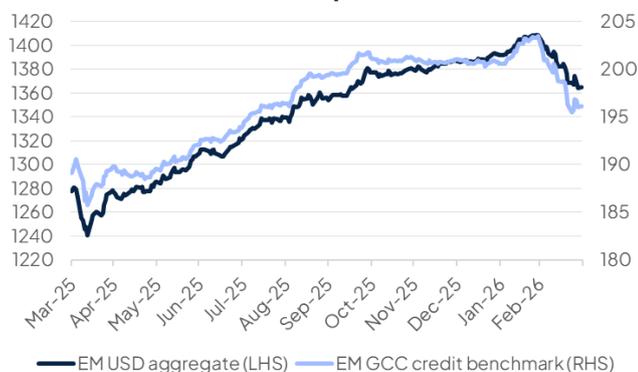


MENAT credit monitor – MENAT bonds track lower since start of year

31 March 2026 – Market Economics

Regional credit markets are showing signs of stabilization amid the ongoing US – Israel – Iran war and its impact on the economies of the GCC and wider Middle East. A broad index of US dollar denominated bonds dipped by less than 0.2% last week, its smallest weekly decline since the war began. GCC bonds actually managed to outperform the wider EM universe where bonds were lower by 0.3% last week.

GCC bonds relative to EM peers



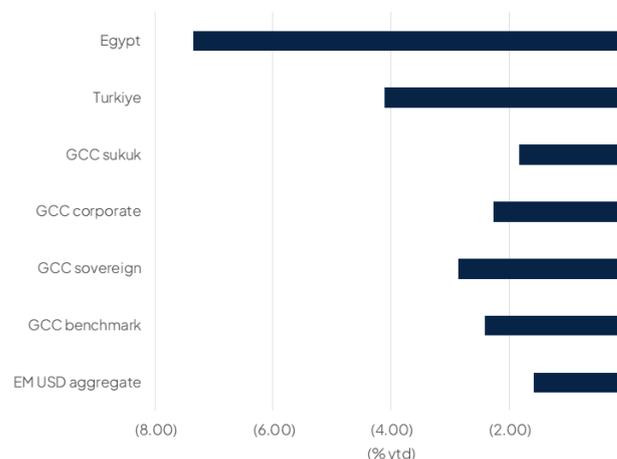
Source: Bloomberg, Emirates NBD Research.

At a sector level, high-yield bonds were the standout with a weekly gain of 0.4% while sovereign bonds were relatively steady and sukuk fell by 0.2% in US dollar denominated securities. By geography, UAE-wide bonds showed a drop of 0.3%, an index of Saudi Arabia bonds was lower by almost 0.1% and Qatari bonds fell 0.4%. Turkish bonds dropped by 0.4% while Egyptian US dollar denominated bonds rose by 0.4%, their first weekly gain since mid-February.

GCC bonds track lower year-to-date

Year-to-date, GCC bonds are lower by 2.4% compared with a fall of 1.6% in emerging markets more generally. Spreads in GCC bonds have widened by 42bps year-to-date though continue to price well inside of emerging market peers more generally. The spread widening has been particularly concentrated in corporate bonds (up 67bps ytd).

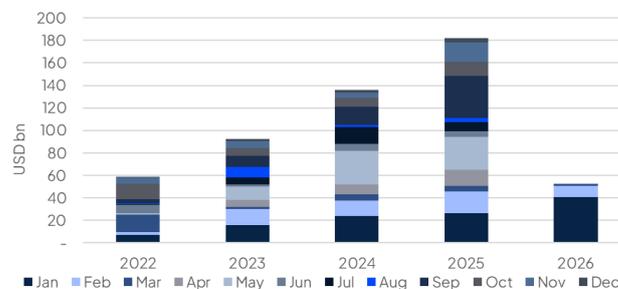
Regional bond performance ytd



Source: Bloomberg, Emirates NBD Research.

New issuance activity from the region remains quiet with just USD 1.7bn issued in bonds and sukuk in March per Bloomberg estimates. That is down by more than two-thirds from the same month a year earlier and down from USD 10bn raised in February.

New issuance slowed in March



Source: Bloomberg, Emirates NBD Research.

CBUAE carries out regular m-bill sale

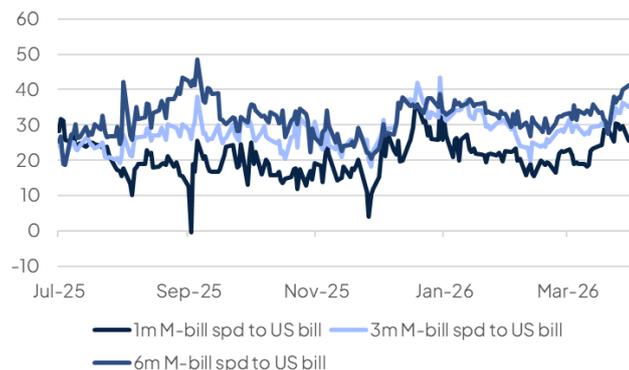
The Central Bank of the UAE carried out its regular sale of m-bills on 30 March raising a total of AED 8.2bn. The bank sold AED 1.7bn in 28-day m-bills at a yield of 3.96%; AED 1bn of 84-day m-bills at a yield of 4.01%; AED 2.5bn of 168-day m-bills at a yield of 4.08% and AED 3bn of 336-day m-bills at a yield of 4.16%. The overall sale was over-subscribed by 1.8x.

M-bill trading is concentrated in longer-dated maturities with +180-day m-bills accounting for an

average of more than 43% of total trades in the six months up to February 2026.

Spreads over US bills with similar maturities have widened since the start of the conflict but the moves have been relatively contained. For one-month m-bills, the spread over comparable US bills rose to 26bps in March, or about 3bps for the month as a whole, while 3mth and 6mth m-bills saw spreads wider by about 8bps for the entire month.

M-bill spreads to US bills



Source: Bloomberg, Emirates NBD Research.

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