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GCC BONDS AND SUKUK MARKET ANALYSIS – H1 2025.



July 2025:
GCC Fixed Income Research

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GCC Bonds and Sukuk Primary Market Analysis
H1 2025 Highlights

Terminology and notes to consider before reading this report:

- **GCC**: Gulf Cooperation Council
- **GCC Bonds and Sukuk market includes**:
  - GCC Sovereign Issuances: Bonds and Sukuk issued by GCC governments in local or foreign currencies for financing purposes.
  - GCC Corporate Bonds: Bonds and Sukuk issued by GCC corporate entities including Financial Institutions (FIs) and Government-Related Entities (GREs).
- This report is based on the dataset sourced from Bloomberg with the following search parameters:
  - maturities greater than 1 year
  - excluding 144A securities
- Several resources were utilized in the drafting of this report; notable sources are Bloomberg, Zawya, rating agencies' reports and Offering Memorandums.
- Every effort has been made to include and quote the majority of data that is accessible to Markaz.
- All currencies were converted into US Dollars for easy comparison.
- Fixed and floating rate tranches for the same issue are considered as different issuances.

Executive Summary:

The GCC Bonds and Sukuk market primary issuances in H1 2025 raised USD 92.04 billion raised through 215 Sovereign and Corporate issuances, recording a 5% decrease from the same period last year. While conventional issuances regained popularity among investors representing 56% of the market worth USD 51.6 billion in in issuances in the first half of 2025 – recording a 7.8% increase from the same period last year. Sukuk issuances fell 18% totaling USD 40.4 billion in the first half of 2025.

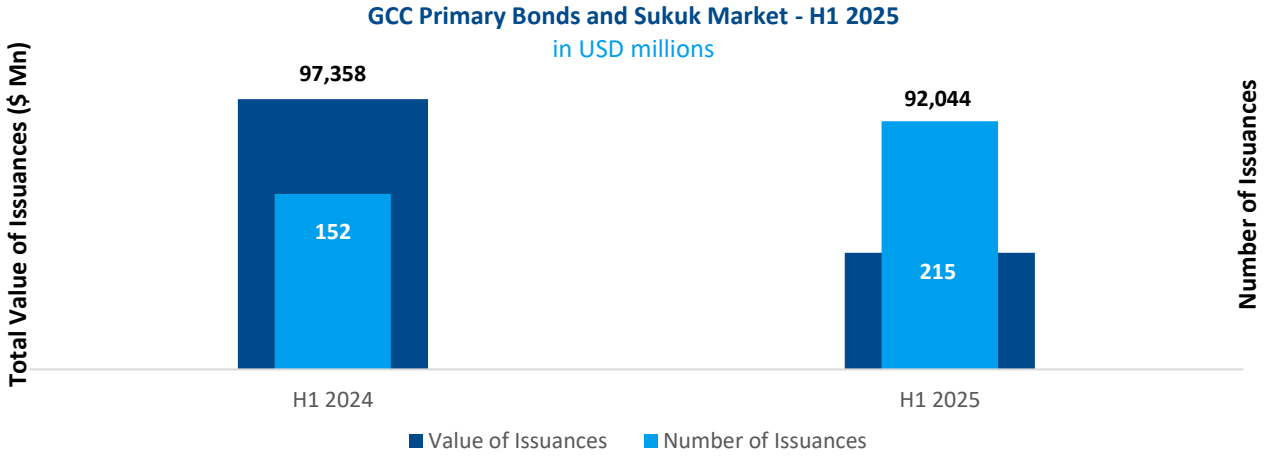
As of 30th June 2025, Saudi Arabia accounted for 52% of outstanding GCC primary issuances. In terms of market performance, the S&P MENA Bond and Sukuk Index posted a total return of 3.99%. Moreover, 5-Year Sovereign CDS spreads experienced mixed performance across GCC countries during H1 2025 with the State of Kuwait recording significant tightening in spreads by nearly 11.5%.

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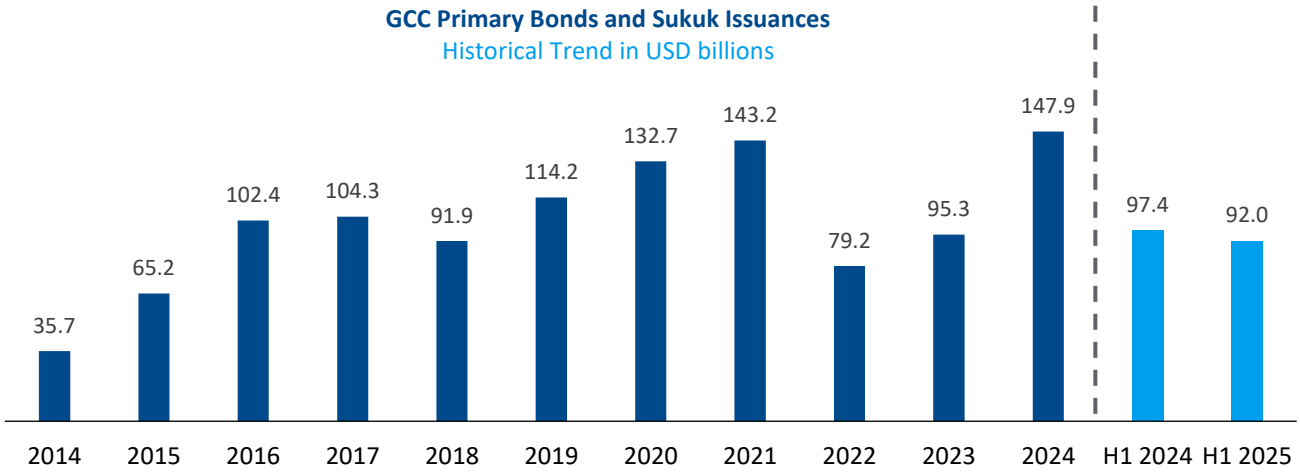
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GCC Bonds and Sukuk Primary Market

