

News Updates

Moody's affirms credit rating of 'A' to Saudi Arabia with stable outlook - Credit rating agency Moody's Investors Service has affirmed Saudi Arabia's rating at 'A' to Saudi Arabia with a stable outlook, primarily driven by the government's fiscal policy effectiveness. The Saudi national debt management center said in a press release citing Moody's that the latter expected that Saudi Arabia's GDP will grow at an average rate of 5 percent in the period 2021-2023, supported by further post-pandemic recovery, progress on economic diversification, capital and development projects, and a further unwinding of oil production cuts. According to the center, Moody's added that the growth of financial institutions in the Kingdom highlights the positive impact of the structural measures and reforms taken by the government in the past five years. The report further noted that the Saudi Arabian government demonstrates an increasingly more fiscal policy framework even during the time of rising oil prices. (Source: Arab News)

Lebanon Eurobonds May Not Be Recoverable Without IMF, BoFA Says - The relative probabilities of scenarios with or without the IMF program would determine the weighted average recovery value for Lebanon's Eurobonds, Bank of America analysts wrote in a report. They stated a plausible range for recovery value within an IMF program is 10-15 cents, at an exit yield of 14%, and Lebanese government's documents are consistent with lower recovery values. "But we think it would be difficult to reach an agreement with bondholders on those terms at this juncture. Recovery values above 15c reflect relatively optimistic economic projections or restructuring outcomes," analysts including Jean- Michel Saliba and David Hauner wrote in a note. They added that there may be further downside if "the traditional political class" is unwilling or unable to conclude IMF program talks. (Source: Bloomberg)

Oil Prices Are 'Nowhere Near' Peak Yet, Says Key OPEC Member UAE - Oil prices haven't peaked yet because Chinese demand has yet to return to normal, said the energy minister from key OPEC member the United Arab Emirates. The comments indicate that consumers can expect little respite from the soaring cost of energy. The UAE is the third largest producer in OPEC and one of the few countries in the world with the capacity to significantly increase crude output, yet it expects supply scarcity to worsen. "If we continue consuming, with the pace of consumption we have we are nowhere near the peak, because China is not back yet," UAE Energy Minister Suhail Al-Mazrouei said at a conference on Wednesday in Jordan. "China will come with more consumption." (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.11	-7.27	KSA	2027	3.25	-6.64
Abu Dhabi	2031	3.55	-11.69	KSA	2032	3.68	-10.57
Abu Dhabi	2050	4.30	-20.87	KSA	2050	4.82	-19.77
Bahrain	2028	5.68	-5.02	Oman	2027	5.43	-5.41
Bahrain	2032	6.71	-7.22	Oman	2032	6.23	-7.22
Bahrain	2051	7.73	-10.26	Oman	2051	7.55	-11.34
Dubai	2029	3.97	-8.98	Qatar	2026	3.20	-6.42
Dubai	2050	5.39	-19.09	Qatar	2030	3.58	-9.83
Kuwait	2027	3.06	-6.73	Qatar	2050	4.40	-20.27

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.40	8.08	-0.12	-9.16
S&P MENA Bond and Sukuk Index	3.99	NA	-0.23	-9.68
Bloomberg Emerging Markets USD Index	6.49	6.80	-0.28	-13.94
Bloomberg Global Aggregate Index	2.77	7.42	-0.35	-12.33

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	09/06/2022	31/12/2021	09/06/2022	31/12/2021	09/06/2022	31/12/2021
KIBOR	1.9375	1.5000	2.1875	1.7500	2.5000	2.0000
SAIBOR	3.1719	0.9057	3.2287	0.9829	3.4103	1.0600
BHIBOR	2.8000	1.5167	3.1764	1.6233	3.7146	1.7667
QATAR	1.1500	1.1250	1.3000	1.2000	1.8500	1.3250
AEIBOR	1.7100	0.3645	2.2149	0.7000	2.6975	0.7396
EURIBOR	-0.2980	-0.5730	0.0290	-0.5460	0.5610	-0.4980
LIBOR	1.6904	0.2144	2.2384	0.3451	2.8896	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.8245	4.27	427.9	KWD	0.3062	0.0000	-1.19	Crude Oil	123.92	64.52
2-Year	3.1567	2.83	235.4	SAR	3.7515	0.0000	0.11	Gold	1,856.50	1.12
5-Year	3.0999	1.82	126.4	EUR	1.0726	0.0933	-5.66	Silver	22.13	-5.51
7-Year	3.0912	1.86	109.5	GBP	1.2528	-0.0718	-7.42	Copper	442.90	-0.30
10-Year	3.1144	1.95	97.0	JPY	134.1000	0.1119	-14.18	Nat. Gas	8.23	126.20
30-Year	2.9653	1.00	71.3	CNH	6.6822	0.2873	-4.86	Aluminum	2,790.50	-0.43

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.79	-0.03	1.75	-0.06	NA	NA
5-Year	3.05	-0.06	1.87	-0.18	0.73	0.00
10-Year	3.04	-0.13	2.24	-0.32	1.19	0.00
30-Year	3.18	-0.17	2.45	-0.59	1.56	0.00

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	09-Jun 2022	31-Dec 2021
Kuwait	62.39	40.53
KSA	59.54	50.97
Abu Dhabi	58.35	43.09
Dubai	119.48	89.58
Qatar	58.84	42.55
Bahrain	300.91	286.32
Oman	247.52	254.42
Iraq	379.27	507.35
Egypt	751.67	496.58
Morocco	201.92	85.91
Turkey	765.80	555.46
US	16.37	10.01
UK	9.63	8.91
China	68.99	39.86
Japan	17.12	16.23
Germany	11.06	7.53
France	20.27	17.87