank is strategically distributed across investment zones in Abu Dhabi, Dubai, and Ras Al Khaimah, with a total owned and controlled land area of 60.0 Mn sqm.
- Aldar deployed a capex amounting to c. AED 2.3 Bn in 9M25, while in FY2024, the Company deployed capital of AED 2.3 Bn. The Company has further guided that it will deploy capital of AED 3-4 Bn in FY2025 and AED 9-12 Bn in FY2027 across its Property segment. In Abu Dhabi, the Company’s total land area spans 60.0 Mn sqm in the UAE, with a gross floor area (GFA) of 7.9 Mn sqm in Abu Dhabi and Dubai. Meanwhile, in Dubai, the land area encompasses 0.05 Mn Sqm.
- Liquidity position remains strong with unrestricted cash of AED 12.3 Bn and AED 17.4 Bn of undrawn credit facilities as of 9M25. The Company’s total debt increased from AED 16.4 Bn in 4Q24 to AED 23.7 Bn in 9M25.
- Aldar Education is a leading private education provider in Abu Dhabi, with 27 owned and managed schools as of 9M25, primarily located across the UAE, and one greenfield project in Abu Dhabi. Aldar further expects growth with the opening of Yasmina American School in Khalifa City and a new Muna British School campus in Saadiyat Lagoons in 2025-26, along with other expansion plans. Additionally, the Company plans to bring King’s College School Wimbledon to Fahid Island in 2028-29.
- Aldar Investment’s strategic partners have established a USD 1 Bn private credit platform in Europe, aimed at investing in senior secured debt across a range of real estate sectors in the UK and the European Union.

KWIPKK 4.5% 2027: Maintain MARKETWEIGHT rating

We assign a MARKETWEIGHT rating on Kuwait Projects Company (KIPCO)’s 4.5% senior unsecured bond maturing in February 2027. The bond is trading at USD 98.32 with a yield of 6.11% when held until maturity (redemption at par) and has a modified duration of 1.15. The bond is issued at the holding company level, so the debt service obligations would be met through the cash balance available with KIPCO and the dividends it receives from subsidiaries. The Company's assets and dividend inflow are concentrated in the three largest entities, contributing c. 60% of total asset value.

KIPCO is one of the largest holding companies in MENA, with its consolidated assets growing from KWD 13.0 Bn in FY2024 to KWD 13.5 Bn in 9M25, and sustained through multiple economic cycles, making consistent dividend payments for the last 17 years until FY2021. Members of the Kuwaiti ruling family remain KIPCO’s leading shareholders, through Al Futtooh Holding Company K.S.C. (AFH), and currently own a 31.91% direct holding. AFH supported KIPCO in all business activities, including capital raising, and a reduction in dividends if required.

- KIPCO's total revenue from operations increased 5.8% YOY to KWD 1,155 Mn in 9M25, mainly due to strong growth across energy income, hospitability & real estate income, industrial & logistic income, coupled with rise in interest and investment income, partially offset by a decline in share of results of associates, and net fees & commission income.

- The Company's operating profit from continuing operations rose to KWD 123 Mn in 9M25, up from KWD 122 Mn in 9M24. Provisions for credit losses increased significantly from KWD 18 Mn in 9M24 to KWD 36 Mn in 9M25. Profit before tax decreased from KWD 87 Mn in 9M24 to KWD 75 Mn in 9M25.
- The Company recorded an increase in net profit attributable to shareholders of 7.3% YOY to KWD 13 Mn in 9M25.
- KIPCO cash and bank balance at the parent company level stood at KWD 2,344 Mn in 9M25, compared to KWD 2,663 Mn in FY2024.
- Net outstanding debt increased from KWD 722 Mn in 9M24 to KWD 1,869 Mn in 9M25.
- KIPCO has received a dividend income of KWD 8 Mn in 9M25 compared to KWD 11 Mn in 9M24.
- Moody’s withdrew the rating on KIPCO following a review of the issuer's request to withdraw its rating(s). Fitch rating also downgraded KIPCO's long-term issuer rating to ‘BB’- from ‘BB’ and revised the outlook from stable to negative, citing a further increase in leverage.

ARAMCO 3.5% 2029: Maintain OVERWEIGHT rating

We are OVERWEIGHT on Saudi Aramco’s 3.5% bond maturing in April 2029. The bond is trading for USD 97.80 and offers a yield of 4.23% with a modified duration of 3.13. The issuer's credit rating is constrained by the rating of its largest shareholder, the government of Saudi Arabia, given the close link between Aramco and the sovereign. Aramco is assigned a standalone credit rating of ‘A+’ by Fitch, supported by robust profitability, market leadership, significant cash flow visibility and net cash position.

- Saudi Arabian Oil Company is an integrated energy and chemicals company. Aramco's operations are divided into two main segments: Upstream and Downstream. Upstream activities are predominantly centred in Saudi Arabia, while the Downstream sector operates on a global scale. The Upstream segment of the Company is responsible for the exploration, development, production, and sale of natural gas, condensate, crude oil, and natural gas liquids (NGLs). The activities of the downstream section include supply and trading, power generation, retail operations, base oils and lubricants, petrochemicals and refining, and distribution. The reserves of Aramco amounted to 250.0 Bn barrels of oil equivalent in FY2024, consisting of 189.8 Bn barrels of crude oil and condensate, 26.1 Bn barrels of NGL, and 209.8 trillion standard cubic feet of natural gas. The Company manages 548 reservoirs within 148 fields spread across the Kingdom and its territorial waters.
- Fitch upgraded a long-term foreign and local currency IDR to 'A+' with a stable outlook in Dec 2024, reflecting the Company’s strong business profile backed by strong control and support from the government. The government directly owns 81.48% stake in the Company in addition to the PIF ownership of 16%. Aramco's significant investments in capex and capacity expansion position the Company for future growth. Additionally, the Company maintains low production costs and substantial reserves, offsetting potential energy transition risks. Aramco boasts an SCP rating of ‘aa+’, three notches above the Sovereign’s foreign currency rating of ‘A+’. The worsening of Saudi Aramco's relative position to local peers would likely lead to a downgrade of rating.
- Revenue declined 5.9% YOY to SAR 1,170.6 Bn in 9M25, mainly due to lower realization of crude oil, refined products, and chemicals. However, the decline was partially offset by a higher volume of refined and chemical products sold compared to the previous period last year. Revenue from Downstream operation decreased 3.3% YOY to SAR 674.1 Bn in 9M25, while revenue from Upstream operation fell 9.4% YOY to SAR 494.6 Bn in 9M25. Other income related to sales declined 34.5% YOY to SAR 84.3 Bn in 9M25. Other income related to sales fell due to lower reference equalization prices, higher regulated prices, and lower volumes sold of crude oil and refined products. Thus, revenue and other income related to sales fell from SAR 1,373.1 Bn in 9M24 to SAR 1,254.9 Bn in 9M25.
- Royalties and other taxes declined from SAR 157.7 Bn in 9M24 to SAR 115.4 Bn in 9M25. Total operating costs fell 8.9% YOY to SAR 702.9 Bn in 9M25, owing to a decrease in production royalties, partially offset by higher production and manufacturing costs compared to 9M24.

