

News Updates

Gulf central banks raise rates as Fed hikes by 50 bps - Gulf central banks hiked their main interest rates on Wednesday as the U.S. Federal Reserve raised its target policy rate by 50 basis points in the face of inflation at highs not seen in decades. All Gulf countries have their currencies pegged to the U.S. dollar, except Kuwait, which pegs the Kuwaiti dinar to a basket of currencies that includes the dollar. The central banks of Saudi Arabia, the United Arab Emirates, Qatar and Bahrain raised their key rates by 50 bps. The Central Bank of Kuwait said it increased its discount rate by 25 basis points (bps) to 2%, in a move less hawkish than the Fed's. *(Source: Reuters)*

Bahrain Sovereign Ratings Affirmed with a Stable Outlook - Capital Intelligence Ratings (CI Ratings or CI) announced that it has affirmed Bahrain's Long-Term Foreign Currency Rating (LT FCR) and Long-Term Local Currency Rating (LT LCR) at 'B+'. At the same time, CI Ratings has affirmed the sovereign's Short-Term Foreign Currency Rating (ST FCR) and Short-Term Local Currency Rating (ST LCR) at 'B'. The Outlook for all ratings has been affirmed at Stable. *(Source: Capital Intelligence)*

Egypt expected to raise interest rates after US Fed decision - The Monetary Policy Committee (MPC) of the Central Bank of Egypt (CBE) will hold its third periodic meeting on 19 May this year to discuss the fate of the basic interest rates, which are the main indicators of the trend of the interest rates in the short term. The committee's meeting comes amid strong expectations of raising the interest rates at the CBE in light of the high inflation and the US Federal Reserve's (Fed) raising its interest rates last Wednesday by 0.5% at once. The CBE is awaiting the latest indicators of inflation in the local market, which is scheduled to be revealed on Tuesday, to determine how much the interest rates will increase. *(Source: Daily News Egypt)*

OPEC+ sticks to modest oil output hike despite price rally - OPEC+ agreed on Thursday to another modest monthly oil output increase, arguing that the producer group could not be blamed for disruptions to Russian supply and saying China's coronavirus lockdowns threatened the outlook for demand. Ignoring calls from Western nations for accelerating output hikes, the group agreed to raise its June production target by 432,000 barrels per day, in line with an existing plan to unwind curbs made in 2020 when the COVID-19 pandemic hammered demand. *(Source: Reuters)*

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	
	08/05/2022	31/12/2021	08/05/2022	31/12/2021	08/05/2022	31/12/2021
KIBOR	1.8125	1.5000	2.0625	1.7500	2.3125	2.0000
SAIBOR	2.4580	0.9057	2.7269	0.9829	3.0084	1.0600
BHIBOR	2.0750	1.5167	2.3167	1.6233	3.3833	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	2.5456	1.16	375.8	KWD	0.3064	0.0979	-1.26	Gold	1,882.80	2.69
2-Year	3.0548	1.48	224.5	SAR	3.7511	0.0027	0.11	Silver	22.37	-4.47
5-Year	3.1579	6.59	130.6	BHD	0.3770	0.0027	0.01	Copper	426.70	-3.95
7-Year	3.1744	7.88	115.1	QAR	3.6414	0.0055	0.01	Nat. Gas	8.04	124.73
10-Year	3.1950	8.73	102.1	OMR	0.3850	-0.0026	-0.07	Aluminum	2,813.99	0.30
30-Year	2.9682	10.14	71.5	AED	3.6730	0.0000	-0.01	Crude Oil	112.39	48.19

US Treasuries			UK Gilts			German Bunds		
Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)	
2-Year	2.73	-0.04	1.47	0.09		NA	NA	
5-Year	3.08	-0.30	1.64	0.07		0.45	-0.11	
10-Year	3.13	-0.67	1.99	-0.33		0.98	-0.58	
30-Year	3.23	-1.75	2.17	-0.92		1.20	-1.38	

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	08-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	81.61	39.86
Japan	17.80	16.23
Germany	11.76	7.53
France	22.21	17.87