

News Updates

Lebanon Banks Reject Government's 'Disastrous' Recovery Plan - The Association of Banks in Lebanon rejected the government's draft financial recovery plan designed to end an economic collapse, in a move that could potentially derail talks with the International Monetary Fund over a \$3 billion program. ABL described the plan as "disastrous" because it put the "major portion" of losses from government policies and the central bank on lenders and depositors, the group said in a statement. Lebanon reached a preliminary deal with the IMF earlier this month for a \$3 billion loan to help it overcome its financial crisis, but the agreement won't be considered for final approval until authorities implement a series of deeply divisive reforms. Among those reforms are the passing of a capital controls law, the 2022 state budget, lifting of banking secrecy, approval of a bank restructuring strategy that recognizes and addresses the large losses in the sector and the unification of the multiple exchange rates in the market. *(Source: Bloomberg)*

Gold Extends Selloff as Outlook for Fed Hikes Boosts the Dollar - Gold fell for a third straight day on concern that the Federal Reserve will move aggressively to tighten monetary policy, boosting the dollar. Bullion declined to a two-week low following its worst weekly retreat in five. Fed Chair Jerome Powell has likely endorsed a 50 basis-point increase next month to contain inflation, while James Bullard at the St. Louis Fed has warned the central bank shouldn't rule out even larger increases like 75 basis points. Higher rates typically weigh on demand for the non-interest bearing precious metal. "Markets are suffering from indigestion over the possibility of a 75 basis point rate hike by the Fed next month," said Howie Lee, an economist at Oversea-Chinese Banking Corp. "The potential monetary tightening aggression, although a small possibility in our opinion, is pressuring gold lower." *(Source: Bloomberg)*

Banque Saudi Fransi Set to Benefit from Rate Hikes, SNB Says - Banque Saudi Fransi's "main earning driver" will be expected interest rate hikes this year, analysts at SNB Capital say, adding that liquidity pressure is still a risk for the Saudi-based lender. SNB Capital has a neutral rating on the stock, citing increasing competition and cost of risk, analyst Iyad Ghulam stated. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.08	-6.99	KSA	2027	3.13	-5.99
Abu Dhabi	2031	3.28	-10.02	KSA	2032	3.56	-9.76
Abu Dhabi	2050	4.10	-18.15	KSA	2050	4.61	-17.13
Bahrain	2028	5.25	-3.09	Oman	2027	4.95	-3.45
Bahrain	2032	6.51	-5.85	Oman	2032	5.81	-4.19
Bahrain	2051	7.51	-7.87	Oman	2051	7.10	-6.45
Dubai	2029	3.64	-7.06	Qatar	2026	3.17	-6.09
Dubai	2050	5.10	-15.17	Qatar	2030	3.52	-9.06
Kuwait	2027	3.09	-6.77	Qatar	2050	4.18	-17.34

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	
	25/04/2022	31/12/2021	25/04/2022	31/12/2021	25/04/2022	31/12/2021
KIBOR	1.6875	1.5000	1.9375	1.7500	2.1875	2.0000
SAIBOR	2.3487	0.9057	2.4487	0.9829	2.8848	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	2.4040	-2.30	349.3	KWD	0.3056	0.0000	-1.00	Gold	1,921.20	4.79
2-Year	2.9069	-5.46	208.8	SAR	3.7512	-0.0107	0.12	Silver	23.94	2.23
5-Year	2.9033	-8.92	112.0	BHD	0.3770	-0.0053	0.00	Copper	453.25	2.03
7-Year	2.8785	-8.87	95.1	QAR	3.6414	0.0055	0.01	Nat. Gas	6.42	82.01
10-Year	2.8693	-8.25	81.5	OMR	0.3850	0.0000	-0.06	Aluminum	3,230.00	15.13
30-Year	2.6697	-5.40	54.2	AED	3.6730	-0.0082	-0.01	Crude Oil	102.81	34.59

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.60	0.14	1.60	0.17	NA	NA
5-Year	2.85	0.40	1.66	0.42	0.35	0.13
10-Year	2.82	0.65	1.88	0.82	0.75	0.58
30-Year	2.89	0.99	1.98	1.05	0.98	1.16

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	25-Apr 2022	31-Dec 2021
Kuwait	51.31	40.53
KSA	54.18	50.97
Abu Dhabi	52.81	43.09
Dubai	93.66	89.58
Qatar	53.67	42.55
Bahrain	282.80	286.32
Oman	213.81	254.42
Iraq	279.69	507.35
Egypt	657.86	496.58
Morocco	98.86	85.91
Turkey	601.16	555.46
US	14.70	10.01
UK	9.35	8.91
China	75.63	39.86
Japan	16.46	16.23
Germany	11.94	7.53
France	23.86	17.87