

News Updates

S&P affirms Egypt's B/B sovereign credit ratings, outlook stable - S&P Global Ratings Egypt has affirmed Egypt's B/B long- and short-term foreign and local currency sovereign credit ratings while maintaining a stable outlook. The agency expects the Egyptian authorities to adopt a supportive monetary policy response, alongside significant external support to prevent a material deterioration in external and fiscal positions caused by rising commodity prices. Egypt is the world's largest importer of wheat. Among other commodities, the Russia-Ukraine conflict has led to a sharp increase in the price of wheat. Higher commodity prices are likely to increase Egypt's fiscal and external deficits, as well as financing pressures on the country, S&P said. Investor concerns with regard to Egypt's vulnerability to rising commodity prices led to a sharp outflow of foreign portfolio capital from the economy of about \$20bn in March 2022. (Source: Bloomberg)

ECB Has Room for 2-3 Rate Hikes This Year, Kazaks Says - European Central Bank Governing Council member Martins Kazaks says the central bank should raise interest rates soon and has room for as many as three hikes this year, Reuters reports, citing an interview with him. Markets are pricing two or three 25 basis point steps by the end of 2022, and he has no reason to object to this, Kazaks, who heads Latvia's central bank, said in the interview. A rate rise in July is possible and reasonable, he said. He also said ending the asset purchases program in early July is appropriate. ECB should raise rates by 25 basis points initially, but this increment is not final, Kazaks said. He said there's no particular reason the central bank should stop once it gets back to zero even if it's a psychological threshold. (Source: Bloomberg)

Positive U.S. Real Yields Add to Toxic Emerging-Market Cocktail - The long list of worries for emerging-market money managers threatens to expand further with positive real yields in the U.S. worsening an outlook already clouded by slowing growth and the war in Ukraine. The first warning shots were fired last week, when the inflation-adjusted rate on 10-year Treasuries briefly rose above zero for the first time in two years. While the level didn't hold for long, it did signal a turning point -- the era of negative yields that sent investors rushing to emerging markets. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.09	-7.02	KSA	2027	3.14	-6.03
Abu Dhabi	2031	3.31	-10.19	KSA	2032	3.57	-9.79
Abu Dhabi	2050	4.09	-18.00	KSA	2050	4.60	-17.00
Bahrain	2028	5.27	-3.17	Oman	2027	4.94	-3.43
Bahrain	2032	6.53	-6.01	Oman	2032	5.83	-4.41
Bahrain	2051	7.52	-7.94	Oman	2051	7.12	-6.67
Dubai	2029	3.68	-7.20	Qatar	2026	3.17	-6.08
Dubai	2050	5.13	-15.50	Qatar	2030	3.49	-8.93
Kuwait	2027	3.10	-6.80	Qatar	2050	4.17	-17.11

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.14	8.08	0.06	-8.03
S&P MENA Bond and Sukuk Index	3.81	NA	0.13	-8.83
Bloomberg Emerging Markets USD Index	6.18	6.80	-0.10	-12.48
Bloomberg Global Aggregate Index	2.49	7.42	0.13	-10.32

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	26/04/2022	31/12/2021	26/04/2022	31/12/2021	26/04/2022	31/12/2021
KIBOR	1.6875	1.5000	1.9375	1.7500	2.1875	2.0000
SAIBOR	2.3538	0.9057	2.4816	0.9829	2.8768	1.0600
BHIBOR	1.9767	1.5167	2.2967	1.6233	3.2500	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	1.2378	0.3645	1.8572	0.7000	2.6283	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	2.4140	1.15	351.2	KWD	0.3056	0.0000	-1.00	Gold	1,898.50	3.55
2-Year	2.9149	-0.04	209.7	SAR	3.7519	-0.0027	0.10	Silver	23.72	1.31
5-Year	2.9301	0.86	114.0	BHD	0.3770	0.0000	0.01	Copper	447.10	0.64
7-Year	2.8965	0.85	96.3	QAR	3.6414	0.0055	0.01	Nat. Gas	6.84	93.99
10-Year	2.8808	0.89	82.2	OMR	0.3850	0.0000	-0.06	Aluminum	3,071.50	9.48
30-Year	2.6763	1.35	54.6	AED	3.6730	0.0082	0.00	Crude Oil	102.29	33.90

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.62	0.01	1.55	-0.02	NA	NA
5-Year	2.87	-0.02	1.64	-0.11	0.29	-0.05
10-Year	2.83	-0.02	1.87	-0.31	0.71	-0.15
30-Year	2.90	-0.13	1.98	-0.68	0.97	-0.38

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	26-Apr 2022	31-Dec 2021
Kuwait	51.34	40.53
KSA	55.50	50.97
Abu Dhabi	54.74	43.09
Dubai	94.03	89.58
Qatar	55.41	42.55
Bahrain	285.00	286.32
Oman	216.20	254.42
Iraq	279.80	507.35
Egypt	680.77	496.58
Morocco	98.99	85.91
Turkey	591.13	555.46
US	15.86	10.01
UK	10.68	8.91
China	77.30	39.86
Japan	16.89	16.23
Germany	12.01	7.53
France	21.81	17.87