

News Updates

Aramco Gulf Operations signs MoU with Kuwait Gulf Oil to develop Durra gas field – Aramco Gulf Operations Co. signed a Memorandum of Understanding (MoU) on Dec. 11, with Kuwait Gulf Oil Co. (KGOC) to develop the Durra gas field, the state news agency SPA reported. Prince Abdulaziz bin Salman, Saudi Arabia's Minister of Energy, signed last March a document with his Kuwaiti counterpart to develop the Durra gas field. The gas field development builds on the MoU signed by Saudi Arabia and Kuwait on Dec. 24, 2019, on the development aims at producing 1 billion cubic feet of gas equally between the two partners. *(Source: Argam)*

Economic growth in GCC seen more than double in 2022; reform momentum advised to be kept – The economic growth rate in the GCC region is expected to more than double to 6.5% in 2022, according to the latest report by the International Monetary Fund (IMF). It also advised the Gulf countries to maintain their reform momentum which was initiated over the past years, regardless of the level of hydrocarbon prices. The higher commodity prices limited the effects of the Ukrainian-Russian crisis and the impact of tighter global financial conditions, which paved the way for a more positive outlook for the GCC economies. *(Source: Mubasher)*

U.S. inflation will be much lower by end of 2023, Yellen says – U.S. Treasury Secretary Janet Yellen on Sunday forecast a substantial reduction in U.S. inflation in 2023, barring an unexpected shock. "I believe by the end of next year you will see much lower inflation if there's not ... an unanticipated shock," Yellen stated in an interview released Sunday. Asked about the likelihood of recession, the former Federal Reserve chair said, "There's a risk of a recession. But ... it certainly isn't, in my view, something that is necessary to bring inflation down." Yellen's comment came days before the Fed is expected to slow the aggressive pace of interest rate increases it has pursued this year. Fed Chair Jerome Powell has telegraphed a smaller, half-of-a-percentage point increase in the policy rate, to a range of 4.25%-4.5%, after four 75-basis point hikes this year. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.70	-9.50	KSA	2027	4.16	-9.43
Abu Dhabi	2031	3.88	-13.27	KSA	2032	4.25	-14.29
Abu Dhabi	2050	4.70	-25.69	KSA	2050	5.18	-24.00
Bahrain	2028	5.85	-5.22	Oman	2027	5.73	-6.43
Bahrain	2032	6.85	-7.94	Oman	2032	5.97	-5.92
Bahrain	2051	7.99	-12.97	Oman	2051	7.13	-6.98
Dubai	2029	4.58	-12.33	Qatar	2026	4.00	-8.82
Dubai	2050	5.78	-23.47	Qatar	2030	4.08	-13.78
Kuwait	2027	4.04	-10.56	Qatar	2050	4.70	-23.96

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.13	8.08	0.06	-10.19
S&P MENA Bond and Sukuk Index	4.85	NA	-0.08	-11.72
Bloomberg Emerging Markets USD Index	7.41	6.80	-0.16	-14.86
Bloomberg Global Aggregate Index	3.47	7.42	-0.37	-15.19

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	12/12/2022	31/12/2021	12/12/2022	31/12/2021	12/12/2022	31/12/2021
KIBOR	4.0000	1.5000	4.2500	1.7500	4.5625	4.4375
SAIBOR	5.2910	0.9057	5.6686	0.9829	5.9160	6.3719
BHIBOR	5.8047	1.5167	6.0951	1.6233	6.3550	6.3250
QATAR	4.9500	1.1250	5.0500	1.2000	5.3000	5.1000
AEIBOR	4.4750	0.3645	4.9416	0.7000	5.0775	5.1212
EURIBOR	2.0050	-0.5730	2.4660	-0.5460	2.8610	2.8110
LIBOR	4.7331	0.2144	5.1397	0.3451	5.4994	5.4513

USD Swap Rates				Currencies				Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)	
1-Year	5.1204	-0.06	857.1	KWD	0.3069	0.0326	-1.43	Crude Oil	76.55	5.66	
2-Year	4.6532	-0.91	394.3	SAR	3.7610	0.0000	-0.13	Gold	1,798.10	-2.48	
5-Year	3.8038	-0.99	177.8	EUR	1.0511	-0.2846	-7.56	Silver	23.51	-0.53	
7-Year	3.6433	-1.30	146.9	GBP	1.2227	-0.2692	-9.65	Copper	382.00	-12.99	
10-Year	3.5514	-1.75	124.6	JPY	137.0800	-0.3721	-16.04	Nat. Gas	6.89	68.36	
30-Year	3.1792	-3.07	83.7	CNH	6.9818	-0.2464	-8.95	Aluminum	2,451.75	-11.39	

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.34	0.01	3.35	-0.10	NA	NA
5-Year	3.76	0.05	3.21	-0.17	2.04	-0.15
10-Year	3.56	0.16	3.17	-0.79	1.87	-0.66
30-Year	3.53	0.62	3.56	-0.70	1.66	-1.83

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	B3	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	12-Dec 2022	31-Dec 2021
Kuwait	39.97	40.53
KSA	58.91	50.97
Abu Dhabi	45.90	43.09
Dubai	77.33	89.58
Qatar	46.22	42.55
Bahrain	222.10	286.32
Oman	161.00	254.42
Iraq	406.64	507.35
Egypt	NA	496.58
Morocco	195.64	85.91
Turkey	518.99	555.46
US	23.04	10.01
UK	23.69	8.91
China	73.27	39.86
Japan	20.46	16.23
Germany	17.04	7.53
France	24.57	17.87