GCC Bonds and Sukuk primary issuances amounted to USD 92.0 billion during the first half of 2025, which represents a decrease of 5.46% from USD 97.4 billion raised during H1 2024. The total number of primary issuances during H1 2025 was 215 issuances compared to 152 during H1 2024.



Source: Bloomberg, Markaz Analysis

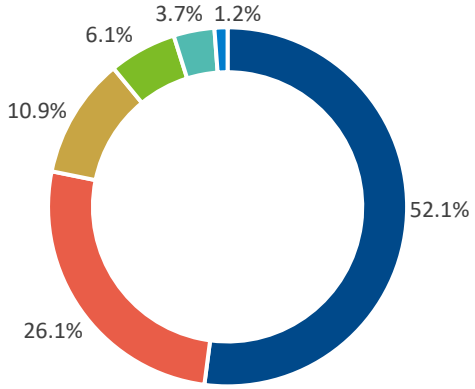


Source: Bloomberg, Markaz Analysis

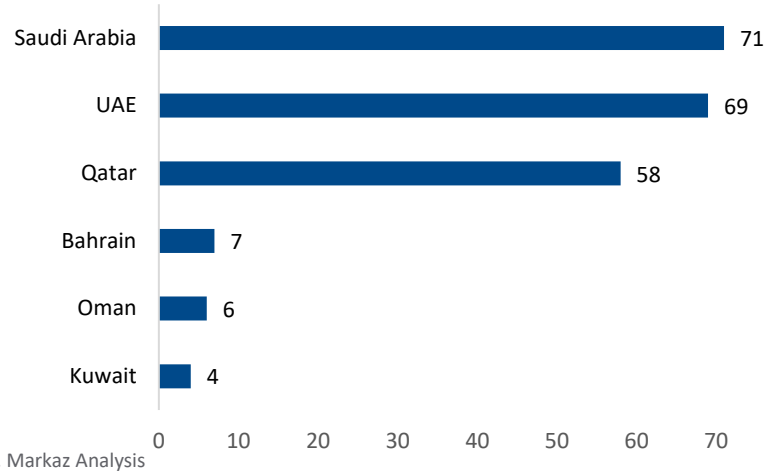
Geographical Allocation

Saudi Arabian entities were the leading issuers in the GCC during H1 2025, raising a total of USD 47.9 billion through 71 issuances (H1 2024: USD 59.7 billion through 40 issuances), representing 52% of the total value of primary GCC Bonds and Sukuk issuances. UAE second in terms of value raised USD 24.0 billion through 69 issuances during the first half (H1 2024: USD 19.6 billion through 58 issuances), representing 26% of the total value of primary GCC Bonds and Sukuk issuances.

GCC Primary Bonds and Sukuk Issuances - H1 2025
Geographical Allocation



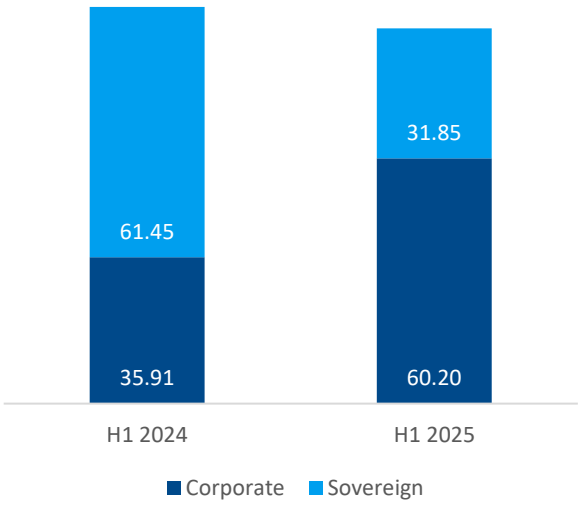
GCC Bonds and Sukuk Market - H1 2025
Number of Primary Issuances by Country



Source: Bloomberg, Markaz Analysis

Qatar entities were the third largest issuers in terms of value within the GCC during H1 2025 with USD 10.0 billion (H1 2024: USD 10.02 billion), recording a 0.2% decrease from H1 2024. Bahraini Entities raised USD 5.62 billion during the first half of 2025 through 7 issuances representing 6.1% of the market. Omani Entities raised USD 1.08 billion representing 1.2% of the market and Kuwaiti Entities raised a total of USD 3.39 billion (H1 2024: USD 2.29 billion) through 4 issuances recording a 48% increase from H1 2024 and representing 3.7% of the market.

