

News Updates

Opec+ to remain 'proactive' amid oil market uncertainty, Saudi Energy Minister says – Opec and its allies will remain “proactive” as global oil markets face uncertainty, Saudi Arabia's Energy Minister has said. “In face of a wide range of uncertainties, Opec+ has no choice but to remain pro-active and pre-emptive, and this is not an easy task, especially that the market has the tendency to overreact to news in both directions,” Prince Abdulaziz bin Salman said in an interview with official news agency SPA. He also said the decision by Opec+ in October to reduce output by 2 million barrels per day was the “right one” for the stability of oil markets. Brent, the benchmark for two thirds of the world’s oil, has since lost about 15 per cent of its value, dragged down by concerns of an economic slowdown and slower growth in China, the world’s largest crude importer. *(Source: The National)*

Japan Eyes Record Budget as BOJ Shock Pressures Funding Costs – Japan will again resort to bond issuance to help fund another year of record spending, with the Bank of Japan’s surprise policy move this week set to put pressure on borrowing costs going forward. The government will look to issue bonds worth more than 35 trillion yen (\$265 billion) to finance an initial budget of more than 114 trillion yen for the year starting in April. The proposed budget comes at a critical time for Kishida as he grapples with a planned historic boost to defense spending amid falling approval ratings. Kishida needs to fund it either with unpopular tax increases or fall back on the usual solution of adding to Japan’s massive debt pile, an option that is set to become more expensive as the central bank paves the way for policy normalization. *(Source: Bloomberg)*

U.S. consumer confidence rebounds; existing home sales sink – U.S. consumer confidence rose to an eight-month high in December as inflation retreated and the labor market remained strong, but fears of a recession persisted, resulting in fewer households planning to make big-ticket purchases over the next six months. Other data on Wednesday showed sales of previously owned homes falling for a 10th straight month in November, the longest such stretch since 1999. The economy is on recession watch as the Federal Reserve wages war on inflation by trying to cool demand for everything from housing to labor. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.92	-10.38	KSA	2027	4.18	-9.37
Abu Dhabi	2031	4.05	-14.24	KSA	2032	4.33	-14.71
Abu Dhabi	2050	4.80	-26.90	KSA	2050	5.25	-24.71
Bahrain	2028	5.93	-5.52	Oman	2027	5.67	-6.18
Bahrain	2032	6.91	-8.24	Oman	2032	6.04	-6.36
Bahrain	2051	7.98	-12.76	Oman	2051	7.13	-6.81
Dubai	2029	4.54	-12.08	Qatar	2026	4.09	-9.01
Dubai	2050	5.87	-24.33	Qatar	2030	4.18	-14.30
Kuwait	2027	3.50	-8.59	Qatar	2050	4.80	-25.09

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.19	8.08	-0.08	-10.45
S&P MENA Bond and Sukuk Index	4.92	NA	-0.31	-12.11
Bloomberg Emerging Markets USD Index	7.41	6.80	0.26	-14.86
Bloomberg Global Aggregate Index	3.59	7.42	-0.02	-15.60

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	22/12/2022	31/12/2021	22/12/2022	31/12/2021	22/12/2022	31/12/2021
KIBOR	4.0000	1.5000	4.2500	1.7500	4.5625	4.4375
SAIBOR	5.2468	0.9057	5.6729	0.9829	5.8584	6.3719
BHIBOR	6.0804	1.5167	6.2196	1.6233	6.5198	6.3250
QATAR	5.1167	1.1250	5.2500	1.2000	5.4167	5.1000
AEIBOR	4.6002	0.3645	4.8834	0.7000	5.1939	5.1212
EURIBOR	2.0810	-0.5730	2.6250	-0.5460	3.1180	2.8110
LIBOR	4.7526	0.2144	5.1767	0.3451	5.4587	5.4513

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	4.9980	-0.76	834.2	KWD	0.3062	0.0163	-1.19	Crude Oil	82.56	13.95
2-Year	4.5121	-2.25	379.3	SAR	3.7630	-0.0611	-0.20	Gold	1,829.10	-0.80
5-Year	3.8044	-1.61	177.8	EUR	1.0648	0.4055	-6.35	Silver	24.29	2.79
7-Year	3.6839	-1.46	149.6	GBP	1.2128	0.3807	-10.38	Copper	384.20	-12.49
10-Year	3.6180	-1.23	128.8	JPY	131.7600	0.5389	-12.65	Nat. Gas	5.58	36.36
30-Year	3.2919	-0.81	90.2	CNH	6.9813	0.0788	-8.94	Aluminum	2,368.25	-13.76

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.21	0.02	3.59	0.03	2.50	-0.03
5-Year	3.76	0.06	3.55	0.00	2.34	-0.06
10-Year	3.65	0.11	3.56	0.17	2.30	-0.08
30-Year	3.70	0.22	3.85	0.44	2.18	-0.32

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	22-Dec 2022	31-Dec 2021
Kuwait	39.99	40.53
KSA	61.00	50.97
Abu Dhabi	43.83	43.09
Dubai	79.91	89.58
Qatar	47.04	42.55
Bahrain	234.64	286.32
Oman	181.57	254.42
Iraq	411.64	507.35
Egypt	NA	496.58
Morocco	158.26	85.91
Turkey	513.84	555.46
US	23.20	10.01
UK	26.07	8.91
China	73.99	39.86
Japan	23.22	16.23
Germany	17.86	7.53
France	24.93	17.87