

News Updates

S&P Affirms Qatar 'AA-/A-1+' Ratings; Outlook Stable - S&P Global Ratings affirmed its 'AA-/A-1+' long- and short-term foreign and local currency sovereign credit ratings on Qatar. The outlook is stable. The stable outlook reflects their view that Qatar's fiscal and external buffers should continue to benefit from the country's status as one of the world's largest exporters of liquefied natural gas over the next two years, against a backdrop of high global energy demand. *(Source: S&P Global Ratings)*

Former Fed policymakers call for sharp U.S. rate hikes, warn of recession - Two ex-Federal Reserve officials, now freed from having to set economic policy and be accountable for it, are warning the U.S. central bank will have to raise interest rates more than expected and the outcome could well be a recession - cautions neither voiced before leaving their posts a few months ago. The remarks this week from the Fed's two most recent vice chairs, Richard Clarida and Randal Quarles rank among a small chorus of other former U.S. central bankers now offering up critiques of where Fed policy stands and is headed. Clarida said on Friday the Fed will need to raise interest rates well into "restrictive territory" to slow economic growth and curb inflation. Quarles chimed in earlier in the week that a recession was now "likely." The dour views from the ranks of former officials come just as Powell has ramped up the central bank's battle with inflation by raising interest rates a half percentage point and all but promising two more such rate hikes by July. *(Source: Reuters)*

Treasury Yield Curve Threatens Swing to a Steepening Trend - The bond market reaction to the Federal Reserve's latest meeting has raised the prospect of a shift to a steepening yield curve after a year-long flattening trend. The yield premium that investors demand to hold 10-year Treasuries over two-year equivalents has climbed to about 40 basis points, having briefly dipped below zero last month in a much-discussed inversion. The spread looks to have broken out of its downtrend as traders pare back their most aggressive bets on the pace of Fed rate hikes. Reasons for a steeper yield curve could include increased expectations for the so-called neutral rate, the level at which Fed policy neither restricts nor spurs growth, according to the strategists. Bets investors will demand higher yields to hold longer-dated Treasuries as the central bank reduces its bond holdings could be another factor, they said. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.27	-7.96	KSA	2027	3.39	-7.06
Abu Dhabi	2031	3.75	-13.27	KSA	2032	3.90	-12.27
Abu Dhabi	2050	4.44	-22.62	KSA	2050	4.92	-21.07
Bahrain	2028	5.60	-4.76	Oman	2027	5.31	-4.89
Bahrain	2032	6.98	-9.19	Oman	2032	6.23	-7.28
Bahrain	2051	7.99	-13.02	Oman	2051	7.48	-10.79
Dubai	2029	3.89	-8.43	Qatar	2026	4.50	-10.95
Dubai	2050	5.46	-20.00	Qatar	2030	3.66	-10.19
Kuwait	2027	3.30	-7.81	Qatar	2050	4.51	-21.82

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.48	8.08	-0.58	-10.19
S&P MENA Bond and Sukuk Index	4.11	NA	-0.63	-10.84
Bloomberg Emerging Markets USD Index	6.51	6.80	-0.66	-14.25
Bloomberg Global Aggregate Index	2.70	7.42	-0.46	-12.42

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	09/05/2022	31/12/2021	09/05/2022	31/12/2021	09/05/2022	31/12/2021
KIBOR	1.8125	1.5000	2.0625	1.7500	2.3750	2.0000
SAIBOR	2.4811	0.9057	2.7286	0.9829	3.0238	1.0600
BHIBOR	2.5667	1.5167	2.8995	1.6233	3.5417	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	1.3925	0.3645	2.0692	0.7000	2.6255	0.7396
EURIBOR	-0.4260	-0.5730	-0.2060	-0.5460	0.2460	-0.4980
LIBOR	1.4019	0.2144	1.9646	0.3451	2.6947	0.5888

USD Swap Rates				Currencies			Commodities				
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)	
1-Year	2.5385	-0.71	374.5	KWD	0.3064	0.0979	-1.26	Gold	1,871.80	2.09	
2-Year	3.0402	-1.46	223.0	SAR	3.7513	0.0000	0.11	Silver	22.23	-5.08	
5-Year	3.1535	-0.44	130.3	BHD	0.3770	0.0000	0.01	Copper	422.05	-5.00	
7-Year	3.1818	0.74	115.6	QAR	3.6414	0.0055	0.01	Nat. Gas	8.12	126.74	
10-Year	3.2116	1.66	103.1	OMR	0.3850	0.0078	-0.06	Aluminum	2,813.99	0.30	
30-Year	2.9832	1.50	72.3	AED	3.6731	0.0000	-0.01	Crude Oil	112.62	48.50	
US Treasuries				UK Gilts			German Bunds				
	Yield %	1D Δ (%)			Yield %	1D Δ (%)			Yield %	1D Δ (%)	
2-Year	2.72	0.03			1.47	0.09			NA	NA	
5-Year	3.07	0.02			1.64	0.07			0.45	0.00	
10-Year	3.14	-0.09			1.99	-0.33			0.98	0.00	
30-Year	3.24	-0.20			2.17	-0.92			1.20	0.00	

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+	B+
Tunisia	Caa1	NR	CCC
Morocco	Ba1	BB+	BB+
US	Aaa	AA+	AAA
UK	Aa3	AA	AA-
China	A1	A+	A+

USD 5Yr CDS	09-May 2022	31-Dec 2021
Kuwait	52.35	40.53
KSA	64.10	50.97
Abu Dhabi	62.33	43.09
Dubai	98.86	89.58
Qatar	62.91	42.55
Bahrain	285.46	286.32
Oman	221.34	254.42
Iraq	355.23	507.35
Egypt	838.48	496.58
Morocco	104.35	85.91
Turkey	660.05	555.46
US	16.00	10.01
UK	10.44	8.91
China	82.66	39.86
Japan	17.90	16.23
Germany	11.76	7.53
France	22.21	17.87