Sovereign vs. Corporate



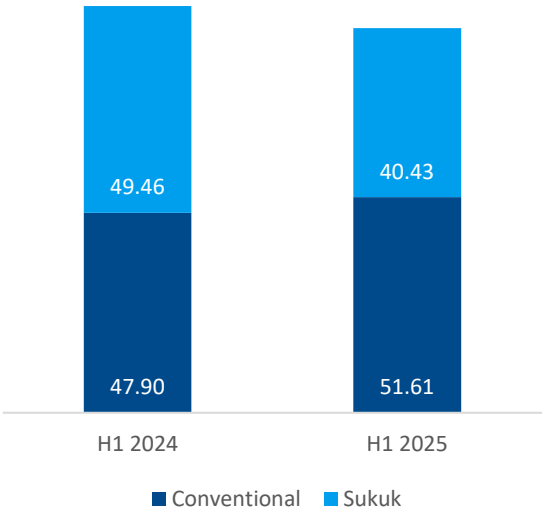
While 2024 was a noteworthy year for GCC Sovereign issuances, the first half of 2025 saw increased appetite for corporate issuances.

Total GCC Sovereign primary issuances decreased 48% in H1 2025 compared to the same period in 2024 to reach USD 31.9 billion (H1 2024: 61.45 billion). The largest sovereign issuance in the GCC was by the Saudi Government with a USD 5.0 billion bond. The Kuwaiti Government issued a sovereign bond for the first time since 2017 with a value of USD 1.6 billion, this issuance was marketed mainly to Kuwaiti banks.

Total GCC Corporate primary issuances increased 67% during H1 2025 to reach USD 60.2 billion (H1 2024: USD 35.9 billion) where government related entities constituted 12% of corporate issuances or USD 11.2 billion.

The GCC country with the highest value of corporate issuances was Saudi Arabia with USD 28.5 bn, whereas the single largest corporate issuance was by Saudi's Public Investment Fund with a value of USD 2.4 billion.

Conventional vs. Sukuk



Sukuk issuances fell during H1 2025 with a 18% decrease compared to H1 2024. Through 65 issuances, Sukuks in the region raised USD 40.4 billion.

The largest sukuk issuance was by the Saudi Government with an issue size of USD 4.5 billion.

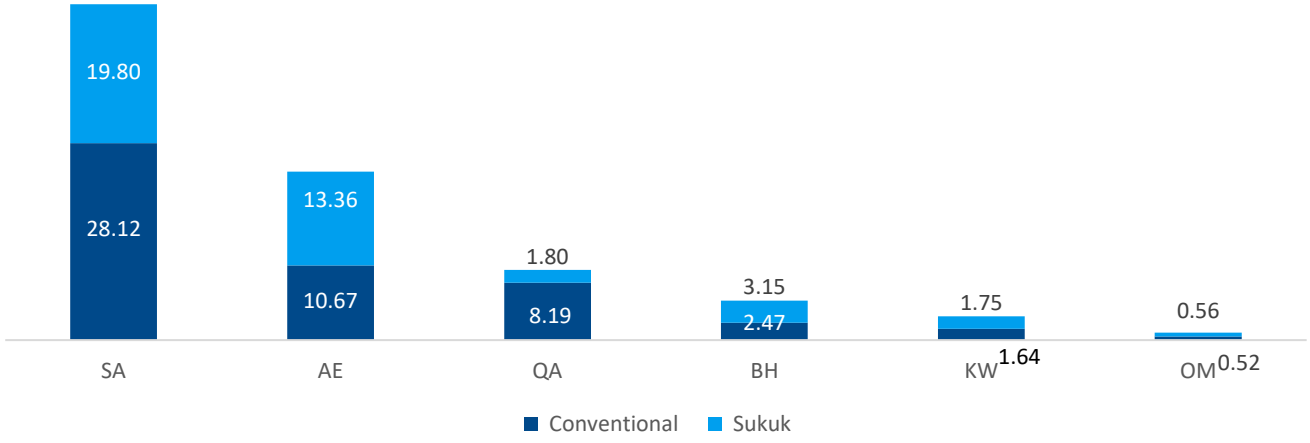
On the other hand, GCC Conventional issuances in H1 2025 amounted to USD 51.6 billion, an increase of 7.8% from the same period last year.

The largest single issue of a conventional bond in H1 2025 was also by the Saudi Government with a total value of USD 5.0 billion.

Source: Bloomberg, Markaz Analysis

GCC Primary Debt Bonds and Sukuk Market- H1 2025

Conventional vs Sukuk (in USD billion)