- The Company’s finance and other income fell to SAR 12.4 Bn in 9M25, compared to SAR 18.7 Bn in 9M24.
- Income before taxes and zakat fell from SAR 609.7 Bn in 9M24 to SAR 551.0 Bn in 9M25, primarily attributed to a lower realization of crude oil, refined products, and chemicals, partially offset by higher volumes sold.
- Furthermore, Aramco’s net profit declined from SAR 314.7 Bn in 9M24 to SAR 283.6 Bn in 9M25. The net profit attributable to equity shareholders declined from SAR 307.1 Bn in 9M24 to SAR 278.6 Bn in 9M25.
- Free cash flow fell from SAR 238.9 Bn in 9M24 to SAR 217.3 Bn in 9M25, primarily attributable to lower net cash generated from operating activities due to lower earnings and investment in working capital, coupled with higher capital expenditures on downstream operations.
- Aramco paid a total dividend of SAR 240.3 Bn in 9M25. Additionally, this total dividend includes a performance-linked dividend of SAR 2.5 Bn.
- The Company's progress on its Upstream oil and gas projects, Phase one of the Dammam development project came onstream in 2025, with phase two expected in 2027, adding a total of 50 mbpd of crude oil capacity. Procurement and construction for the Berri and Marjan crude oil increments are on track for completion in 2025, providing an additional 250 mbpd and 300 mbpd, respectively. The Zuluf crude oil increment is progressing, with expected processing of 600 mbpd through a central facility in 2026. Construction of the Tanajib Gas Plant, part of the Marjan development program, is on track for 2025, adding 2.6 bscfd of raw gas processing capacity. Work on the Jafurah Gas Plant, part of the Jafurah unconventional gas field is advancing with phase one expected to be completed in 2025 and sustainable sales gas projected at 2.0 bscfd by 2030, along with significant volumes of ethane, NGL, and condensate. Engineering, procurement, and construction activities for the Fadhili Gas Plant expansion are ongoing, expected to add 1.5 bscfd of additional raw gas processing capacity by 2027. In October, Aramco entered a 20-year lease-and-leaseback agreement for the Jafurah Field Gas Plant and Riyas NGL Fractionation Plant with its subsidiary, Jafurah Midstream Gas Company. As part of the deal, Aramco sold a 49% stake in the subsidiary to a consortium led by Global Infrastructure Partners (BlackRock) for SAR 41.8 Bn (USD 11.1 Bn) in cash. The subsidiary will receive quarterly volume-based tariff payments from Aramco, backed by minimum volume commitments. Aramco retains full ownership and operational control of the facilities, with no restrictions on production volumes.
- Aramco’s gearing ratio declined marginally from 6.5% in 2Q25 to 6.3% in 3Q25. Aramco’s capital expenditure (capex) on cash basis fell to SAR 105.8 Bn in 9M25 from SAR 110.1 Bn in 9M24. This decrease was mainly due to phasing the expansion of crude oil production to maintain a maximum sustainable capacity of 12.0 mmbpd (millions barrels per day) and continuing development activity on multiple strategic gas projects. The Company’s net debt marginally declined to SAR 114.3 Mn in 3Q25 compared to SAR 115.6 Mn in 2Q25.

BGBKKK 2.75% 2031: Maintain MARKET WEIGHT rating

We are MARKETWEIGHT on Burgan Bank’s 2.75% Tier 2 subordinated bond, currently trading at USD 97.49. The bond offers a yield of 5.74% and a duration of 0.75. Its loan book is diversified with exposure to Kuwait and international operations in multiple sectors.

- Burgan Bank is one of the leading conventional banks in Kuwait in terms of total assets and is listed on Boursa Kuwait. The Bank has a network of 125 branches and 284 ATMs as of 9M25. KIPCO Company holds a major stake in the Bank, owning 33.5%.
- Burgan Bank net operating income increased 16.3 % YOY to KWD 192 Mn in 9M25, driven by a 14.8% YOY growth in the net interest income amounting to KWD 128 Mn, coupled with a 19.4% YOY rise in the non-interest income amounting to KWD 64 Mn during 9M25. The growth in net operating income was further driven by contribution from the acquisition of United Gulf Bank (UGB).
- The Bank’s net interest margins grew 10 bps YOY to 2.3% in 9M25 compared to 2.2% in 9M24.

- Operating expenses increased 21.2% YOY to KWD 116 Mn in 9M25. The cost-to-income ratio stood at 60.6% in 9M25 compared to 58.1% in 9M24.
- The Bank reported a net profit attributable to shareholders of KWD 32.4 Mn in 9M25, compared to KWD 33.3 Mn in 9M24.
- Loans and advances to customers rose 7.9% YOY and 2.4% QOQ to KWD 4.7 Bn in 9M25, driven by Kuwait and international operations. Deposit rose 3.0% YOY but declined 3.2% QOQ to KWD 5.2 Bn, with CASA deposit of 29% in 9M25.
- The Bank's non-performing loans increased from 1.9% in 9M24 to 3.1% in 9M25. Provisional coverage declined from 300% in 9M24 to 189% in 9M25.
- Capital adequacy ratio stood at 17.1% in 9M25, above the regulatory requirement. The Bank maintains high liquidity levels, with a liquid coverage ratio (LCR) and net stable funding ratio (NSFR) of 229% and 112%, respectively, as of 9M25, substantially above the minimum regulatory requirement of 100%.
- Fitch Ratings affirmed Burgan Bank's long-term IDR at "A" with a stable outlook. Moody's assigned a credit rating of "Baa1" with a Stable Outlook, and S&P Global also assigned a rating of "BBB+" with a Stable Outlook.
- Burgan Bank successfully issued USD 500 Mn through a 5-year senior unsecured bond, carrying a fixed coupon of 4.875% and priced at a spread of 115 basis points over US Treasuries.

GENHLD 4.76% 2025: OVERWEIGHT rating

We assign an OVERWEIGHT rating on Senaat's 4.76% Sukuk maturing in December 2025. The Sukuk is trading for USD 100.01 and offers a yield of 4.03% when held till maturity (redemption at par). Arkan Building Materials Company PJSC completed the acquisition of Emirates Steel Industries PJSC ("Emirates Steel") and issued share capital from its majority shareholder, General Holding Corporation PJSC ("SENAAT"), on October 6th, 2021, in exchange for the issuance of 5.1 Bn new ordinary shares in the Company. Emirates Steel became a direct 100% subsidiary of the Company, and SENAAT's ownership in Arkan increased from 51% to 87.5% of its issued share capital as a result of this transaction.

- Overall Group revenues in FY2024 reached AED 13,260 Mn, down from AED 13,466 Mn in FY2023. The decline in revenue is attributed to lower revenues from the building materials and steel industries, partially offset by growth in the Snacking, Agri-business, and Food & Water segment.

- Revenue from the Food and Beverages segment increased to AED 4,923 Mn in FY2024 compared to AED 4,568 Mn in FY2023. Revenue from the Steel industry declined from AED 8,029 Mn in FY2023 to AED 7,577 Mn in FY2024. The revenue from Building materials declined to AED 761 Mn in FY2024 from AED 871 Mn in FY2023.

- The EBITDA declined to AED 1,827 Mn in FY2024, compared to AED 2,174 Mn in FY 2023. The EBITDA margin decreased to 13.78% in FY2024 from 16.15% in FY2023. However, the net profit of the Group declined to AED 988 Mn in FY2024 from AED 1,058 Mn in FY2023. The net profit margin also declined to 7.45% in FY2024 from 7.86% in FY2023. The Group earned 7.6% return on equity in FY2024 as compared to 8.2% in FY2023.

- As of December 31, 2024, the Group's total assets stood at AED 20.1 Bn, down from AED 20.6 Bn in December 2023, and the value of shareholders equity stood at AED 12.8 Bn as of December 2024, down from AED 13.3 Bn in December 2023. The external debt of the Group increased to AED 3.3 Bn in FY2024 from AED 3.1 Bn in FY2023, improving the EBITDA leverage from 1.7x in FY2023 to 2.0x in FY2024. The consolidated cash and bank balance increased from AED 1,077 Mn in FY2023 to AED 1,478 Mn in FY2024.

