

News Updates

Turkey to Raise Inflation Forecast as Low Rates Fuel Price Surge -

Turkey is set to raise inflation forecasts after consumer prices surged to nearly three times its initial estimate, with the central bank doubling down on a cheap borrowing policy that's left it out of step with the global economy. In the second inflation report of the year, Governor Sahap Kavcioglu will update the bank's base-case scenario for prices through the rest of 2022 and the next two years, and answer questions from economists and reporters in Ankara. New projections would typically give investors clues on the central bank's path but they're giving less weight to official data as monetary policy has become more closely tethered to President Recep Tayyip Erdogan's political goals. (Source: Bloomberg)

Global Bonds Set for Worst Ever Month Before Burst of Rate Hikes -

Global bonds are closing in on their worst month on record as investors brace for a flurry of rate hikes in the coming week, including the most aggressive U.S. tightening since May 2000. The Bloomberg Global-Aggregate Total Return Index has lost 4.9% in April, putting it on track for the biggest monthly drop since its inception in 1990. Australia's three-year yields climbed as much as seven basis points to 2.74%. Fears of quickening inflation have torpedoed bonds worldwide, with a cut in Russian gas supply to Poland and Bulgaria and a red-hot Australian inflation print fueling expectations that the rout may continue. Swap traders are pricing in a half-point rate increase by the Federal Reserve on May 4 and also see the Reserve Bank of Australia and Bank of England raising borrowing costs next week. (Source: Bloomberg)

Fed Balance-Sheet Runoff Can Lift Real Yields Toward 2019 Highs -

The Federal Reserve's plans to reduce its balance sheet in coming years could add about 90 basis points to inflation-adjusted 10-year yields in the coming years, JPMorgan Chase & Co. strategists said. The so-called real yield was at minus 0.07% on Thursday, so an increase of that magnitude could put it within 35 basis points of the 1.16% reached in 2019 that was the highest since 2011. The Fed's quantitative tightening plans would add about 25 basis points to real yields once it ramped up to an annualized pace of \$1.1 trillion in asset reductions, the expected peak level for its run-off, wrote strategists led by Nikolaos Panigirtzoglou. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.07	-6.97	KSA	2027	3.14	-6.01
Abu Dhabi	2031	3.32	-10.30	KSA	2032	3.58	-9.89
Abu Dhabi	2050	4.09	-17.95	KSA	2050	4.59	-16.96
Bahrain	2028	5.30	-3.30	Oman	2027	4.99	-3.57
Bahrain	2032	6.57	-6.27	Oman	2032	5.88	-4.73
Bahrain	2051	7.55	-8.36	Oman	2051	7.15	-7.03
Dubai	2029	3.70	-7.36	Qatar	2026	3.17	-6.09
Dubai	2050	5.14	-15.71	Qatar	2030	3.50	-8.99
Kuwait	2027	3.07	-6.69	Qatar	2050	4.18	-17.23

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.16	8.08	-0.15	-8.07
S&P MENA Bond and Sukuk Index	3.82	NA	-0.07	-8.77
Bloomberg Emerging Markets USD Index	6.20	6.80	-0.38	-12.60
Bloomberg Global Aggregate Index	2.48	7.42	-0.70	-10.76

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	28/04/2022	31/12/2021	28/04/2022	31/12/2021	28/04/2022	31/12/2021
KIBOR	1.6875	1.5000	1.9375	1.7500	2.1875	2.0000
SAIBOR	2.3527	0.9057	2.5482	0.9829	2.9039	1.0600
BHIBOR	2.0583	1.5167	2.3167	1.6233	3.3500	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	1.3178	0.3645	1.9125	0.7000	2.5619	0.7396
EURIBOR	-0.4300	-0.5730	-0.2460	-0.5460	0.1110	-0.4980
LIBOR	1.2381	0.2144	1.8277	0.3451	2.5463	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.4114	1.98	350.7	KWD	0.3067	-0.1794	-1.35	Gold	1,885.60	2.85
2-Year	2.8730	-1.00	205.2	SAR	3.7512	0.0027	0.12	Silver	23.37	-0.19
5-Year	2.8849	-2.71	110.7	BHD	0.3770	0.0027	0.00	Copper	446.70	0.55
7-Year	2.8722	-2.75	94.6	QAR	3.6414	0.0055	0.01	Nat. Gas	7.31	104.22
10-Year	2.8793	-2.55	82.1	OMR	0.3850	-0.0026	-0.06	Aluminum	3,078.00	9.71
30-Year	2.6852	-2.38	55.1	AED	3.6730	0.0000	0.00	Crude Oil	104.78	37.16
US Treasuries				UK Gilts				German Bunds		
	Yield %	1D Δ (%)			Yield %	1D Δ (%)			Yield %	1D Δ (%)
2-Year	2.56	0.07			1.48	0.00			NA	NA
5-Year	2.79	0.16			1.57	0.00			0.21	0.02
10-Year	2.80	0.27			1.81	0.00			0.64	0.07
30-Year	2.90	0.50			1.94	-0.15			0.92	0.37

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	28-Apr 2022	31-Dec 2021
Kuwait	53.34	40.53
KSA	57.83	50.97
Abu Dhabi	57.27	43.09
Dubai	95.24	89.58
Qatar	57.83	42.55
Bahrain	285.33	286.32
Oman	219.55	254.42
Iraq	279.80	507.35
Egypt	744.25	496.58
Morocco	99.53	85.91
Turkey	599.65	555.46
US	15.85	10.01
UK	10.15	8.91
China	78.72	39.86
Japan	17.02	16.23
Germany	11.99	7.53
France	21.59	17.87