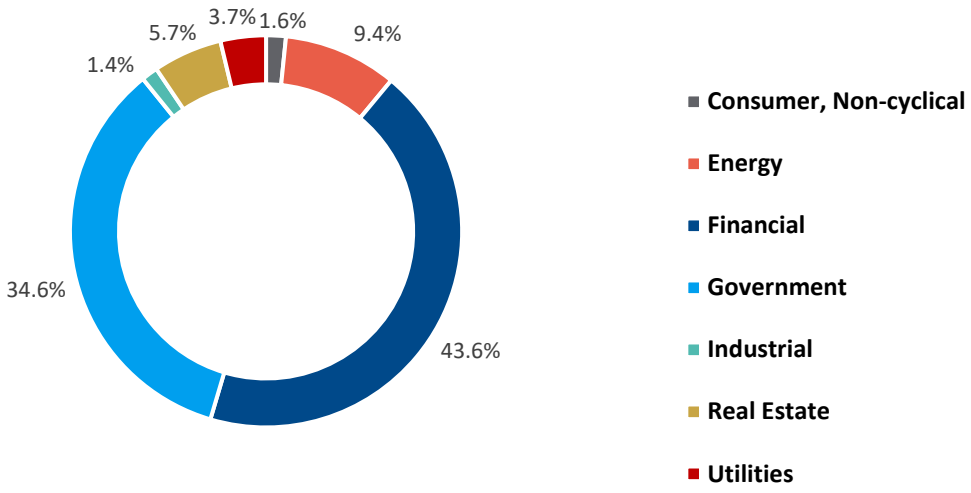


Source: Bloomberg, Markaz Analysis

Sector Allocation

A total of USD 40.1 billion was raised by financials in H1 2025, constituting 43% of the total value of GCC primary issuances through 167 issuances. This was followed by the government entities with issuances worth a total value of USD 31.9 billion, constituting 35% of total issuances. This was followed by the Energy sector with a total value of USD 8.6 billion through 9 issuances during the first half of 2025 and representing 9% of the market. The Financial sector led the market in terms of the number of issuances during H1 2025 with 167 primary issuances, followed by the Government sector with 25 issuances.

GCC Primary Bonds and Sukuk Issuances - H1 2025
Primary Issuances: Sector Breakdown by Value



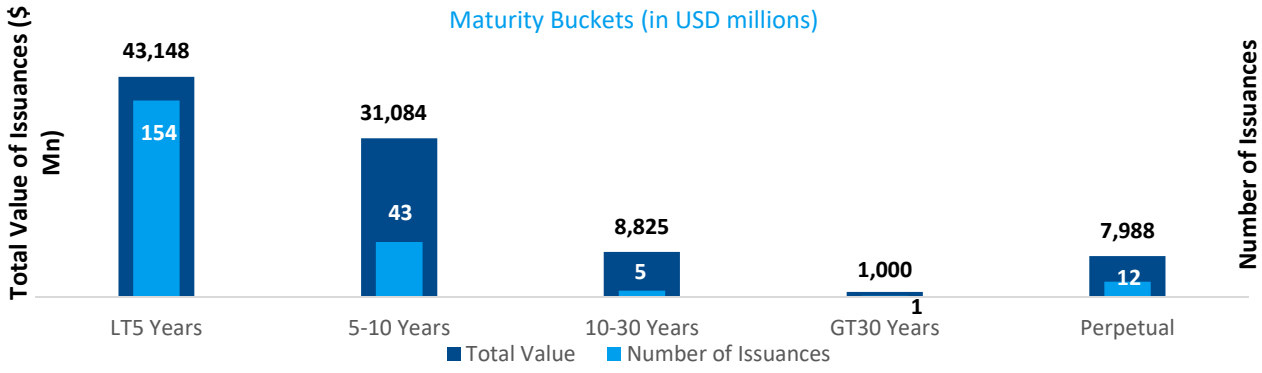
Source: Bloomberg, Markaz Analysis

Maturity Profile

In the first half of 2025, primary issuances with less than ("LT") 5-year tenors represented 47% of the GCC debt capital markets with total value that amounted to USD 43.1 billion through 154 issuances.

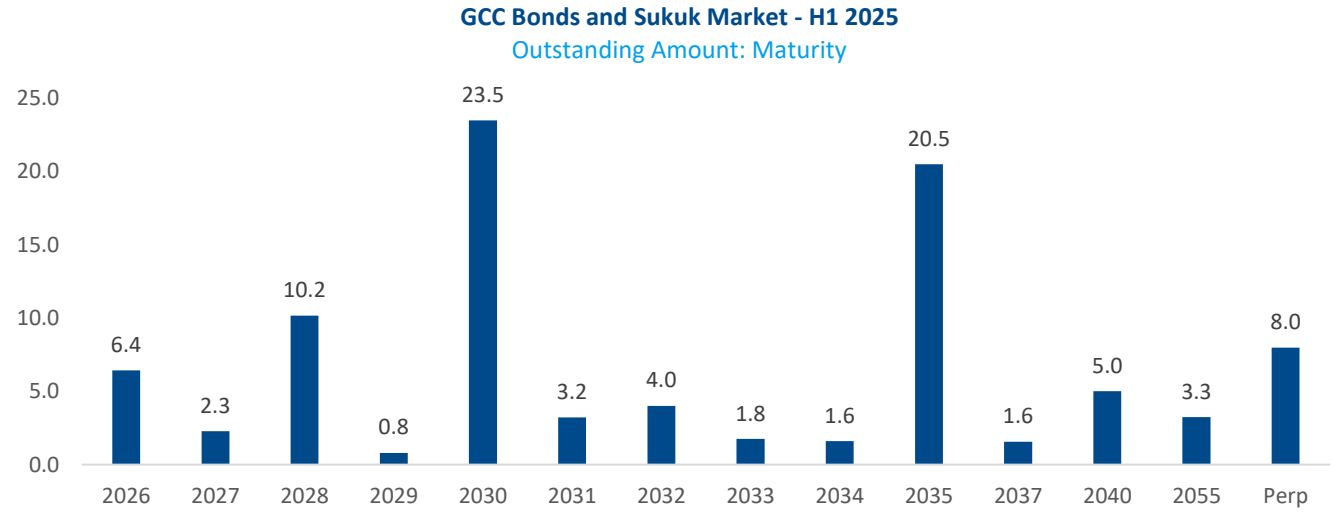
Primary issuances with 5-10 year tenors came in second, representing 34% of the GCC debt capital markets with total value that amounted to USD 31.1 billion through 43 issuances. Issuances with 10-30 year tenors followed, raising total USD 8.8 billion through 5 issuances in H1 2025 representing 10% of GCC primary issuances. Additionally, perpetual primary issuances raised a total value of USD 8.0 billion through 12 issuances, while only one bond was issued with a tenor greater than 30 years ("GT30") with a value of USD 1 billion.