- The Long-Term Issuer Default Rating (IDR) of General Holding Corporation PJSC (Senaat) has been affirmed by Fitch Ratings at 'A' with a Stable Outlook. Senaat's Sukuk Limited's senior unsecured notes were similarly affirmed at 'A' by Fitch.

INTLWT 5.95% 2039: Maintain MARKET WEIGHT rating

We assign MARKETWEIGHT on APMI One's 5.95% bond maturing in May 2039. The bond is trading at USD 102.84 with a yield of 5.68% if held till maturity (redemption at par). The bond has a modified duration of 6.71. The Bond has a credit rating of BBB- from Fitch and Baa3 from Moody's both with a stable outlook.

ACWA Power Management and Investments One Ltd (APMI One) is wholly owned subsidiary of ACWA Power Company. ACWA Power Co. develops, operates, and invest in power generating and desalinated water production plants in Saudi Arabia. The company was established in FY2004 in KSA and expanded throughout the years to operate in 12 countries. The first expansion plan took place in FY2008-FY2010 in Oman and Jordan, then from FY2012 to FY2014, the company expanded in Morocco, South Africa, and Turkey. The final expansion was in UAE, Egypt, Bahrain, Vietnam, Ethiopia, and Uzbekistan from FY2015 to FY2020.

- The Company's operational renewable capacity increased to 7.7 GW, while projects under construction and in advanced development stages expanded the total portfolio gross renewable capacity to 52 GW, accounted 55.3% of total power capacity. With this momentum, the company remains firmly on track to achieve its newly elevated target of a 70% renewable energy mix by 2030, surpassing the earlier goal of a 50/50 split between renewables and flexible generation six years ahead of schedule.
- The Company agreed to sell its 32% effective investment in SQWEC, an oil-fired facility with 850 MW of power and 212,000 cubic meters water desalination capacity in the Kingdom of Saudi Arabia, on September 7, 2021. The sale reduced the diversification of APMI One cash flow. In order to offset the impact of lost cashflows from SQWEC, ACWA Power increased the stake in RAWEC that forms part of APMI One bondholder security and cashflows from 37% to 80%, while this offsets the cashflow impact of the sale of SQWEC, it results in greater concentration at RAWEC, for which we view the offtaker as of lower credit quality than for others in the portfolio. The issuer APMI One is a Special Purpose Company, incorporated under the laws of DIFC, which is 100% owned by ACWA Power Projects. However, APMI One is not the only entity ACWA Power Projects has its hands on.
- APP filed its zakat and tax returns for all the years till FY2024. APPs closed its position with the ZATCA until FY2018; moreover, the ZATCA is currently performing audits for FY2021-24. The Company's subsidiaries and associates received a higher tax assessment from ZATCA, which led to an additional liability of SAR 151 Mn (with ACWA Power's share of SAR 79 Mn). The Company has recognised provisions of SAR 151 Mn (ACWA Power share of SAR 79 Mn) against this assessment as of 30th June 2025.
- ACWA Power achieved financial close in May 2025 on two projects, including the Uzbek GH2 Phase 1 with an investment of SAR 0.4 Bn, a capacity of 52 MW and 3 KTPA, and 80% ownership, as well as the Tashkent Riverside PV + BESS with an investment of SAR 2.0 Bn, a capacity of 400 MW, and full ownership. These milestones highlight the company's expanding renewable and hydrogen portfolio in Uzbekistan.
- ACWA Power started contribution to the company's results from several projects between January and May 2025 through ICOD or PCOD. These included Chirquiq GH2 in Uzbekistan with 52 MW and 3 KTPA capacity at 80% ownership, Redstone CSP in South Africa with 100 MW at 36% ownership, Shuaibah 3 SWRO in Saudi Arabia with 600 m^3/day at 47.48% ownership, Bash Wind and Dzhankeldy Wind in Uzbekistan each with 500 MW at 65% ownership, Al Shuaibah 2 Solar PV in Saudi Arabia with 2,060 MW at 35.01% ownership, and Layla Solar PV in Saudi Arabia with 91 MW at 40.76% ownership.

The financial details as of 9M25 for ACWA Power are listed below:

- ACWA Power's operating income before impairment loss and other expenses significantly grew from SAR 2,365.1 Mn in 9M24 to SAR 2,764.3 Mn in 9M25. The increase is mainly due to higher contributions from operational projects, increased income from development and construction management services and higher development cost, provisions, and write-offs in 3Q24 period due to the termination of a project in Africa. This was partially offset by a debt restructuring gain from ACWA GUC in Turkey in 3Q24, and a divestment gain in 2Q24 from the Bash and Dzhankeldy Wind projects in Uzbekistan following a minority stake sell-down.
- Net profit attributable to equity holders increased 2.0% YOY to SAR 1,280 Mn in 9M25. The increase in profit was primarily driven by higher operating income, as well as increased net financial charges, including forex, net of other income. However, this positive effect was partially offset by a higher share of non-controlling interest, an additional impairment charge related to Noor 3 CSP IPP in Morocco on account of the current period impact of the LD and insurance settlement income and lower profit attributable to equity holders of the parent following a 30% divestment of RAWEC in June 2024, and increased zakat & tax charges.
- The adjusted net profit rose 21.8% YOY to SAR 1,355 Mn in 9M25, excluding the impact of impairment loss, project termination in Africa, partially mitigated by the gain on termination of hedging instruments.
- ACWA Power raised SAR 7.1 Bn in 9M25 via a rights issue, increasing the total capital from SAR 7.3 Bn to SAR 7.6 Bn in June 2025, to finance expansion, target USD 250 Bn AUM by 2030, invest in power, desalination, green hydrogen, pursue M&A, and strengthen the balance sheet amid growth plans.
- Furthermore, the company signed 9 PPAs, 1 WPA, acquired power and water plants in Bahrain, Kuwait, and China - adding 24.7 GW of power and 1.8 Mn m3/day of water to the portfolio.
- During 9M25, the Company added 7 GW of power and 600,000 m3/day of desalinated water as incremental operational capacity, thus bringing the total operational capacity in the portfolio to 40 GW of power and 5.3 Mn m3/ day of water.
- The company’s projects, including the Chirchiq Green Hydrogen and Karatau Wind projects in Uzbekistan, the Saad 2, Al Rass 2, and Al Khafah solar PV plants in Saudi Arabia, and various wind projects in Azerbaijan, began partial or full operations in 3Q25. These projects added 3.7 GW of power capacity and 3,000 tonnes of green hydrogen annually to the operational portfolio.
- The company achieved financial close worth SAR 15.3 Bn for three projects, including the two CCGT plants in Saudi Arabia—Rumah 1 IPP and Al-Nairiyah 1 IPP.
- On 25th December 2024, the Group signed the equity transfer agreement for the acquisition of 100% shares in Xinyang Mingshang New Energy Co. Ltd. On 30th September 2025, the conditions precedent were met, and 100% equity shares were transferred to the Group. Accordingly, the asset has been consolidated in the financial statements for 9M25. By closing another phase of acquisitions in China, the Company added the 100 MW Mingyang Wind Power Project to its portfolio.
- 9M25, consolidated power availability stood at 91.7%, lower than the level recorded in 9M24 (93.9%). The planned or forced outages across conventional power assets impacted the Company's performance during 9M25. Renewable assets continued to operate with strong performance, with an average availability of 97.0% during 9M25, compared to 95.7% in 9M24. Consolidated water availability also improved to 98.3% in 9M25 from 97.4% in 9M24.
- ACWA Power reported a cash & short-term investment of SAR 9.9 Bn in 9M25 up from SAR 4.1 Bn in 2024. As a result, total assets increased from SAR 56.9 Bn in FY2024 to SAR 68.6 Bn in 9M25. The Company’s debt stood at SAR 29.4 Bn in 9M25, up from SAR 25.9 Bn in FY2024.

