

## News Updates

**OPEC sticks to 2022, 2023 demand growth forecasts** – OPEC on Tuesday stuck to its forecasts for global oil demand growth in 2022 and 2023 after several downgrades, saying that while economic slowdown was “quite evident” there was potential upside such as from a relaxation of China’s zero-COVID policy. Oil demand in 2023 will rise by 2.25 million barrels per day, or about 2.3%, the Organization of the Petroleum Exporting Countries said in a monthly report, after growth of 2.55 million bpd in 2022. Both forecasts were unchanged from last month. While keeping the annual demand growth forecasts steady, OPEC trimmed the absolute demand forecasts in the fourth quarter of 2022 and the first quarter of 2023. *(Source: Arab News)*

**Qatar's Q3 surplus soars on higher oil and gas revenue** – Qatar posted a budget surplus of 30 billion riyals (\$8.19 billion) for the third quarter of 2022, boosted by rocketing oil and gas revenues, the state news agency said on Tuesday, citing data from the finance ministry. The surplus in the same period in 2021 stood at 900 million riyals. Government figures showed that spending in the third quarter of 2022 stood at 51.8 billion riyals. Total revenues in Q3 amounted to 81.8 billion riyals, of which over 93%, or 76.3 billion riyals, came from oil and gas, the statement said. Oil and gas revenues surged 67% in the first half of 2022 compared with the same period in 2021. *(Source: Reuters)*

**Fed to Downshift to Half-Point Hike But Point to Higher Peak** – The Federal Reserve is poised to moderate its aggressive tightening on Wednesday while signaling that interest rates will ultimately go higher than previously forecast. The tricky part for Chair Jerome Powell will be convincing investors that this isn’t a dovish pivot and that officials won’t prematurely end their assault against inflation that’s running three times higher than their 2% goal. The Federal Open Market Committee is widely expected to raise rates by 50 basis points and bring its benchmark target rate to a range of 4.25% to 4.5%, the highest since 2007. Fresh quarterly economic projections released after the meeting will also shed light on how much further policymakers expect rates to go. *(Source: Bloomberg)*

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.68	-9.45	KSA	2027	3.99	-8.79
Abu Dhabi	2031	3.77	-12.49	KSA	2032	4.14	-13.47
Abu Dhabi	2050	4.61	-24.68	KSA	2050	5.09	-22.95
Bahrain	2028	5.64	-4.30	Oman	2027	5.47	-5.51
Bahrain	2032	6.70	-6.88	Oman	2032	5.83	-4.93
Bahrain	2051	7.91	-12.15	Oman	2051	7.00	-5.37
Dubai	2029	4.39	-11.56	Qatar	2026	3.96	-8.64
Dubai	2050	5.74	-23.02	Qatar	2030	4.00	-13.37
Kuwait	2027	3.98	-10.26	Qatar	2050	4.65	-23.25

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.04	8.08	0.59	-9.61
S&P MENA Bond and Sukuk Index	4.80	NA	0.47	-11.29
Bloomberg Emerging Markets USD Index	7.31	6.80	0.68	-14.23
Bloomberg Global Aggregate Index	3.43	7.42	0.91	-14.63

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	14/12/2022	31/12/2021	14/12/2022	31/12/2021	14/12/2022	31/12/2021
KIBOR	4.0000	1.5000	4.2500	1.7500	4.5625	4.4375
SAIBOR	5.2257	0.9057	5.5859	0.9829	5.8653	6.3719
BHIBOR	5.8113	1.5167	6.0984	1.6233	6.3583	6.3250
QATAR	4.9500	1.1250	5.0500	1.2000	5.3000	5.1000
AEIBOR	4.5454	0.3645	4.9496	0.7000	5.1044	5.1212
EURIBOR	2.0520	-0.5730	2.5270	-0.5460	2.8800	2.8110
LIBOR	4.7527	0.2144	5.1610	0.3451	5.5256	5.4513

USD Swap Rates				Currencies			Commodities				
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)	
1-Year	5.0186	-1.80	838.1	KWD	0.3069	0.0326	-1.43	Crude Oil	80.49	11.10	
2-Year	4.5085	-2.39	379.0	SAR	3.7610	0.0133	-0.13	Gold	1,820.30	-1.28	
5-Year	3.6961	-1.62	169.9	EUR	1.0625	-0.0846	-6.56	Silver	23.88	1.06	
7-Year	3.5511	-1.20	140.6	GBP	1.2350	-0.1375	-8.74	Copper	386.35	-12.00	
10-Year	3.4821	-0.69	120.2	JPY	135.5700	0.0221	-15.11	Nat. Gas	6.78	65.72	
30-Year	3.1592	-0.81	82.5	CNH	6.9642	0.0029	-8.71	Aluminum	2,423.00	-12.43	
US Treasuries				UK Gilts			German Bunds				
	Yield %	1D Δ (%)			Yield %	1D Δ (%)			Yield %	1D Δ (%)	
2-Year	4.20	0.03			3.46	-0.07			NA	NA	
5-Year	3.64	0.07			3.32	-0.27			2.04	0.08	
10-Year	3.49	0.08			3.29	-0.84			1.86	0.12	
30-Year	3.52	0.27			3.71	-1.30			1.67	-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	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	14-Dec 2022	31-Dec 2021
Kuwait	39.98	40.53
KSA	57.87	50.97
Abu Dhabi	44.32	43.09
Dubai	75.41	89.58
Qatar	44.74	42.55
Bahrain	207.16	286.32
Oman	170.42	254.42
Iraq	406.62	507.35
Egypt	NA	496.58
Morocco	187.92	85.91
Turkey	489.81	555.46
US	23.15	10.01
UK	23.05	8.91
China	68.49	39.86
Japan	19.80	16.23
Germany	17.39	7.53
France	24.91	17.87