GCC Primary Bonds and Sukuk Market- H1 2025
Maturity Buckets (in USD millions)



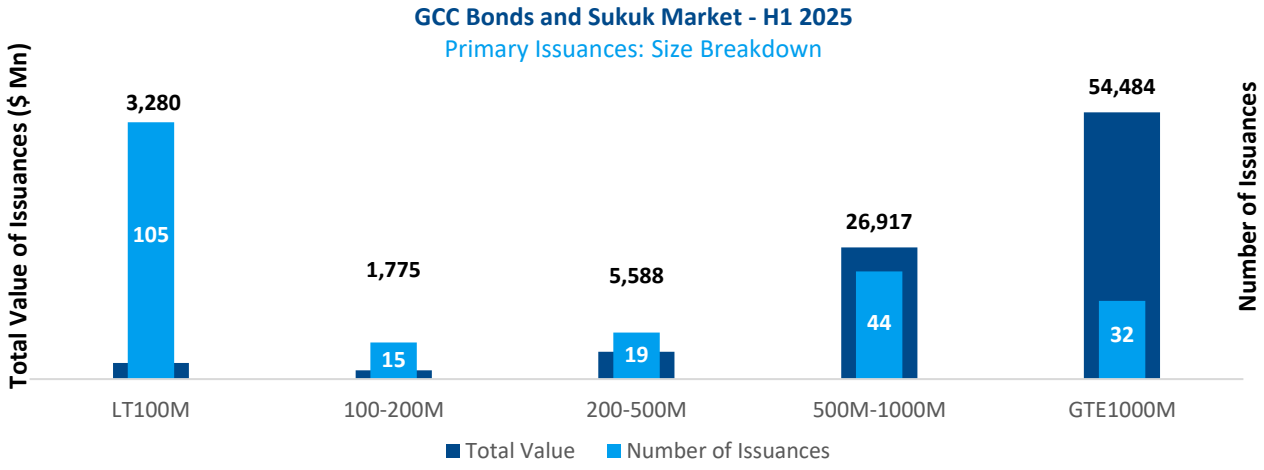
Source: Bloomberg, Markaz Analysis

Based on issuances in H1 2025, the GCC market is expected to witness elevated levels of redemptions and potential refinancing during the period from 2030 to 2035 compared to the years prior as issuances amounting to USD 54.56 billion are expected to mature during said period.



Source: Bloomberg, Markaz Analysis

Issue Size Profile



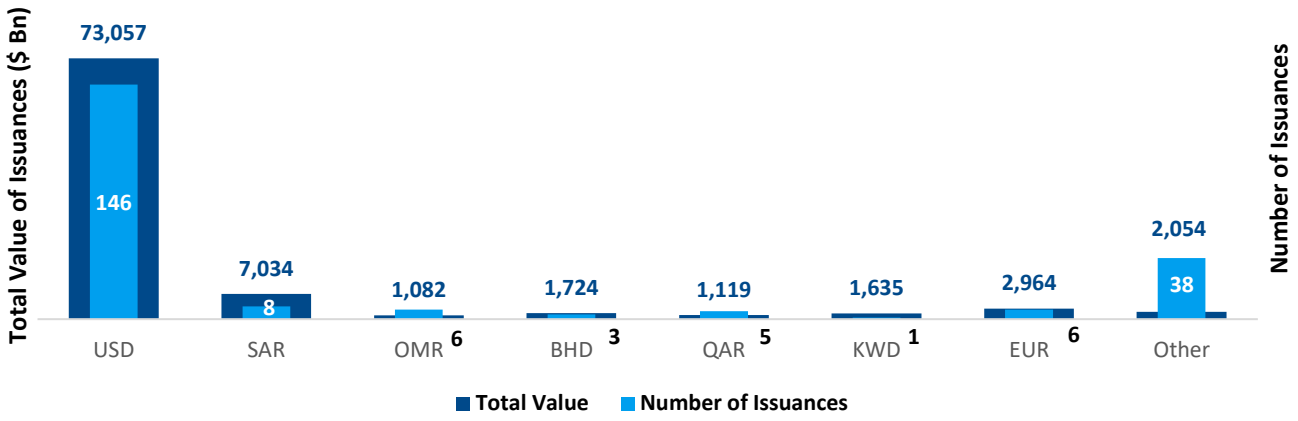
Source: Bloomberg, Markaz Analysis

During H1 2025, primary issuances ranged in issue size from USD 2 million to USD 5.0 billion. Issuances with issue size of USD 1 billion or greater raised the largest amount, totaling USD 54.5 billion through 32 issuances in H1 2025 and representing 59% of the total amount issued in the GCC.