Bond Yield charts (%)

Figure 13: ALDAR 3.875% 2029

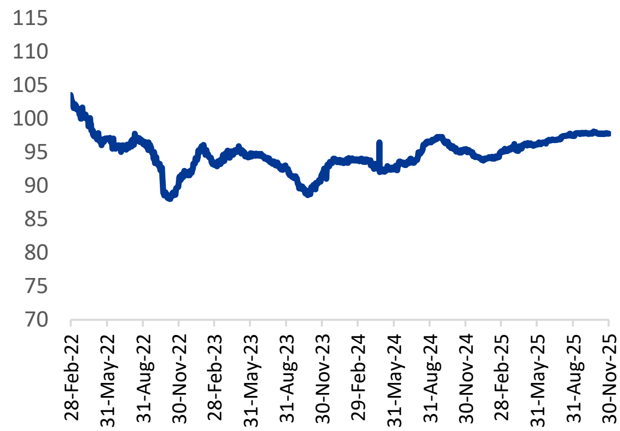


Figure 14: KWIPKK 4.5% 2027

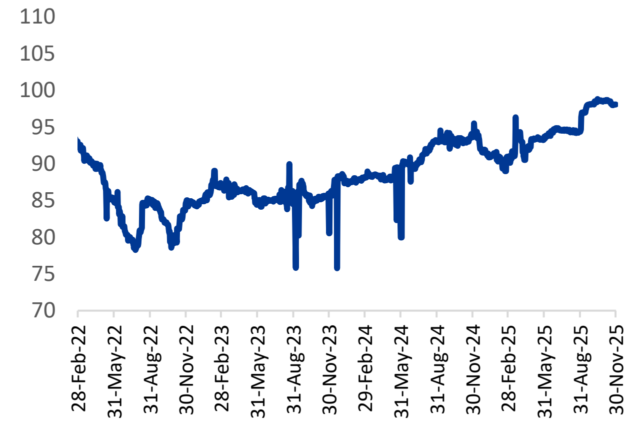


Figure 15: ARAMCO 3.5% 2029

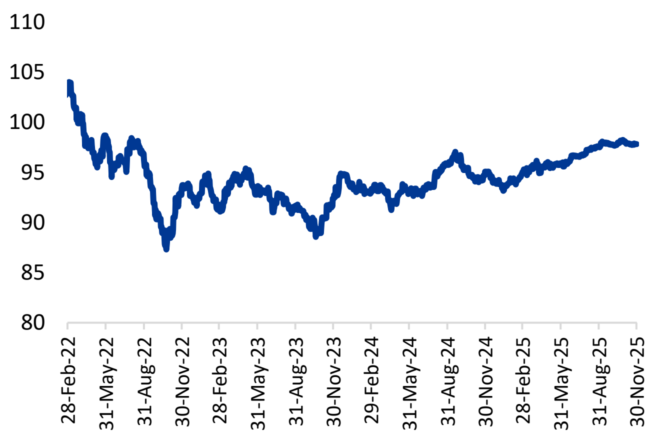


Figure 16: GENHLD 4.76% 2025

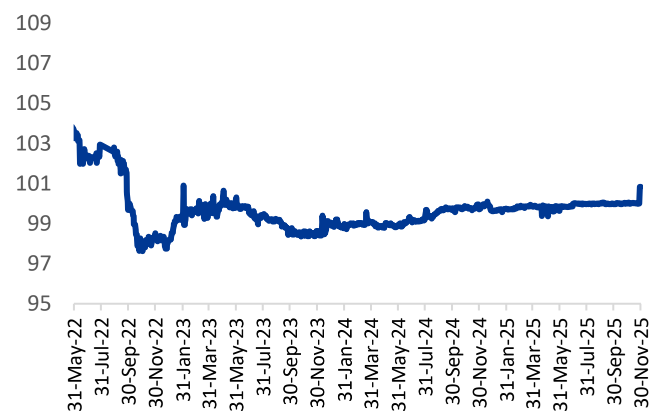


Figure 17: INTLWT 5.95% 2039

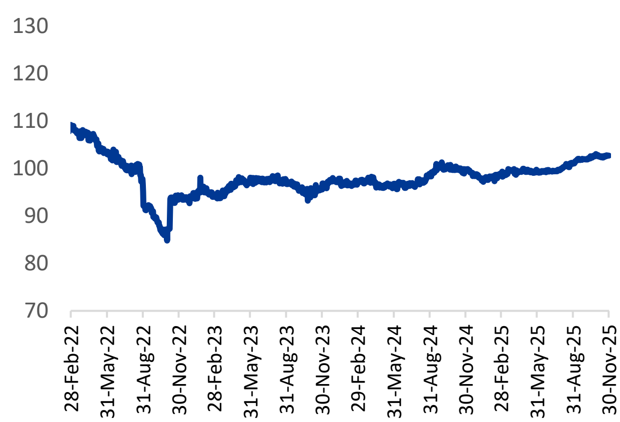
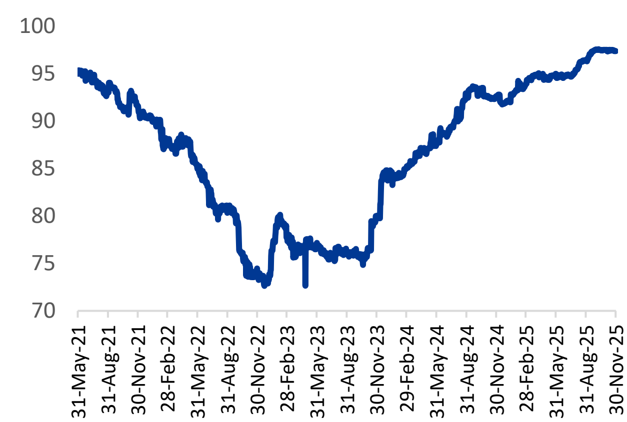


Figure 18: BGBKKK 2.75% 2031



Source: Bloomberg

Key Market Indicators

Particulars	Price/Yield	YTD (% change)	MOM (% change)
Brent crude	63.20	-15.30	-2.90
US dollar index	99.38	-8.40	-0.43
10Y Treasury yield[1]	4.04	-0.53	-0.04
2Y Treasury yield[1]	3.50	-0.75	0.05
10Y German bond yield[1]	2.72	0.35	0.09
10Y Japan bond yield[1]	1.85	0.75	0.18
Bloomberg UAE Composite USD Liquid index	150.51	8.54	-0.13

Source: Bloomberg, [1] in Basis point

FAB SECURITIES أبوظبي الأول للأوراق المالية

Sovereign Highlights

UAE

UAE non-oil sector maintains solid growth, though momentum eases in October

UAE's non-oil private sector saw continued improvement in business conditions in October, but at a slower rate than the previous month. The growth momentum remained above the mid-year trend, supported by a growth in new orders, but hiring slowed. The seasonally adjusted UAE PMI eased from 54.2 in September to 53.8 in October 2025. Output remained strong, supported by higher sales and new project launches, while easing input cost pressures kept prices stable. Business confidence weakened to a near three-year low, dampening job growth. Meanwhile, Dubai's PMI rose to a nine-month high of 54.5, driven by stronger demand and output, though employment gains remained modest.

