

News Updates

Moody's upgrades Bahrain's outlook to stable, affirms B2 ratings - Moody's Investors Service has changed the outlook on Bahrain to stable from negative and has affirmed its B2 long-term issuer and senior unsecured ratings. The change of outlook to stable reflects "an easing of downside risks to Bahrain's ratings." The ratings agency believes the increase in oil prices since early 2021 will remain elevated for the next few years, improving the outlook for the sovereign's fiscal and external balances, reducing the rate of government debt accumulation and lowering government liquidity and external vulnerability pressures. The stable outlook also takes into account the government's renewed commitment to its medium-term fiscal adjustment program, which "increases the likelihood that additional financial assistance from the neighboring Gulf Cooperation Council (GCC) sovereigns will be forthcoming in a timely manner if and when needed." (Source: Zawya)

Fitch Affirms Egypt at 'B+'; Outlook Stable - Fitch Ratings has affirmed Egypt's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'B+' with a Stable Outlook. Egypt's ratings are supported by its recent record of fiscal and economic reforms, its large economy with robust growth and strong support from bilateral and multilateral partners. The ratings remain constrained by weak external liquidity metrics amid still substantial reliance on non-resident investments in the local bond market, large fiscal deficits, high general government debt/GDP, and domestic and regional security and political risks. (Source: Fitch Ratings)

Cathie Wood Says Fed Won't Hike as Much as Market Priced In - The Federal Reserve isn't going to hike rates as much as markets are currently betting, according to Cathie Wood. The strategies of ARK Investment Management LLC, where Wood is founder and chief executive officer, have struggled recently amid fear of inflation, she stated. Wood expects inflation to end its spike and then decline in "dramatic" fashion, she said. Such a scenario might give the Fed leeway to boost rates less aggressively than is currently seen. There could be "a surprise in terms of interest rates not going up as much as the market has priced in," Wood said. Inflation in the U.S. is currently around the highest level in four decades. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.13	-7.28	KSA	2027	3.13	-6.01
Abu Dhabi	2031	3.32	-10.27	KSA	2032	3.55	-9.71
Abu Dhabi	2050	4.09	-18.04	KSA	2050	4.57	-16.75
Bahrain	2028	4.96	-1.67	Oman	2027	4.90	-3.23
Bahrain	2032	6.50	-5.81	Oman	2032	5.76	-4.05
Bahrain	2051	7.50	-7.79	Oman	2051	6.95	-4.79
Dubai	2029	3.59	-6.76	Qatar	2026	4.26	-10.19
Dubai	2050	5.02	-14.70	Qatar	2030	3.43	-8.84
Kuwait	2027	3.01	-6.52	Qatar	2050	4.17	-17.33

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.15	8.08	-0.37	-8.09
S&P MENA Bond and Sukuk Index	3.84	NA	-0.37	-8.94
Bloomberg Emerging Markets USD Index	6.15	6.80	-0.47	-12.40
Bloomberg Global Aggregate Index	2.55	7.42	-0.53	-10.44

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	24/04/2022	31/12/2021	24/04/2022	31/12/2021	24/04/2022	31/12/2021
KIBOR	1.6875	1.5000	1.9375	1.7500	2.1875	2.0000
SAIBOR	2.3512	0.9057	2.4334	0.9829	2.8310	1.0600
BHIBOR	1.9433	1.5167	2.2967	1.6233	3.1833	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	1.2462	0.3645	1.7960	0.7000	2.4750	0.7396
EURIBOR	-0.4270	-0.5730	-0.2680	-0.5460	0.0840	-0.4980
LIBOR	1.2137	0.2144	1.8237	0.3451	2.6067	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.4270	5.43	353.6	KWD	0.3056	0.0000	-1.00	Gold	1,934.30	5.50
2-Year	2.9615	-0.91	214.6	SAR	3.7505	0.0000	0.13	Silver	24.32	3.86
5-Year	2.9925	-4.12	118.5	BHD	0.3770	0.0080	0.01	Copper	460.20	3.59
7-Year	2.9672	-2.58	101.1	QAR	3.6414	0.0055	0.01	Nat. Gas	6.53	85.36
10-Year	2.9518	-0.93	86.7	OMR	0.3850	0.0000	-0.06	Aluminum	3,230.00	15.13
30-Year	2.7237	0.97	57.3	AED	3.6730	-0.0082	-0.01	Crude Oil	106.65	39.61

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.67	0.04	1.68	0.08	NA	NA
5-Year	2.93	0.20	1.75	0.20	0.40	-0.20
10-Year	2.90	0.12	1.96	0.49	0.84	-0.24
30-Year	2.94	-0.27	2.03	1.42	1.03	-0.02

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	24-Apr 2022	31-Dec 2021
Kuwait	51.34	40.53
KSA	53.47	50.97
Abu Dhabi	52.22	43.09
Dubai	93.19	89.58
Qatar	52.02	42.55
Bahrain	282.97	286.32
Oman	211.73	254.42
Iraq	279.81	507.35
Egypt	640.54	496.58
Morocco	98.50	85.91
Turkey	587.94	555.46
US	14.77	10.01
UK	9.40	8.91
China	71.28	39.86
Japan	16.31	16.23
Germany	11.95	7.53
France	23.93	17.87