The highest number of issuances was under USD 100 million issue size, where there were 105 issuances that raised a total amount of USD 3.3 billion during H1 2025.

Currency Profile

GCC Bonds and Sukuk Market - H1 2025
Primary Issuances: Issue Currency

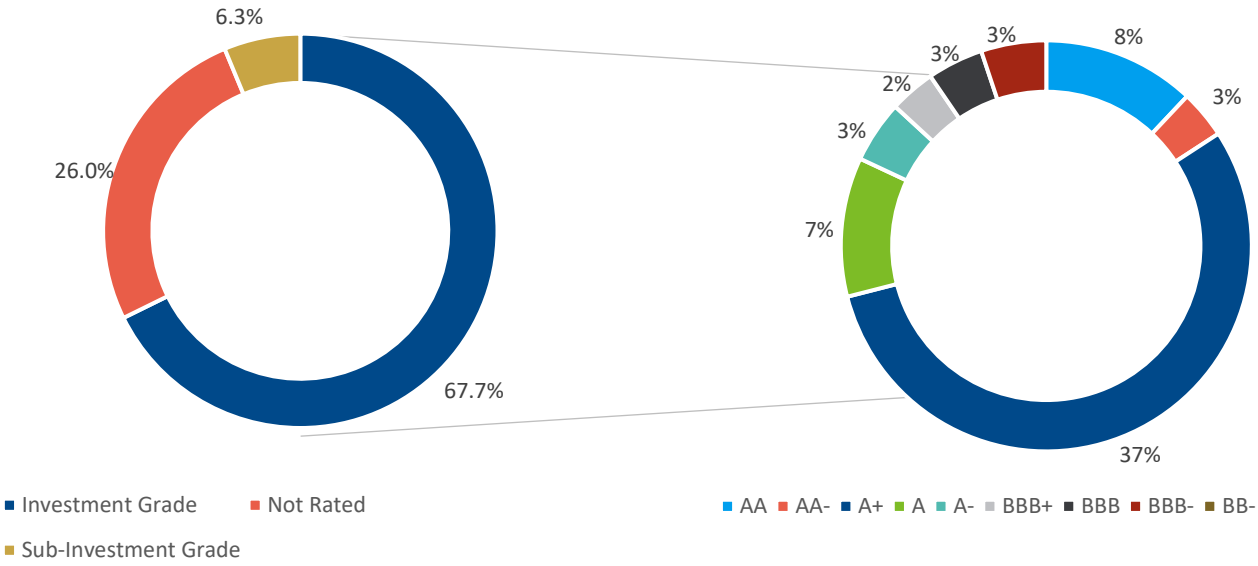


Source: Bloomberg, Markaz Analysis

US Dollar-denominated issuances led the GCC Bonds and Sukuk market in H1 2025, raising a total of USD 73.1 billion through 146 issuances, representing a substantial 79% of the total value raised in primary issuances in the GCC. The second largest issue currency was the Saudi Riyal (SAR), where SAR denominated issuances raised a total of USD 7.0 billion through 8 issuances.

Credit Rating

GCC Bonds and Sukuk Market – H1 2025
Investment Grade-Rated Issuances



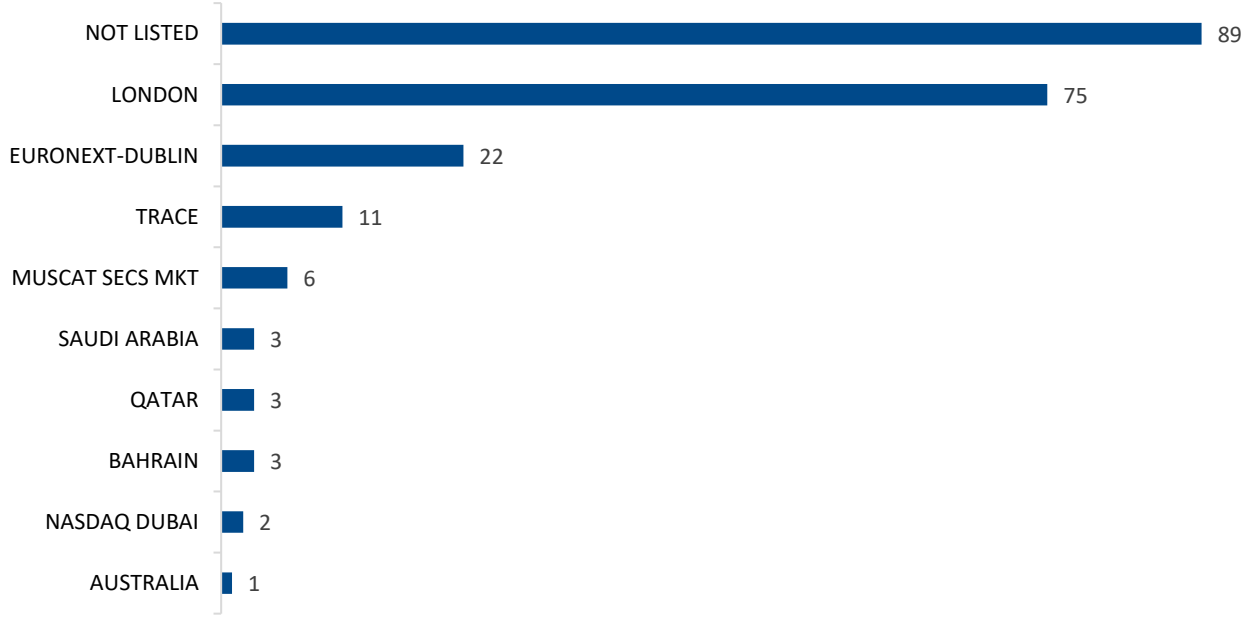
GCC Bonds and Sukuk Market – H1 2025
Investment Grade-Rated Issuances