UAE unveils AED 170 Bn investment in roads & transport project to ease traffic congestion

The UAE announced an AED 170 Bn transport and roads development package to be completed by 2030, focused on expanding major highways, enhancing public transport, and advancing high-speed and light rail projects. Key upgrades include widening Etihad Road to 12 lanes, Emirates Road and Sheikh Mohammed bin Zayed Road to 10 lanes and studying a new 120 km federal highway. The ministry aims to enhance federal road efficiency by 73% and address rising congestion amid rapid population growth and heavy reliance on private vehicles. The plan aligns with UAE Centennial 2071 and includes ongoing projects such as the Emirates Road upgrade and the rollout of Etihad Rail passenger services by 2026.

Dubai economy grows 4.4% in H1 2025, driven by strong sectoral performance and D33 momentum

Dubai's economy expanded 4.4% in 1H25 to AED 241 Bn driven by strong performance across key sectors and underpinning the progress of the Dubai Economic Agenda (D33). GDP grew by 4.7% YOY to AED 122 Bn in 2Q25, supported by robust gains across human health and social work activities (+20%), construction (+8.5%), real estate (+7%), financial services (+6.7%), transportation & storage (+5.3%), and accommodation & food services (+4.9%). The growth is further supported by a 6% growth in international visitors to 9.88 Mn. Leaders highlighted that the results reflect Dubai's long-term vision, strong public–private collaboration, and the progress of the D33 Agenda. Rising real estate activity, government-backed development projects, and growing visitor numbers also contributed to momentum. Authorities noted ongoing statistical recalibration to enhance data accuracy and support future strategic planning.

Dubai ruler approved the creation of the National Investment Fund

Dubai approved the establishment of the National Investment Fund, reinforcing Dubai's ongoing commitment to offering businesses a highly conducive and rewarding environment for sustained growth. The fund, launched with an initial capital of AED 36.7 Bn (USD 9.99 Bn), aims to stimulate greater inflows of foreign capital into the country. The core objective of this initiative is to attract direct foreign investments by providing targeted financial incentives.

Dubai approved USD 82.41 Bn expenditure budget for 2026–28

Dubai approved its 2026–2028 budget, allocating AED 302.7 Bn (USD 82.41 Bn) in expenditures and projecting AED 329.2 Bn (USD 89.63 Bn) in revenues. For the 2026 fiscal year, expenditures are estimated at AED 99.5 Bn, while revenues are forecasted at AED 107.7 Bn. Furthermore, infrastructure development, including roads, bridges, and public transport, will account for 48% of the total planned spending for 2026.

S&P Global assigns RAK Al Khaimah A/A-1 rating with a stable outlook

S&P Global reaffirmed Ras Al Khaimah's "A/A-1" credit rating, with a stable outlook, reflecting expectations of continued strong economic expansion and a robust fiscal position supported by ongoing tourism and infrastructure initiatives. The rating also expects that ongoing tourism and infrastructure projects across Ras Al Khaimah will support economic growth. In addition, the agency also anticipates robust performance of tourism, real estate, manufacturing and mining will support the growth trajectory. Additionally, the stable outlook highlighted expectations of continued low debt levels and recurring fiscal surpluses, further strengthening Ras Al Khaimah's fiscal profile and long-term economic diversification.

Saudi Arabia

Saudi non-oil sector witnessed rapid expansion amidst rising cost pressures

Saudi Arabia's non-oil private sector recorded one of its strongest expansions since 2014, with the PMI rising to 60.2 from 57.8 in the previous month owing to robust demand, new orders, and the fastest job creation in nearly 16 years. Half of the surveyed firms reported higher sales driven by improving economic conditions, growing client numbers and higher foreign investment. Both output and employment recorded a robust growth. Input costs surged due to wage hikes and pricier imported materials, leading to the sharpest output price inflation since May 2023. Despite slightly softer confidence, firms remained optimistic, supported by strong demand, ongoing projects, and government-led investment initiatives.

Saudi Arabia outlined new rules for non-Saudi property ownership since 2026

Saudi Arabia's updated property ownership law, effective January 2026, allows non-Saudis to own only registered properties with full disclosure requirements and imposes a 10% tax & fees, including real estate transaction tax & fees, with violations fined up to SAR 10 Mn. Eligibility extends to non-Saudi individuals, foreign-owned firms, non-profit entities, Saudi companies in which a foreigner has ownership and diplomatic missions. REGA will soon publish maps detailing designated ownership zones, permitted rights, and restrictions across major cities.

Saudi industrial production demonstrated strong 9.3% YOY growth in September

Saudi Arabia's industrial production rose 9.3% YOY in September 2025, supported by strong gains in mining (+11% YOY), manufacturing (+6.3% YOY), utilities (+12.6% YOY), and water/waste management (+9.2% YOY). The oil sector grew 10.1% YOY, while non-oil industries expanded 7.3% YOY, reflecting ongoing efforts to boost industrial capacity and diversify the economy.

Saudi inflation holds steady at 2.2% in October; housing and services lead annual increase

Saudi Arabia's inflation remained unchanged at 2.2% in October 2025 compared to the same month last year, while monthly inflation rose slightly to 0.3% from September 2025. The annual increase was mainly driven by higher housing and utilities (+4.5%), food and beverages (+1.5%), and restaurant and accommodation prices (+1.1%). Personal care, transport, and insurance services also saw notable rises, while furniture and communication costs declined. The Wholesale Price Index grew 2.9% YOY driven by growth in prices of other transportable goods and agricultural and fishery products.

NHC signed three major deals to deliver nearly 5,000 new homes in Saudi Arabia

The Saudi government-owned National Housing Company (NHC) entered into three major agreements exceeding SAR 5 Bn to develop 4,850 housing units across Riyadh and Mecca. The first agreement, valued at SAR 899 Mn, was signed with Ledar Co. to deliver over 930 residential units within the Dar Makkah project in Wujhat Bawabat Makkah. The second agreement with Dar Wa Emaar Co., worth more than SAR 3.3 Bn, covers the development of 2,843 residential units in Wujhat Al Fursan. The third agreement, signed with Ezdihar Real Estate, involves constructing 1,120 residential units in Wujhat Al Fursan, with a value exceeding SAR 880 Mn.

Qatar

Qatar posted 3Q25 budget deficit as Lower Revenue Outpaces Spending Cuts

Qatar recorded a 3Q25 budget deficit of QAR 1.4 Bn, financed through debt instruments, as revenue fell 4% YOY to QAR 49.2 Bn while spending dipped 1.2% YOY to QAR 50.6 billion. The deficit came amid lower oil prices, which averaged USD 68 per barrel in 3Q25. Qatar recorded a deficit in 2Q25 as public spending rose 5.7% YOY, as oil prices weighed on revenue. Despite diversification efforts, Qatar remains reliant on hydrocarbon income, though it recently raised USD 4 Bn in debt that drew strong global demand.

Kuwait

Kuwait's consumer spending declined for the first time in four years

Kuwait's consumer spending declined from KWD 36.03 bn in 9M24 to KWD 34.35 Bn in 9M25, declining for the first time after four years of steady growth. The decline is driven by a sharp drop in cash withdrawals, registering the steepest fall of 10.56% to KWD 6.8 Bn, while online spending dropped 8% to KWD 13.11 Bn in 9M25. However, the point-of-sale transactions were the only category to record an improvement, increasing 3% to KWD 14.39 Bn in 9M25. This slowdown signals rising pressure on Kuwait's small and medium-sized enterprises, which remain vulnerable as the country continues to recover from pandemic-era disruptions, elevated operating costs, and persistent inflation.

Egypt

Egypt's non-oil sector witnessed the slowest contraction in three months

Egypt's non-oil private sector recorded its mildest contraction in three months in October 2025, as both new orders and output declined at a slower pace. The S&P Global Egypt PMI increased from 48.8 in September 2025 to 49.2 in October 2025, remaining below the 50.0 threshold. Manufacturing showed the earliest signs of improvement with a marginal rise in new order volumes, while services, wholesale and retail, and construction continued to experience weaker activity. Furthermore, employment increased for the third time in four months, supported by steady demand, although job creation remained limited. On the other hand, cost pressures increased, with input prices rising at the fastest pace in five months, driven particularly by the sharpest wage inflation since October 2020. Despite these pressures, firms absorbed a notable share of rising costs, contributing to a modest easing in output price inflation.

