

News Updates

UAE to Start Dirham Debt Sales Next Month to Build Local Market -

The United Arab Emirates expects to start sales of dirham-denominated Treasury bonds in May in a bid to build its local financial and banking sectors. In the UAE the sheikhdoms set separate budget policies and tend to issue their own debt, but the federation issued its first-ever dollar bond last year. The country also received its initial credit rating from Fitch Ratings in 2020, which placed it in the fourth-highest investment grade. The bond program "will enable market participants in the UAE to maintain a transparent, single, diversified and sustainable pool of dirham liquidity," Khaled Mohamed Balama, governor of the Gulf nation's central bank, said in a statement Wednesday. The issuance is "the next step forward in the development of the local capital market." (Source: Bloomberg)

Treasuries Retreat Amid Investor Concerns Over Fed Rate Path -

Treasuries fell Thursday to retrace some of the previous day's gains, but the curve flattened for a third session amid investor concerns that the Federal Reserve will tighten aggressively even at the risk of a severe economic slowdown. Shorter-dated notes led declines with yields on two-year debt rising five basis points to 2.62%, while 10-year peers were four basis points higher at 2.87%. The gap between the two narrowed to 24 basis points, after it topped 42 basis points on Tuesday for the first time since March 2. That signaled renewed unease about the capacity of the central bank to cool inflation without sparking a recession. The strongest inflation since the 1980s is spurring the Fed to consider the steepest tightening cycle since the record rate hikes carried out at the time by Chair Paul Volcker. (Source: Bloomberg)

Traders Bet on Three ECB Hikes in 2022 to Take Rate Above Zero -

Traders are betting on three quarter-point hikes from the European Central Bank this year, as they predict record high inflation will force officials to lift borrowing costs above zero. Money markets are pricing 75 basis points of tightening by the ECB's December decision, according to swap contracts linked to the euro short-term rate. That would turn the deposit rate positive for the first time since 2012 from an all-time low of minus 0.5% currently. Euro-zone inflation exceeded estimates by surging 7.5% in March from a year ago, as Russia's invasion of Ukraine further fanned energy costs. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.06	-6.88	KSA	2027	3.06	-5.69
Abu Dhabi	2031	3.24	-9.67	KSA	2032	3.48	-9.14
Abu Dhabi	2050	4.03	-17.22	KSA	2050	4.53	-16.22
Bahrain	2028	5.09	-2.30	Oman	2027	4.85	-3.01
Bahrain	2032	6.33	-4.52	Oman	2032	5.71	-3.52
Bahrain	2051	7.40	-6.58	Oman	2051	7.01	-5.43
Dubai	2029	3.52	-6.34	Qatar	2026	3.11	-5.85
Dubai	2050	5.06	-14.58	Qatar	2030	3.46	-8.68
Kuwait	2027	3.04	-6.57	Qatar	2050	4.12	-16.44

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.08	8.08	-0.10	-7.62
S&P MENA Bond and Sukuk Index	3.75	NA	0.06	-8.32
Bloomberg Emerging Markets USD Index	6.03	6.80	0.22	-11.67
Bloomberg Global Aggregate Index	2.47	7.42	0.63	-9.48

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	21/04/2022	31/12/2021	21/04/2022	31/12/2021	21/04/2022	31/12/2021
KIBOR	1.6875	1.5000	1.9375	1.7500	2.2500	2.0000
SAIBOR	2.2213	0.9057	2.4234	0.9829	2.8277	1.0600
BHIBOR	1.9267	1.5167	2.1633	1.6233	3.0500	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	1.2479	0.3645	1.7220	0.7000	2.3857	0.7396
EURIBOR	-0.4680	-0.5730	-0.3330	-0.5460	-0.0100	-0.4980
LIBOR	1.0983	0.2144	1.6071	0.3451	2.3026	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.2780	2.67	325.8	KWD	0.3056	0.0000	-1.00	Gold	1,952.30	6.49
2-Year	2.8665	2.74	204.5	SAR	3.7510	0.0000	0.13	Silver	25.18	7.54
5-Year	2.9440	2.26	115.0	BHD	0.3770	-0.0027	0.00	Copper	467.75	5.29
7-Year	2.9190	2.15	97.8	QAR	3.6414	0.0055	0.01	Nat. Gas	6.83	93.65
10-Year	2.9047	1.98	83.7	OMR	0.3850	0.0000	-0.06	Aluminum	3,250.75	15.87
30-Year	2.6890	1.79	55.3	AED	3.6730	-0.0082	-0.01	Crude Oil	108.37	41.86

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.59	-0.03	1.59	-0.06	NA	NA
5-Year	2.88	-0.09	1.67	-0.12	0.26	-0.18
10-Year	2.85	-0.13	1.93	-0.21	0.75	-0.32
30-Year	2.89	-0.33	2.08	-0.26	0.97	-0.22

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	21-Apr 2022	31-Dec 2021
Kuwait	51.32	40.53
KSA	52.17	50.97
Abu Dhabi	51.24	43.09
Dubai	93.14	89.58
Qatar	51.30	42.55
Bahrain	281.58	286.32
Oman	211.19	254.42
Iraq	279.74	507.35
Egypt	605.29	496.58
Morocco	98.87	85.91
Turkey	582.39	555.46
US	14.95	10.01
UK	9.15	8.91
China	69.12	39.86
Japan	15.65	16.23
Germany	11.87	7.53
France	23.95	17.87