Source: Bloomberg, Markaz Analysis

In terms of value, a total of 74% of GCC Conventional and Sukuk bonds were rated in H1 2025 by either one of the following rating agencies: Standard & Poor's, Moody's, Fitch and/or Capital Intelligence, as compared to 57% during the same period last year. Issuances rated within the Investment Grade accounted for 68% of the total issuances in the first half of 2025.

Listing Exchange

GCC Bonds and Sukuk Market - H1 2025
Primary Issuances: Listing Exchange

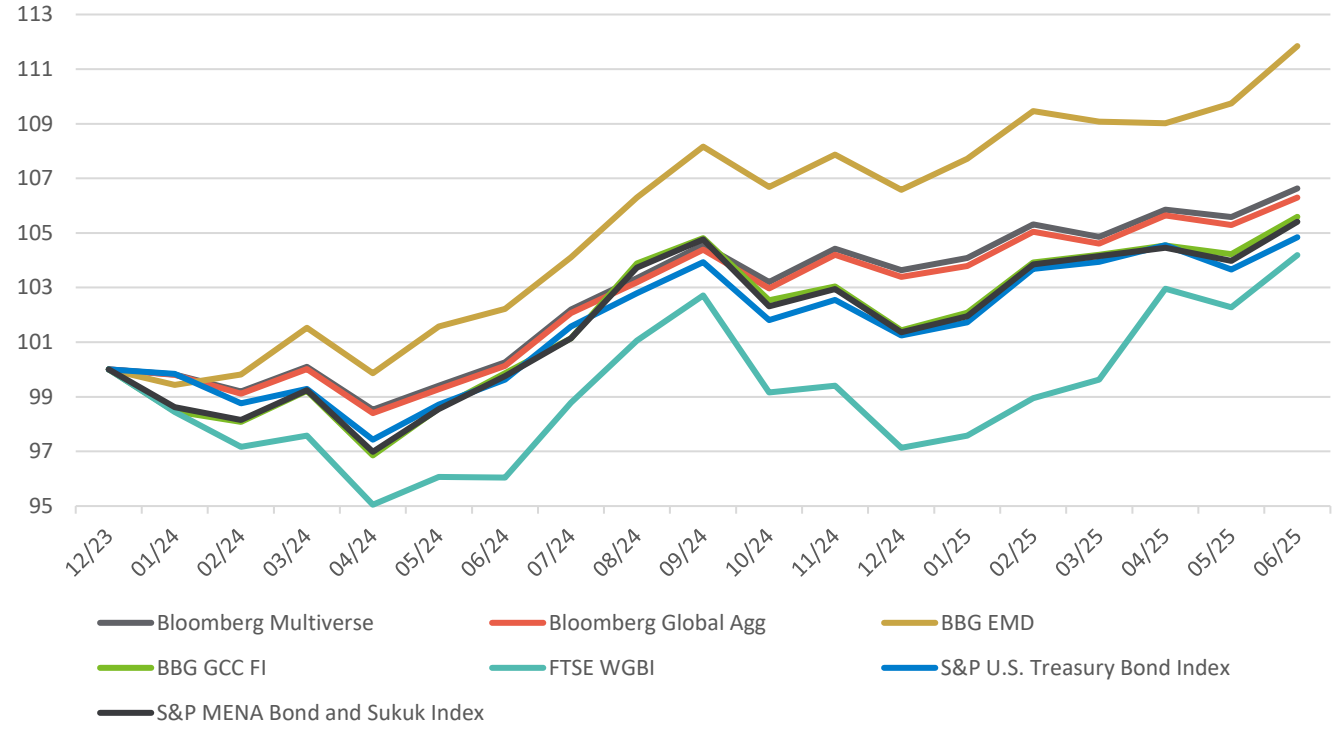


Source: Bloomberg, Markaz Analysis

London was the most preferred listing exchange during H1 2025 with listed value of GCC primary issuances, totaling USD 60.8 billion through 75 issuances. Saudi Arabia was the second most popular exchange market for GCC primary issuances, with total value of USD 5.0 billion listed in the first half of 2025.

GCC Bonds and Sukuk Market – Market performance H1 2025

Global fixed income indices had a positive first half of the year given falling interest rates, political tensions, and currency fluctuations during the year. In contrast to their strong start in Q1, GCC Fixed Income Indices have lagged their peers in the second quarter, mainly due to the rising tensions in the region. Yet, all indices have posted positive returns for the year, including the GCC indices given that yields have slowly been declining over the year.