Egypt's consumer price inflation accelerated to 12.5% in October 2025

Egypt consumer price inflation grew more than expected to 12.5% in October 2025, which is in contrast to a four-month downtrend. The core inflation, which strips out volatile items such as fuel and some types of food, rose to 12.1% YOY in October 2025 compared to 11.3% in September 2025. The higher inflation is mainly driven by an increase in service prices owing to a sharp 17.5% rise in imputed rents for housing and an uptick in food prices. Non-food inflation rose 20.4% compared to 19.1% in September 2025, while food inflation on an annual basis rose 1.5% YOY in October 2025. On a MOM basis, the consumer price inflation rose 1.8% MOM in October 2025. The growth in monthly prices is mainly driven by a growth in food and beverage prices, which rose 1.2% MOM in October 2025.

Egypt's central bank kept rates steady as the economy gathers steam

Egypt's central bank kept its overnight interest rates unchanged, maintaining the deposit rate at 21% and the lending rate at 22%, aiming to contain rising inflation amid an economy operating closer to full capacity. Furthermore, according to the central bank estimate, real GDP growth accelerated slightly from 5.0% in 2Q25 to 5.2% in 3Q25, supported by stronger activity in non-petroleum manufacturing, trade, and tourism. Moreover, headline inflation increased from 11.7% in September 2025 to 12.5% in October 2025, while core inflation rose from 11.3% in September 2025 to 12.1% in October 2025, driven partly by higher state-administered fuel prices and the recent law enabling landlords to raise rents more quickly.

Egypt's GDP expanded 5.3% in 1Q26

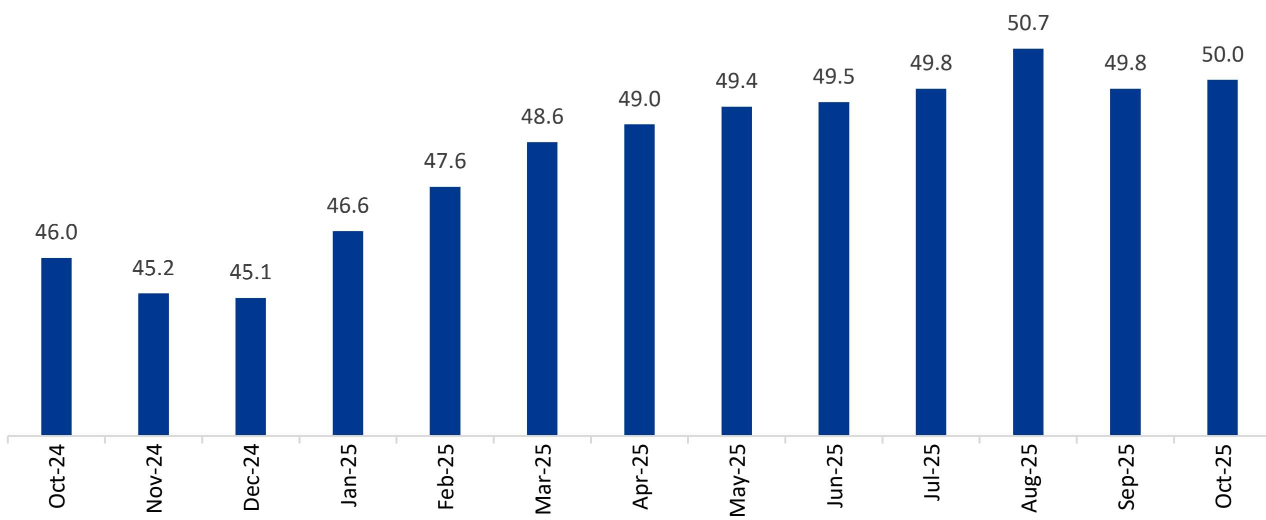
Egypt recorded GDP growth of 5.3% in the 1Q26 fiscal year, compared with 3.5% in the same period last year, supported by ongoing economic and structural reforms. Furthermore, the country now targets full-year growth of c. 5% for FY2026(ending in June 2026), an upward revision from the earlier projection of 4.5%. Additionally, the economy has faced significant challenges over the past year due to sharp currency devaluation, elevated inflation, and the spillover effects of the Gaza conflict. After growth slowed to 2.4% in FY 2023/24, the government intensified reform efforts under a USD 8 Bn IMF programme and secured USD 24 Bn in investments from the UAE’s sovereign wealth fund, including a major coastal land development.

Global Economy

Eurozone manufacturing sector remained flat in October 2025, amidst industrial weakness

The Eurozone's manufacturing sector stagnated in October 2025, with PMI stood at 50.0, slightly above 49.8 in September 2025, indicating no change in overall manufacturing activity. Furthermore, output expanded for the eighth consecutive month, though growth remained modest. Moreover, new orders showed no changes, while export orders continued to weigh on factory sales. Employment declined again in October 2025, marked nearly two and a half years of continuous job losses. Backlogs of work also dropped, indicating limited capacity pressures. Meanwhile, inventory levels fell further, as both pre and post production inventories were cut at faster rates. The input costs showed no change after a slight decline in September 2025, while output prices rose for the first time since April 2025.

Figure 19: Eurozone Manufacturing PMI

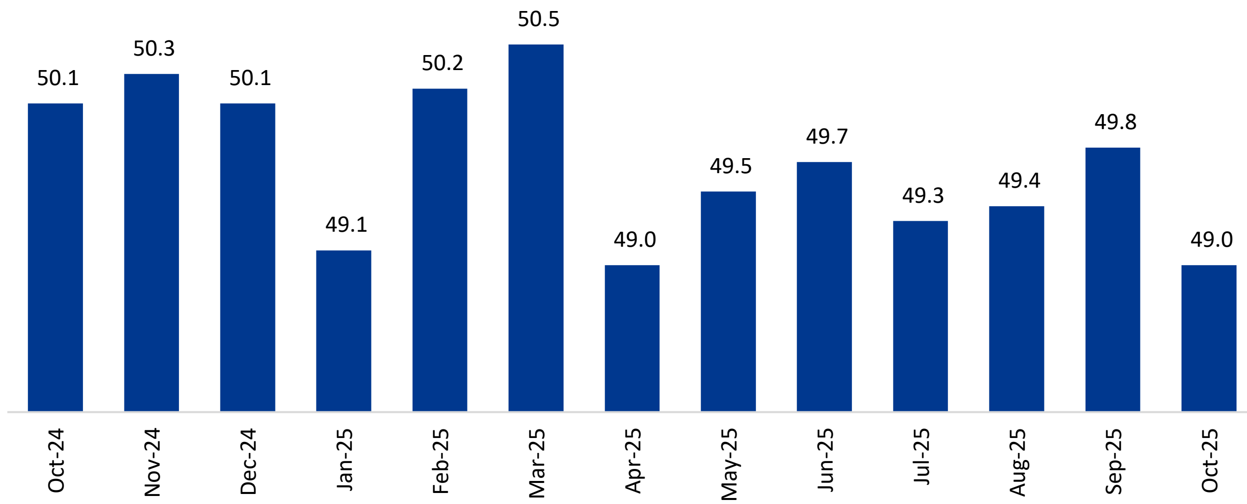


Source: CAPIQ

China's factory activity fell to 6-month low in October 2025 as PMI slipped

China's manufacturing purchasing managers' Index (PMI) contracted from 49.8 in September 2025 to a 49.0 in October 2025, below 50-mark threshold, which separates expansion from contraction. The decline underscored renewed factory weakness, persisting since April 2025 amid escalating US trade tensions that intensified in October, pushing China's manufacturing PMI to a six-month low. Moreover, sub-indexes for production, new orders, raw material inventories, and employment fell into contraction, reflecting a broader slowdown and weak domestic demand. This downturn is also impacted by the Golden Week holiday (Oct 1–8 2025), led to widespread factory shutdowns and an increasingly complex international environment.

