

News Updates

Oil Fluctuates as Traders Assess China's Vow, Unrest in Libya - Oil fluctuated as China vowed to repair the economic damage caused by a spate of lockdowns, and crude supplies from Libya were disrupted. Global benchmark Brent traded below \$113 a barrel after a four-day winning run. The impact of the pandemic on China's economy is short term and normal conditions will be "rapidly restored" after the current outbreak is contained, a spokesperson for the top economic planner said on Tuesday. That came a day after the central bank moved to aid individuals and small businesses. Libya's oil production has fallen by more than half a million barrels a day and there's a risk of further losses as a wave of political demonstrations engulfs the OPEC member. The Sahara field in the west of the country, which can pump 300,000 barrels a day, has been closed as protests spread. *(Source: Bloomberg)*

Fed's Bullard Says 75 Basis-Point Hike Could Be Option If Needed - Federal Reserve Bank of St. Louis President James Bullard said the central bank needs to move quickly to raise interest rates to around 3.5% this year with multiple half-point hikes and that it shouldn't rule out rate increases of 75 basis points. "More than 50 basis points is not my base case at this point," Bullard said in a virtual presentation to the Council on Foreign Relations on Monday, adding the Fed under Alan Greenspan did such a hike in 1994 leading to a decade-long expansion. "I wouldn't rule it out, but it is not my base case here." Fed Chair Jerome Powell has said that a 50 basis-point increase is possible at the Fed's May 3-4 meeting. *(Source: Bloomberg)*

Fed tightening sends US 'real yields' to brink of positive territory - US inflation-adjusted bond yields are on the verge of turning positive for the first time since March 2020 in a surge that is heaping further pressure on riskier corners of financial markets. So-called 10-year real Treasury yields have soared more than 1 percentage point since early March, hitting a high of minus 0.05 per cent on Monday, in a sign bond payouts are coming close to exceeding medium-term inflation expectations. The jump in real yields has been triggered by the Federal Reserve's bid to slow intense price growth by aggressively tightening monetary policy. The move is already eroding one of the pillars that has underpinned a powerful rally in stocks and riskier corporate bonds from the depths of the coronavirus crisis two years ago. *(Source: FT)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.99	-6.55	KSA	2027	3.00	-5.44
Abu Dhabi	2031	3.16	-9.10	KSA	2032	3.44	-8.85
Abu Dhabi	2050	3.99	-16.60	KSA	2050	4.48	-15.55
Bahrain	2028	5.01	-1.93	Oman	2027	4.76	-2.61
Bahrain	2032	6.21	-3.59	Oman	2032	5.62	-2.82
Bahrain	2051	7.36	-6.15	Oman	2051	6.92	-4.37
Dubai	2029	3.51	-6.24	Qatar	2026	3.02	-5.53
Dubai	2050	4.98	-13.44	Qatar	2030	3.41	-8.40
Kuwait	2027	2.88	-5.88	Qatar	2050	4.05	-15.49

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.03	8.08	-0.19	-7.23
S&P MENA Bond and Sukuk Index	3.74	NA	-0.21	-8.27
Bloomberg Emerging Markets USD Index	5.98	6.80	-0.14	-11.45
Bloomberg Global Aggregate Index	2.43	7.42	-0.26	-9.44

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	19/04/2022	31/12/2021	19/04/2022	31/12/2021	19/04/2022	31/12/2021
KIBOR	1.6875	1.5000	1.9375	1.7500	2.1875	2.0000
SAIBOR	2.3374	0.9057	2.4380	0.9829	2.8215	1.0600
BHIBOR	1.9133	1.5167	2.1633	1.6233	2.8833	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	1.1138	0.3645	1.6670	0.7000	2.3556	0.7396
EURIBOR	-0.4520	-0.5730	-0.3170	-0.5460	0.0030	-0.4980
LIBOR	1.0627	0.2144	1.5567	0.3451	2.2216	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.1418	0.50	300.3	KWD	0.3056	-0.0982	-1.00	Gold	1,980.60	8.03
2-Year	2.7187	0.31	188.8	SAR	3.7503	-0.0053	0.14	Silver	26.10	11.47
5-Year	2.8484	0.52	108.0	BHD	0.3770	0.0000	0.00	Copper	479.80	8.00
7-Year	2.8791	0.86	95.1	QAR	3.6414	0.0055	0.01	Nat. Gas	7.73	119.38
10-Year	2.9142	1.27	84.3	OMR	0.3850	0.0000	-0.06	Aluminum	3,275.50	16.75
30-Year	2.7348	1.49	58.0	AED	3.6730	0.0000	0.00	Crude Oil	112.57	47.36

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.45	0.00	1.58	-0.08	NA	NA
5-Year	2.79	-0.02	1.66	-0.22	0.23	-0.12
10-Year	2.86	-0.07	1.93	-0.46	0.73	-0.29
30-Year	2.95	-0.19	2.10	-0.99	1.01	-0.57

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	19-Apr 2022	31-Dec 2021
Kuwait	51.31	40.53
KSA	51.76	50.97
Abu Dhabi	49.49	43.09
Dubai	90.93	89.58
Qatar	51.35	42.55
Bahrain	283.68	286.32
Oman	216.90	254.42
Iraq	279.68	507.35
Egypt	593.10	496.58
Morocco	98.50	85.91
Turkey	587.76	555.46
US	14.16	10.01
UK	9.78	8.91
China	68.28	39.86
Japan	16.01	16.23
Germany	11.76	7.53
France	24.33	17.87