

News Updates

Moody's affirms Kuwait's ratings at A1; maintains stable outlook - Moody's Investors Service ("Moody's") has affirmed the government of Kuwait's long-term local and foreign currency issuer ratings at A1. The outlook remains stable. The decision to affirm the ratings is underpinned by Moody's assessment that Kuwait's balance-sheet and fiscal buffers will remain strong for the foreseeable future, which preserve macroeconomic and external stability and anchor the credit profile. Balanced against this key credit strength is the persistently challenging political environment that limits the prospects for reforms that would reduce the vulnerability of the economy and government finances to long-term carbon transition risks. The stable outlook reflects balanced risks to the ratings. Effective implementation of measures to reduce the government's exposure to oil revenue and diversify the economy, which Moody's does not currently factor into its baseline assumptions for at least the next two years, may raise the resilience of Kuwait's credit profile to oil price fluctuations. *(Source: Kuwait Times)*

Egypt Risks First Downgrade Since 2013 as Moody's Turns Negative - Egypt risks having its credit rating downgraded for the first time in almost a decade after Moody's Investors Service lowered its outlook to negative, warning the country remains vulnerable even after winning support from its Gulf allies and seeking out a program with the International Monetary Fund. Moody's kept Egypt's debt score at B2, five notches into junk territory and on par with Bolivia, Jamaica and Rwanda. S&P Global Ratings has it at the same level, while Fitch Ratings puts it one step higher. The outlook change from stable to negative "reflects the rising downside risks to the sovereign's external shock absorption capacity in light of a significant narrowing in the foreign exchange reserve buffer to meet upcoming external debt service payments," Moody's said late on Thursday. *(Source: Bloomberg)*

G-7 Says OPEC Has Key Role to Play to Ease Tight Energy Markets - The Group of Seven urged OPEC to pump more oil, even as it made new pledges to try to fight climate change. "We call on oil and gas producing countries to act in a responsible manner and to respond to tightening international markets, noting that OPEC has a key role to play," ministers said in a communique after a meeting in Berlin. OPEC has so far resisted calls from the U.S. to crank up its production beyond the gradual increases it has long planned. The cartel meets next week and is expected to stick to its plan even as the war in Ukraine is causing a surge in oil and gas prices that's fueling a cost-of-living crisis for consumers. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.95	-6.35	KSA	2027	3.00	-5.47
Abu Dhabi	2031	3.30	-9.98	KSA	2032	3.49	-9.18
Abu Dhabi	2050	4.13	-18.54	KSA	2050	4.67	-17.94
Bahrain	2028	5.54	-4.34	Oman	2027	5.11	-4.15
Bahrain	2032	6.48	-5.50	Oman	2032	5.82	-4.34
Bahrain	2051	7.51	-7.85	Oman	2051	7.22	-7.75
Dubai	2029	3.92	-8.71	Qatar	2026	2.97	-5.61
Dubai	2050	5.41	-19.19	Qatar	2030	3.34	-8.54
Kuwait	2027	2.93	-6.14	Qatar	2050	4.18	-17.43

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.28	8.08	0.34	-8.38
S&P MENA Bond and Sukuk Index	3.91	NA	0.35	-9.08
Bloomberg Emerging Markets USD Index	6.29	6.80	0.30	-13.03
Bloomberg Global Aggregate Index	2.51	7.42	0.22	-10.51

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	29/05/2022	31/12/2021	29/05/2022	31/12/2021	29/05/2022	31/12/2021
KIBOR	1.8750	1.5000	2.1250	1.7500	2.4375	2.0000
SAIBOR	3.0268	0.9057	3.0678	0.9829	3.2814	1.0600
BHIBOR	2.6583	1.5167	2.9917	1.6233	3.5417	1.7667
QATAR	1.1500	1.1250	1.3000	1.2000	1.8500	1.3250
AEIBOR	1.6297	0.3645	2.1701	0.7000	2.5500	0.7396
EURIBOR	-0.3680	-0.5730	-0.0760	-0.5460	0.3580	-0.4980
LIBOR	1.5979	0.2144	2.0861	0.3451	2.6957	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.5250	0.95	372.0	KWD	0.3058	0.0000	-1.06	Gold	1,857.30	1.17
2-Year	2.8084	1.69	198.4	SAR	3.7509	0.0027	0.12	Silver	22.10	-5.63
5-Year	2.7680	0.65	102.1	BHD	0.3770	0.0053	0.01	Copper	430.65	-3.06
7-Year	2.7808	0.33	88.4	QAR	3.6414	0.0055	0.01	Nat. Gas	8.73	139.88
10-Year	2.8182	-0.65	78.3	OMR	0.3850	0.0000	-0.06	Aluminum	2,853.00	1.80
30-Year	2.7445	-1.70	58.5	AED	3.6730	-0.0082	-0.01	Crude Oil	119.43	57.48

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.48	0.01	1.40	0.04	NA	NA
5-Year	2.72	-0.03	1.55	0.18	0.35	0.00
10-Year	2.74	0.10	1.92	0.50	0.79	0.21
30-Year	2.96	0.40	2.18	0.85	1.21	0.64

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	29-May 2022	31-Dec 2021
Kuwait	65.39	40.53
KSA	60.34	50.97
Abu Dhabi	58.78	43.09
Dubai	114.32	89.58
Qatar	58.79	42.55
Bahrain	300.85	286.32
Oman	249.76	254.42
Iraq	474.20	507.35
Egypt	731.21	496.58
Morocco	196.01	85.91
Turkey	704.51	555.46
US	15.91	10.01
UK	9.00	8.91
China	70.78	39.86
Japan	17.84	16.23
Germany	10.19	7.53
France	19.29	17.87