Figure 20: China Manufacturing PMI

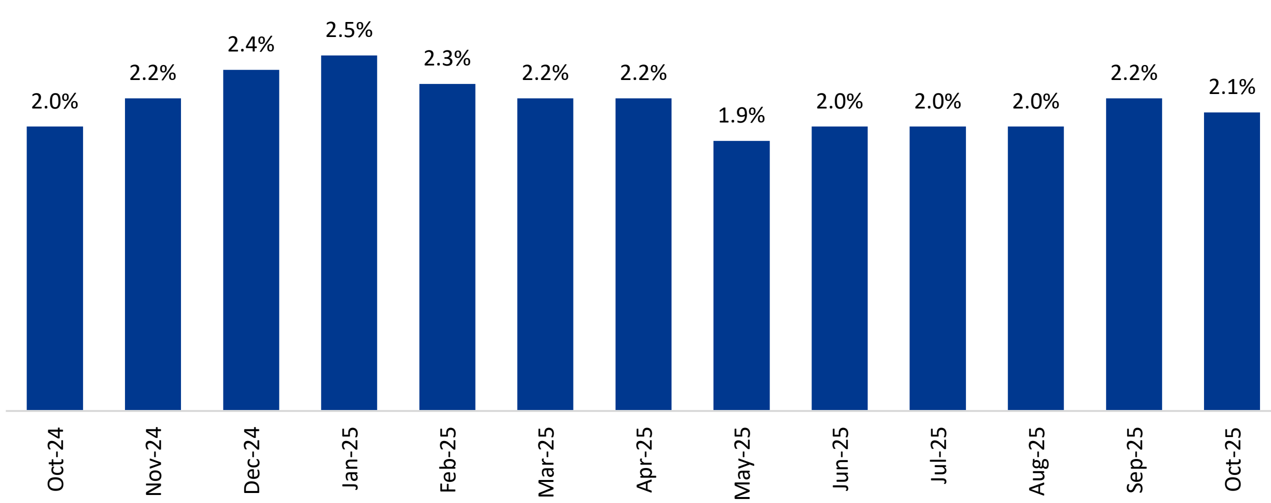


Source: CAPIQ

Eurozone inflation eased to 2.1%

Euro area annual inflation marginally eased from 2.2% in September 2025 to 2.1% in October 2025. Additionally, annual inflation declined from 2.6% in September 2025 to 2.5% in October 2025, however, it stood at 2.3% in October 2024. Furthermore, Cyprus, France, and Italy recorded the lowest annual inflation rate of 0.2%, 0.8% and 1.3%, respectively, whereas Romania, Estonia and Latvia posted the highest rate of 8.4%, 4.5% and 4.3%, respectively.

Figure 21: Eurozone Inflation (YOY)

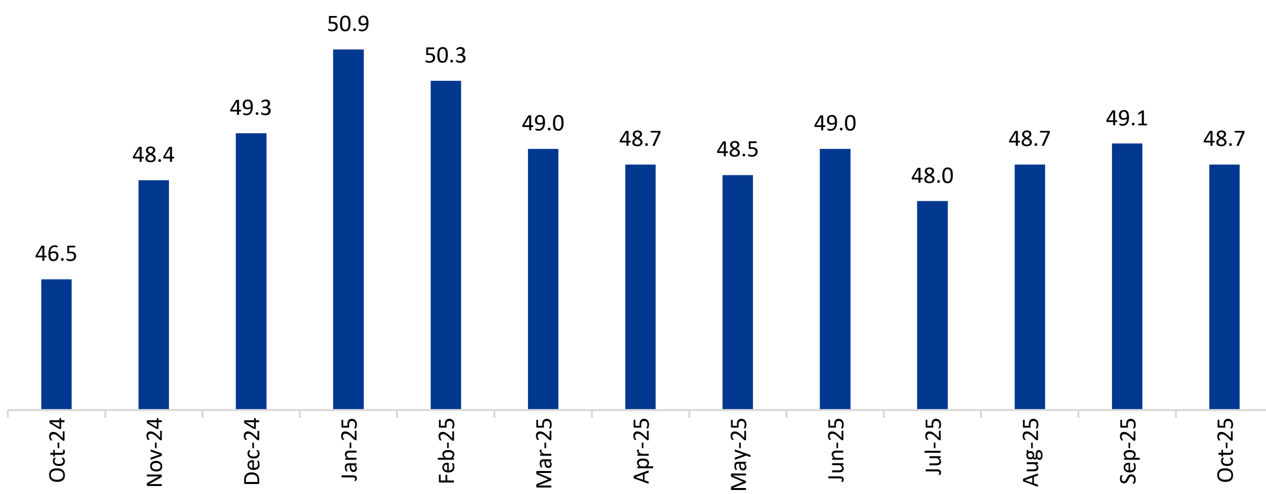


Source: CAPIQ

US manufacturing activity slipped in October 2025, amidst softer demand

US manufacturing PMI contracted from 49.1 in September 2025 to 48.7 in October 2025, below 50 marks, primarily driven by a sharp drop in the production index from 51.0 in September 2025 to 48.2 in October 2025. However, there were modest improvements in some components including new orders index, edged up from 48.9 in September 2025 to 49.4 in October 2025. while the backlog of orders index rose from 46.2 in September 2025 to 47.9 in October 2025, reflecting slight stabilization in demand. The employment index also improved marginally from 45.3 in September 2025 to 46.0 in October 2025, though it continued to indicate job losses. Additionally, the prices index dropped from 61.9 in September 2025 to 58.0 in October 2025, indicating a slowdown in input price growth.

