

News Updates

Saudi Arabia’s nominal GDP expected to reach over USD 1trln for first time – Saudi Arabia expects its nominal gross domestic product (GDP) to reach around SAR 4 trillion during the year 2022, and this is for the first time in the Kingdom’s history, according to Minister of Finance Muhammad Al-Jadaan. Al-Jadaan said that the nominal GDP will reach SAR 3.97 trillion (USD 1.05 trillion) by the end of this year. “Expectations indicate that this figure will reach SAR 3.87 trillion in 2023, then rise to between SAR 3.9 trillion and SAR 4 trillion in 2024,” he said. The Ministry of Finance expected that the 2023 budget would achieve a surplus of SAR 16 billion, an increase of 77.7% from what it monitored in the preliminary statement at the end of September. The current year’s budget recorded the first surplus in nine years, amounting to SAR 102 billion. *(Source: Zawya)*

Oman's general budget records over USD 2bln surplus – A statement issued online by Oman News Agency said: "The general budget of the Sultanate of Oman recorded, at the end of October 2022, a financial surplus amounting to about OMR 1,208 million, compared to recording a deficit of OMR 1,007 million during the same period in 2021." The monthly bulletin of the Ministry of Finance indicated that the state's general revenues increased by 42.3% until the end of October 2022, to reach about OMR 11,862,000,000. Public spending until the end of October 2022 amounted to about OMR 10,654 million, an increase of OMR 1,315 million, 14% over actual spending for the same period in 2021. *(Source: Times of Oman)*

US Fed poised for smaller rate hike with eye on wage growth – The US Federal Reserve is poised to slow its interest rate hikes next week, economists say, as central bankers' most forceful moves in decades to fight inflation ripple through the economy. But the half-point jump analysts expect to see in the Fed's benchmark lending rate will still be a steep rise. The Fed has raised interest rates six times this year, including four bumper 0.75-point increases, bringing the rate to between 3.75% and 4%. The decision will be announced after a two-day meeting of the policy-setting Federal Open Market Committee starting Tuesday. Policy makers are keeping a close eye on wage growth, given concerns that higher salaries will add to inflation pressures. *(Source: Zawya)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.70	-9.50	KSA	2027	4.16	-9.43
Abu Dhabi	2031	3.88	-13.27	KSA	2032	4.25	-14.29
Abu Dhabi	2050	4.70	-25.69	KSA	2050	5.18	-24.00
Bahrain	2028	5.85	-5.22	Oman	2027	5.73	-6.43
Bahrain	2032	6.85	-7.94	Oman	2032	5.97	-5.92
Bahrain	2051	7.99	-12.97	Oman	2051	7.13	-6.98
Dubai	2029	4.58	-12.33	Qatar	2026	4.00	-8.82
Dubai	2050	5.78	-23.47	Qatar	2030	4.08	-13.78
Kuwait	2027	4.04	-10.56	Qatar	2050	4.70	-23.96

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.13	8.08	0.06	-10.19
S&P MENA Bond and Sukuk Index	4.85	NA	-0.08	-11.72
Bloomberg Emerging Markets USD Index	7.41	6.80	-0.16	-14.86
Bloomberg Global Aggregate Index	3.47	7.42	-0.37	-15.19

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	11/12/2022	31/12/2021	11/12/2022	31/12/2021	11/12/2022	31/12/2021
KIBOR	4.0000	1.5000	4.2500	1.7500	4.5625	4.4375
SAIBOR	5.2277	0.9057	5.6984	0.9829	5.9410	6.3719
BHIBOR	5.8047	1.5167	6.0951	1.6233	6.3581	6.3250
QATAR	4.8833	1.1250	5.0333	1.2000	5.2667	5.1000
AEIBOR	4.4750	0.3645	4.9416	0.7000	5.0775	5.1212
EURIBOR	2.0050	-0.5730	2.4660	-0.5460	2.8610	2.8110
LIBOR	4.7331	0.2144	5.1397	0.3451	5.4994	5.4513

USD Swap Rates				Currencies			Commodities				
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)	
1-Year	5.1210	1.83	857.2	KWD	0.3069	0.0326	-1.43	Crude Oil	76.10	5.04	
2-Year	4.6623	2.95	395.3	SAR	3.7603	-0.0080	-0.13	Gold	1,810.70	-1.80	
5-Year	3.8137	6.80	178.5	EUR	1.0553	-0.1516	-7.30	Silver	23.72	0.37	
7-Year	3.6563	8.84	147.8	GBP	1.2265	0.2043	-9.41	Copper	387.85	-11.66	
10-Year	3.5689	10.94	125.7	JPY	136.7100	0.0806	-15.73	Nat. Gas	6.25	52.69	
30-Year	3.2099	13.84	85.4	CNH	7.0189	-0.0431	-8.72	Aluminum	2,451.75	-11.39	
US Treasuries				UK Gilts			German Bunds				
	Yield %	1D Δ (%)			Yield %	1D Δ (%)			Yield %	1D Δ (%)	
2-Year	4.34	-0.07			3.34	-0.10			NA	NA	
5-Year	3.77	-0.27			3.21	-0.17			2.04	-0.15	
10-Year	3.58	-0.81			3.17	-0.79			1.87	-0.66	
30-Year	3.56	-2.48			3.56	-0.70			1.66	-1.83	

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	11-Dec 2022	31-Dec 2021
Kuwait	39.97	40.53
KSA	58.91	50.97
Abu Dhabi	45.90	43.09
Dubai	77.33	89.58
Qatar	46.22	42.55
Bahrain	222.10	286.32
Oman	161.00	254.42
Iraq	406.64	507.35
Egypt	NA	496.58
Morocco	195.64	85.91
Turkey	518.99	555.46
US	23.04	10.01
UK	23.69	8.91
China	73.30	39.86
Japan	20.92	16.23
Germany	17.04	7.53
France	24.57	17.87