

News Updates

Lebanon's Bond Restructuring Faces More Delays After Election - Lebanon's creditors are bracing for an even longer wait for a debt restructuring deal after an inconclusive parliamentary election cast more doubt about the country's ability to deliver reforms needed to unlock crucial International Monetary Fund aid. With no alliance winning a clear majority in Sunday's elections, it's not clear the deeply divided legislature can quickly form a new government, let alone bolster efforts to gain IMF cash. A deal with the Washington-based lender is seen as a prerequisite for a restructuring that could benefit bondholders. Two years after default, Lebanon's international bonds are languishing near record lows of 10 cents on the dollar, down about half a cent since before the vote. Counting the \$9 billion of debt in arrears, the government estimates that a total of \$37 billion worth of Eurobonds is included in the scope of the restructuring. *(Source: Bloomberg)*

Egypt's central bank, citing inflation, hikes interest rates 200 bps - The Central Bank of Egypt (CBE) on Thursday raised its overnight interest rates by 200 basis points, seeking to contain inflation expectations after prices soared by their quickest in three years. The bank's Monetary Policy Committee (MPC) increased the deposit rate to 11.25% from 9.25% and the lending rate to 12.25% from 10.25%, it said in a statement accompanying the decision. It cited an increase in annual urban inflation to 13.1 percent in April from 10.5 percent in March, its highest since May 2019. *(Source: Reuters)*

Moody's sees 'tough terrain' ahead for emerging economies as Russia-Ukraine war extends - Emerging economies will face a "tough terrain" for the next few quarters due to the Russia-Ukraine war, Atsi Sheth, global head of strategy and research for Moody's Investors Service, said on Thursday. While the overall picture is gloomy, commodity exporters will face better outcomes than other countries or companies, she added. The ratings agency forecasts in a report that nearly 30% of rated non-financial companies in emerging markets would face "heightened credit risks" in a worst-case scenario in which Russia's invasion of Ukraine triggers a global recession and liquidity squeeze, including a suspension of energy trade between Europe and Russia. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.21	-7.57	KSA	2027	3.28	-6.61
Abu Dhabi	2031	3.52	-11.67	KSA	2032	3.78	-11.37
Abu Dhabi	2050	4.32	-21.16	KSA	2050	4.84	-19.93
Bahrain	2028	5.81	-5.77	Oman	2027	5.61	-6.09
Bahrain	2032	7.13	-10.18	Oman	2032	6.34	-8.00
Bahrain	2051	8.04	-13.50	Oman	2051	7.71	-13.01
Dubai	2029	4.10	-9.62	Qatar	2026	3.29	-6.60
Dubai	2050	5.64	-22.41	Qatar	2030	3.60	-9.80
Kuwait	2027	3.21	-7.32	Qatar	2050	4.43	-20.56

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.48	8.08	0.10	-9.88
S&P MENA Bond and Sukuk Index	4.05	NA	0.28	-10.23
Bloomberg Emerging Markets USD Index	6.54	6.80	0.28	-14.51
Bloomberg Global Aggregate Index	2.57	7.42	0.12	-11.29

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	22/05/2022	31/12/2021	22/05/2022	31/12/2021	22/05/2022	31/12/2021
KIBOR	1.8750	1.5000	2.1250	1.7500	2.4375	2.0000
SAIBOR	2.6771	0.9057	2.9024	0.9829	3.1717	1.0600
BHIBOR	2.5925	1.5167	2.9656	1.6233	3.5417	1.7667
QATAR	1.1500	1.1250	1.3000	1.2000	1.8500	1.3250
AEIBOR	1.5599	0.3645	2.1052	0.7000	2.5875	0.7396
EURIBOR	-0.3480	-0.5730	-0.0780	-0.5460	0.3530	-0.4980
LIBOR	1.5064	0.2144	2.0656	0.3451	2.7300	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.5619	-0.81	378.9	KWD	0.3065	0.0000	-1.31	Gold	1,848.40	0.68
2-Year	2.8700	-3.35	204.9	SAR	3.7511	0.0000	0.11	Silver	21.67	-7.43
5-Year	2.8282	-5.08	106.5	BHD	0.3770	-0.0027	0.01	Copper	427.50	-3.77
7-Year	2.8222	-5.66	91.2	QAR	3.6414	0.0055	0.01	Nat. Gas	8.08	125.85
10-Year	2.8425	-6.52	79.8	OMR	0.3850	0.0000	-0.06	Aluminum	2,940.51	4.92
30-Year	2.7183	-7.08	57.0	AED	3.6730	-0.0054	-0.01	Crude Oil	112.55	48.40

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.58	0.06	1.48	-0.03	NA	NA
5-Year	2.80	0.20	1.59	-0.07	0.35	0.08
10-Year	2.78	0.51	1.89	-0.31	0.78	0.15
30-Year	2.99	1.26	2.13	-0.68	1.08	-0.96

	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	22-May 2022	31-Dec 2021
Kuwait	62.38	40.53
KSA	66.96	50.97
Abu Dhabi	66.85	43.09
Dubai	116.63	89.58
Qatar	67.10	42.55
Bahrain	322.29	286.32
Oman	256.48	254.42
Iraq	402.57	507.35
Egypt	902.92	496.58
Morocco	187.44	85.91
Turkey	715.97	555.46
US	16.37	10.01
UK	10.09	8.91
China	80.97	39.86
Japan	18.02	16.23
Germany	11.54	7.53
France	19.73	17.87