Figure 22: US Manufacturing PMI

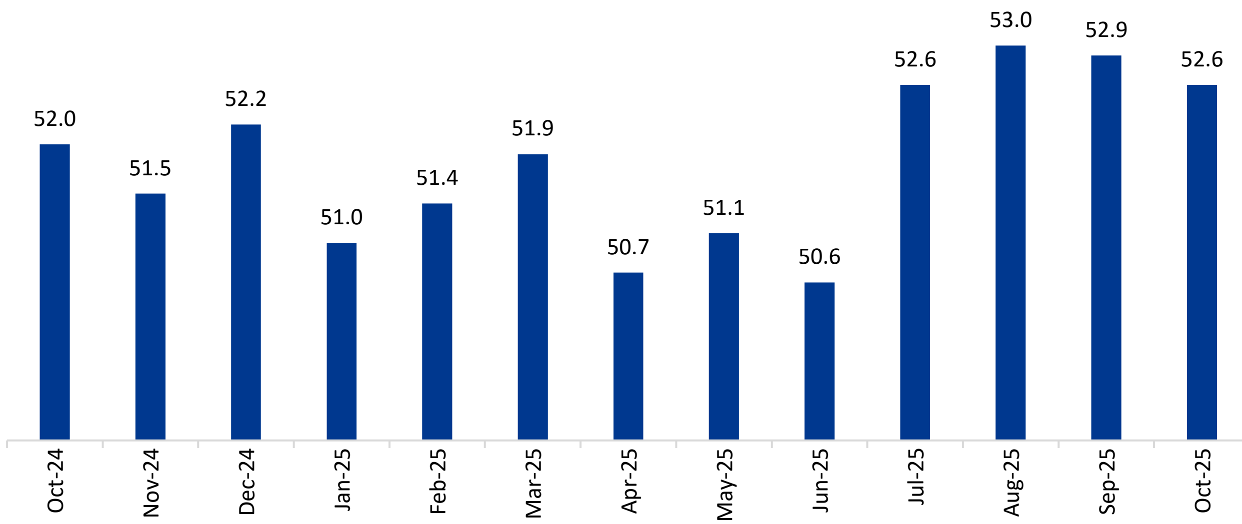


Source: CAPIQ

China's services sector strengthened due to Strong new orders

China's service sector maintained its expansion in October 2025, supported by stronger domestic demand even as export sales weakened. However, the RatingDog Services Purchasing Managers Index (PMI) declined slightly from 52.9 in September 2025 to 52.6 in October 2025, reflecting the softest growth in three months. Additionally, the growth in new business was driven by new product launches and client acquisitions, supporting the local demand. On the other hand, input prices rose at the fastest rate in a year, mainly due to higher operating costs. However, average selling prices declined slightly as firms chose to absorb part of the cost increases to sustain demand. Meanwhile, the composite output index fell from 52.5 in September 2025 to 51.8 in October 2025, indicating that the private sector expansion, though at a slower pace due to softer output growth across both segments.

Figure 23: China Services PMI

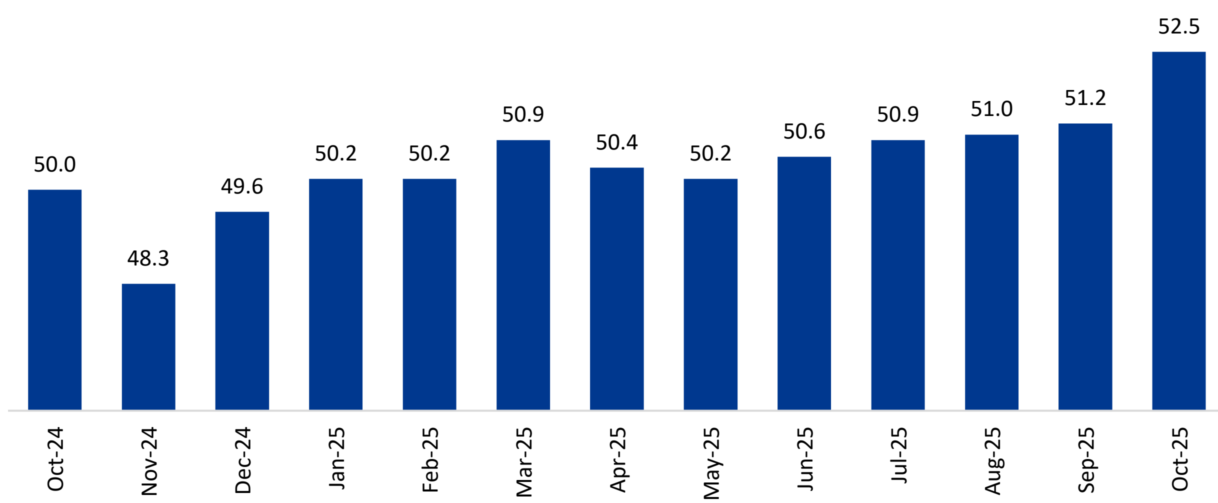


Source: CAPIQ

Eurozone private Sector growth expanded highest level since early 2023

Private sector in euro area recorded strongest expansion since May 2023, driven by improved demand conditions across both services and manufacturing. The HCOB Final Composite Output Index rose from 51.2 in September 2025 to 52.5 in October 2025, signalling a clear rebound from the subdued growth trend observed through most of 2025. While factory output grew only marginally, the services sector experienced a sharp acceleration, with the HCOB Final Services PMI boosted from 51.3 in September 2025 to 53.0 in October 2025, indicating the fastest pace of growth in nearly a year and a half. Germany and Italy supported the PMI with their strongest expansion in years, but this uplift was partly offset by France, which fell to an eight-month low.

Figure 24: Eurozone Composite PMI

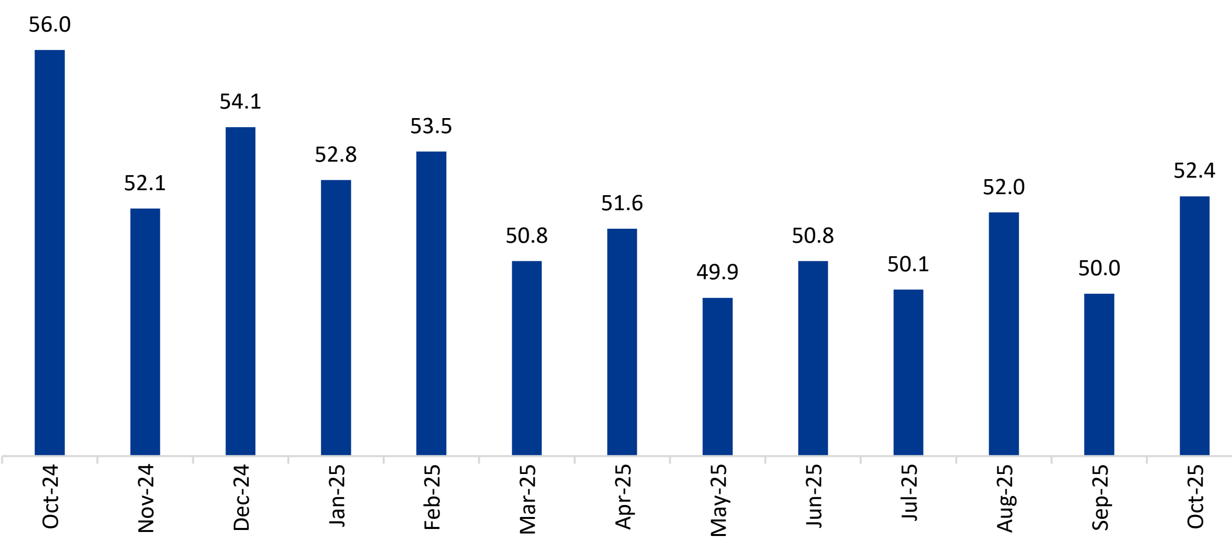


Source: CAPIQ

US service sector activity rebounded to growth territory In October 2025

The ISM services PMI grew from 50.0 in September 2025 to 52.4 in October 2025, driven by a strong recovery in business activity and new orders. Furthermore, the business activity index increased significantly from 49.9 in September 2025 to 54.3 in October 2025, while the new orders index surged from 50.4 in September 2025 to 56.2 in October 2025. Meanwhile, the employment index edged up from 47.2 in September 2025 to 48.2 in October 2025, indicating the fifth consecutive month of contraction. Additionally, the backlog of orders index remained in contraction for the eighth straight month, dropping from 47.3 in September 2025 to 40.8 in October 2025. On the other hand, the prices index rose from 69.4 in September 2025 to 70.0 in October 2025.

Figure 25: US Services PMI



Source: CAPIQ

US employment surged with 119k new jobs in September 2025

The US Non-farm payrolls jobs rose by 119k in September 2025, reversing the revised decline of 4,000 jobs in August 2025. This growth was primarily supported by continued expansions in the healthcare, food services and drinking places, and social assistance sectors. However, federal government employment, transportation, and warehousing jobs declined during October 2025. Furthermore, average hourly earnings grew by 9 cents or 0.2% to USD 36.67 in September 2025, marking a 3.8% YOY increase. The unemployment rate inched up to 4.4% in September, rising slightly from 4.3% in August.

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