Source: S&P MENA Bond and Sukuk Index, Bloomberg, Markaz Analysis

During the first half of the year, all indices have performed positively. However, there was a significant difference between the returns of emerging market indices and global/developed indices. Given the fall in the US dollar this year, the Bloomberg Multiverse and the Bloomberg Global Agg have greatly underperformed the other indices. However, the S&P US Treasury Bond index has performed relatively well when compared to other indices, with the index benefitting from the "flight-to-quality" that the markets have been experiencing. The FTSE World Government Bond Index has been the best performer during the year, given its exposure to different sovereign bond markets. The index has benefited from global central bank decisions to lower interest rates during the first half, highlighted by the strong outperformance vs the S&P US Treasury Bond Index (given that the FED has not yet lowered interest rates).

Credit Default Swaps (CDS)

During the first half of 2025, CDS spreads for GCC countries experienced mixed performances. Qatar (-15%), Abu Dhabi (-14%), and Kuwait (-11%) have all experienced a tightening in their CDS spreads, especially during the second quarter of the year. On the other hand, all other GCC countries have experienced a widening in their CDS spreads, lead by Bahrain (+16%) and Saudi Arabia (+10%). Oman (+7%) also experienced a spread widening, while Dubai's CDS spreads have experienced the smallest widening (+1%).

The Emirate of Abu Dhabi and Qatar continue to maintain the highest sovereign credit ratings among peers in the GCC region, followed by Kuwait and then Saudi Arabia. Bahrain continues to have the lowest credit ratings in the GCC.

GCC 5Y Sovereign CDS Spread and Credit Rating – H1 2025

Country	*31/12/2024* CDS (Bps)	*31/03/2025* CDS (Bps)	*30/06/2025* CDS (Bps)	YTD% Change	Sovereign Credit Ratings S&P	Moody's	Fitch
Abu Dhabi	41.61	41.82	35.96	-13.59%	AA	Aa2	AA
Qatar	41.27	40.99	34.94	-15.35%	AA	Aa2	AA
Kuwait	64.41	60.05	57.01	-11.48%	A+	A1	AA-
Saudi Arabia	62.19	70.99	68.38	9.95%	A+	Aa3	A+
Oman	95.76	112.06	102.88	7.4	BB-	Ba1	BB+

				3%				
Bahrain	181.22	198.17	209.57	15.64%			B+	B2	B+
Dubai	59.39	60.59	60.06	1.12%			-	-	-

Source: Bloomberg, Markaz Analysis

Appendix 1: Key GCC Sovereign and Corporate Bonds and Sukuk Issuances in H1 2025

Type	Issuer	Security Description	Country	Maturity Date	Issue Size (USD mn)	Coupon	Sector	Rating
Conventional	Kingdom of Saudi Arabia	KSA 5 1/8 01/13/28	SA	13/01/2028	5,000	5.13	Government	A+
Sukuk	Kingdom of Saudi Arabia	KSASUK Float 05/25/40	SA	25/05/2040	4,506	5.47	Government	NR
Conventional	Kingdom of Saudi Arabia	KSA 5 5/8 01/13/35	SA	13/01/2035	4,000	5.63	Government	A+
Conventional	Kingdom of Saudi Arabia	KSA 5 3/8 01/13/31	SA	13/01/2031	3,000	5.38	Government	A+
Conventional	Public Investment Fund	PIFKSA 5 1/4 01/29/30	SA	29/01/2030	2,400	5.25	Financial	A+

Conventional	Saudi Arabian Oil Company	ARAMCO 6 3/8 06/02/55	SA	02/06/2055	2,250	6.38	Energy	A+
Conventional	State of Qatar	QATAR 4 7/8 02/27/35	QA	27/02/2035	2,000	4.88	Government	AA
Sukuk	Kingdom of Bahrain	BHRAIN 6 1/4 07/07/33	BH	07/07/2033	1,750	6.25	Government	B+
Conventional	Kuwait Government	KUWGB 4 3/8 06/24/26	KW	24/06/2026	1,635	4.38	Government	NR
Conventional	Kingdom of Saudi Arabia	KSA 3 3/8 03/05/32	SA	05/03/2032	1,618	3.38	Government	A+
Conventional	Public Investment Fund	PIFKSA 5 5/8 07/29/34	SA	29/07/2034	1,600	5.63	Financial	A+
Sukuk	Saudi Electricity Co	SECO 5.225 02/18/30	SA	18/02/2030	1,500	5.23	Utilities	A+
Sukuk	Al Rajhi Bank	RJHIAB 6 1/4 PERP	SA	Perp	1,500	6.25	Financial	BBB-
Conventional	Saudi Arabian Oil Company	ARAMCO 4 3/4 06/02/30	SA	02/06/2030	1,500	4.75	Energy	A+
Sukuk	DP World	DPWDU 5 1/2 05/08/35	AE	08/05/2035	1,500	5.50	Consumer, Non-cyclical	BBB
Sukuk	Abu Dhabi National Energy Co	ADNOCM 4 3/4 05/06/35	AE	06/05/2035	1,500	4.75	Energy	AA
Sukuk	Saudi Electricity Co	SECO 5.489 02/18/35	SA	18/02/2035	1,250	5.49	Utilities	A+
Conventional	Saudi National Bank	SNBAB 6 06/24/35	SA	24/06/2035	1,250	6.00	Financial	BBB
Conventional	Saudi Arabian Oil Company	ARAMCO 5 3/8 06/02/35	SA	02/06/2035	1,250	5.38	Energy	A+
Sukuk	Public Investment Fund	PIFKSA 4 7/8 05/08/32	SA	08/05/2032	1,250	4.88	Financial	A+

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