

News Updates

Saudi Arabia exceeds surplus estimate and revises up GDP forecast –

Saudi Arabia has recorded a larger-than-expected budget surplus for 2022 of SAR 102 billion (USD 27.13 billion) — SAR 12 billion higher than previously forecast. The surplus comes as the Kingdom's gross domestic product is also set to exceed expectations — registering growth of 8.5% compared with the 7.5% estimated in December 2021 and the 8% forecast in pre-Budget statement published at the end of September. GDP growth is forecast to slow to 3.1% in 2023. The revelations came as the Saudi government approved a SAR 1.114 trillion budget for 2023, itself expected to post a surplus of SAR 16 billion, Saudi media outlets reported. *(Source: Arab News)*

Bank of England set to raise rates to 3.5% after inflation hits 41-year high –

The Bank of England looks set to raise interest rates to 3.5% or more next week, but policymakers appear increasingly split on how much tightening is needed to tame double-digit inflation as the economy heads into recession. Last month BoE Governor Andrew Bailey said further rate rises were likely to be necessary, though fewer than financial markets had priced in before that meeting, when investors were betting rates would reach 5.25% in mid-2023. However, two policymakers who voted against November's three-quarter-point rise - the BoE's biggest rate hike in over 30 years - have warned that much more tightening would lead to an unnecessarily severe recession. *(Source: Reuters)*

Egypt expecting approval of IMF package next week-deputy minister

– Egypt is expecting approval of a new \$3 billion Extended Fund Facility package from the International Monetary Fund next week, Deputy Finance Minister Ahmed Kouchouk said on Wednesday. Egypt's finances remain fragile despite two major currency devaluations this year and the IMF package, which was announced in October as Egypt pledged to shift to "durable exchange rate flexibility" in line with long-standing IMF demands. Since then, the gap between the black market exchange rate and the official rate has widened, raising speculation about the extent of exchange rate flexibility and the security of the IMF package. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.77	-9.82	KSA	2027	4.15	-9.39
Abu Dhabi	2031	3.93	-13.52	KSA	2032	4.28	-14.47
Abu Dhabi	2050	4.70	-25.87	KSA	2050	5.19	-24.13
Bahrain	2028	5.83	-5.16	Oman	2027	5.69	-6.26
Bahrain	2032	6.86	-7.97	Oman	2032	5.98	-5.92
Bahrain	2051	7.99	-12.87	Oman	2051	7.13	-6.94
Dubai	2029	4.53	-12.32	Qatar	2026	4.08	-8.98
Dubai	2050	5.93	-25.20	Qatar	2030	4.04	-13.58
Kuwait	2027	4.19	-10.96	Qatar	2050	4.72	-24.17

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.15	8.08	0.27	-10.39
S&P MENA Bond and Sukuk Index	4.86	NA	0.34	-11.78
Bloomberg Emerging Markets USD Index	7.37	6.80	0.33	-14.83
Bloomberg Global Aggregate Index	3.39	7.42	0.44	-14.86

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	8/12/2022	31/12/2021	8/12/2022	31/12/2021	8/12/2022	31/12/2021
KIBOR	4.0000	1.5000	4.3125	1.7500	4.5625	4.4375
SAIBOR	5.2820	0.9057	5.7250	0.9829	5.9354	6.3719
BHIBOR	5.8000	1.5167	6.0919	1.6233	6.3583	6.3250
QATAR	4.9500	1.1250	5.0500	1.2000	5.3000	5.1000
AEIBOR	4.4774	0.3645	4.9313	0.7000	4.9969	5.1212
EURIBOR	1.9930	-0.5730	2.4430	-0.5460	2.8700	2.8110
LIBOR	4.7346	0.2144	5.2020	0.3451	5.5641	5.4513

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	5.1015	1.78	853.6	KWD	0.3070	0.0326	-1.43	Crude Oil	77.82	7.41
2-Year	4.6108	2.18	389.8	SAR	3.7610	-0.0080	-0.13	Gold	1,794.80	-2.66
5-Year	3.7172	5.17	171.4	EUR	1.0496	-0.0952	-7.69	Silver	22.79	-3.58
7-Year	3.5451	5.47	140.2	GBP	1.2180	-0.1967	-10.00	Copper	384.35	-12.46
10-Year	3.4440	5.10	117.8	JPY	137.1300	-0.3719	-16.08	Nat. Gas	5.86	43.30
30-Year	3.0806	1.91	78.0	CNH	6.9742	-0.1721	-8.85	Aluminum	2,459.50	-11.11

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.30	-0.07	3.21	0.03	NA	NA
5-Year	3.67	-0.21	3.15	0.19	1.90	0.07
10-Year	3.46	-0.38	3.04	0.28	1.71	0.12
30-Year	3.45	-0.30	3.44	-0.02	1.56	-0.29

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	8-Dec 2022	31-Dec 2021
Kuwait	40.07	40.53
KSA	59.14	50.97
Abu Dhabi	46.35	43.09
Dubai	84.66	89.58
Qatar	47.63	42.55
Bahrain	223.44	286.32
Oman	164.66	254.42
Iraq	410.67	507.35
Egypt	NA	496.58
Morocco	191.86	85.91
Turkey	531.93	555.46
US	24.66	10.01
UK	23.24	8.91
China	74.90	39.86
Japan	21.61	16.23
Germany	17.38	7.53
France	24.95	17.87