

## News Updates

**S&P keeps Kuwait's credit ratings at A+ with negative outlook** – The Standard & Poor's Global Ratings agency has affirmed its long- and short-term foreign and local currency sovereign credit ratings on Kuwait at 'A+/A-1' with negative outlook. "The negative outlook primarily reflects risks over the next 12-24 months relating to the government's ability to overcome the institutional roadblocks preventing it from implementing a future financing strategy," the New York-based agency clarified in a press release on Thursday. The leading rating agency, however, stated that it could revise Kuwait's outlook to stable if the government successfully addresses the country's existing fiscal funding constraints, for example through a combination of debt law adoption, authorization to withdraw specified amounts from the Future Generations Fund (FGF) when required, and a fiscal consolidation program. The international agency also cautioned that it could lower the ratings if no sustainable comprehensive financing arrangements are agreed. "This could happen, for instance, because of ongoing confrontations between the government and parliament, rendering the government unable to implement fiscal reforms, pass the debt law, or authorize other budget-financing mechanisms if needed," it indicated. "We could also lower the ratings if we concluded that the government will not have full ready access to the FGF for budgetary and debt repayment needs, contrary to our current assumption." (Source: Kuwait Times)

**Egypt Inflation at Highest Since May 2019 as Food Keeps Soaring** – Consumer prices in urban parts of Egypt rose at their fastest pace since May 2019 as global food costs continued to soar. Annual inflation accelerated to 10.5% in March from 8.8% the previous month, according to data from the state-run statistics agency CAPMAS on Sunday. Consumer prices climbed 2.2% month-on-month. The annual upsurge was driven by a 19.8% increase in the price of food and beverages, the single largest component of the inflation basket. On a monthly basis, they were up 4.1%, reflecting increased shopping ahead of the Muslim holy month of Ramadan, which began in early April. A major food importer, Egypt has been hit hard by the spike in global commodity prices caused by Russia's invasion of Ukraine. The North African nation devalued its currency, which has been stable for almost two years, by about 15% on March 21, a move that will be reflected in April's inflation figures. (Source: Bloomberg)

**War in Ukraine, Hot Money and Fed Hikes Pushing Egypt to the IMF** – Egypt is in talks with the IMF about possible support that may include a loan. The country is among the biggest losers from the economic fallout of Russia's invasion of Ukraine. It's the world's largest importer of wheat, whose prices have soared. It's also a net oil importer and its energy bill is rising. The tourism sector is likely to take a hit. But even before the war, Egypt was vulnerable. It relies on short-term foreign capital to fund its trade deficit and these inflows were drying up as global interest rates were rising. (Source: Bloomberg)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.80	-5.78	KSA	2027	2.91	-5.07
Abu Dhabi	2031	2.96	-7.67	KSA	2032	3.27	-7.55
Abu Dhabi	2050	3.79	-13.76	KSA	2050	4.25	-12.77
Bahrain	2028	4.82	-0.95	Oman	2027	4.54	-1.72
Bahrain	2032	5.97	-1.81	Oman	2032	5.43	-1.39
Bahrain	2051	7.10	-3.08	Oman	2051	6.73	-2.07
Dubai	2029	3.39	-5.58	Qatar	2026	3.44	-7.31
Dubai	2050	4.80	-11.49	Qatar	2030	3.10	-7.02
Kuwait	2027	2.82	-5.69	Qatar	2050	3.85	-12.88

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.89	8.08	-0.45	-6.15
S&P MENA Bond and Sukuk Index	3.57	NA	-0.44	-6.84
Bloomberg Emerging Markets USD Index	5.81	6.80	-0.46	-10.46
Bloomberg Global Aggregate Index	2.35	7.42	-0.44	-8.35

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	10/04/2022	31/12/2021	10/04/2022	31/12/2021	10/04/2022	31/12/2021
KIBOR	1.6875	1.5000	1.9375	1.7500	2.1875	2.0000
SAIBOR	2.3754	0.9057	2.4190	0.9829	2.7680	1.0600
BHIBOR	1.9133	1.5167	2.1633	1.6233	2.8133	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	1.0602	0.3645	1.5381	0.7000	2.3089	0.7396
EURIBOR	-0.4490	-0.5730	-0.3500	-0.5460	-0.0480	-0.4980
LIBOR	1.0107	0.2144	1.5404	0.3451	2.2716	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.1173	3.59	295.8	KWD	0.3047	0.0492	-0.71	Gold	1,945.60	6.12
2-Year	2.7660	6.28	193.8	SAR	3.7502	0.0080	0.14	Silver	24.82	6.17
5-Year	2.8180	6.06	105.8	BHD	0.3770	0.0027	-0.01	Copper	472.50	6.10
7-Year	2.7870	6.44	88.9	QAR	3.6414	0.0055	0.01	Nat. Gas	6.28	78.10
10-Year	2.7580	6.09	74.4	OMR	0.3850	0.0000	-0.06	Aluminum	3,356.25	19.59
30-Year	2.5472	6.34	47.1	AED	3.6727	0.0000	0.00	Crude Oil	102.78	34.55

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.51	-0.09	1.46	-0.03	NA	NA
5-Year	2.75	-0.20	1.52	-0.06	0.18	-0.17
10-Year	2.70	-0.33	1.75	-0.23	0.59	-0.25
30-Year	2.72	-0.70	1.90	-0.73	0.77	0.08

	Sovereign Ratings		
	Moody's	S&P	Fitch
Kuwait	A1	A+	AA-
KSA	A1	A-u	A
UAE	Aa2	NR	AA-
Abu Dhabi	Aa2	AA	AA
Qatar	Aa3	AA-	AA-
Bahrain	B2	B+	B+
Oman	Ba3	BB-	BB-
Egypt	B2	B	B+
Lebanon	C	SD	RD
Jordan	B1	B+	BB-
Turkey	B2	B+u	B+
Tunisia	Caa1	NR	CCC
Morocco	Ba1	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	10-Apr 2022	31-Dec 2021
Kuwait	49.34	40.53
KSA	50.15	50.97
Abu Dhabi	49.00	43.09
Dubai	91.36	89.58
Qatar	49.05	42.55
Bahrain	284.92	286.32
Oman	220.28	254.42
Iraq	318.02	507.35
Egypt	540.61	496.58
Morocco	98.97	85.91
Turkey	588.50	555.46
US	15.77	10.01
UK	12.39	8.91
China	62.28	39.86
Japan	16.82	16.23
Germany	13.40	7.53
France	27.27	17.87