

News Updates

Moody's affirms Saudi Re's 'A3' IFS rating; outlook stable - Moody's Investors Service (Moody's) has affirmed the A3 Insurance Financial Strength Rating (IFSR) and the A1.sa national scale IFSR of Saudi Reinsurance Company (Saudi Re), with a stable outlook. Affirming the company's ratings reflect its strong brand and market position in Saudi Arabia as the sole Saudi professional reinsurer and a growing presence in its target markets of Asia, Africa, and Lloyd's, according to a recent press release. Meanwhile, the company has strong asset quality exemplified by its conservative investment portfolio, good capital adequacy, and strong financial flexibility. The stable outlook shows Moody's expectation that Saudi Re would maintain its strong balance sheet and track record of underwriting discipline and ensure risk management while pursuing growth opportunities. (Source: Mubasher)

Oman's economy projected to grow by about 4.5% this year - Oman's economy is projected to grow by about 4.5 per cent in 2022, benefiting from increased hydrocarbon production and continued recovery of non-hydrocarbon activities, according to a new report by the International Monetary Fund (IMF), led by Daniel Kanda. "The economy is strengthening, and inflation has been contained so far. Real GDP grew by 3 per cent in 2021, largely driven by the buoyant hydrocarbon sector," a staff team from the IMF, led by Kanda, who visited Muscat, Oman, during June 5-12, 2022 to discuss economic developments, the outlook, and the country's policy priorities. (Source: Times of Oman)

Moody's: More interest rate hikes likely this year as Fed seeks to tame inflation - The US Federal Reserve is likely to raise interest rates again after handing out last week the biggest increase in nearly three decades in a bid to tame record inflation, according to the latest analysis. The Fed rolled out a 75-basis-point hike in its benchmark rate on Wednesday, prompting states in the Gulf Cooperation Council (GCC), including the UAE, Saudi Arabia, Bahrain and Qatar, to adjust their key rates. The largest rate hike since 1994 is seen to further slow the economy and increase recession risks. In its latest analysis, Moody's said the Fed "is clearly planning on hiking rates more aggressively" in 2022 than what it assumed in the June baseline. It said the new forecast will be a rate hike of 50 basis points at Fed's July and September meetings, followed by a 25-basis-point rate hike in November and December, resulting in a cumulative hike of 150 basis points by the end of the year. The ratings agency also noted that the outlook for the rest of 2022 and the upcoming year is turning "less rosy", citing that tightening conditions in the financial markets will have economic costs. (Source: Zawya)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.55	-9.23	KSA	2027	3.75	-8.38
Abu Dhabi	2031	3.91	-14.19	KSA	2032	4.10	-13.65
Abu Dhabi	2050	4.55	-24.03	KSA	2050	5.09	-22.89
Bahrain	2028	6.24	-7.55	Oman	2027	6.04	-7.77
Bahrain	2032	7.25	-10.93	Oman	2032	6.78	-10.99
Bahrain	2051	8.24	-15.45	Oman	2051	7.94	-15.36
Dubai	2029	4.07	-9.60	Qatar	2026	3.72	-8.08
Dubai	2050	5.49	-20.80	Qatar	2030	3.99	-12.10
Kuwait	2027	3.44	-8.28	Qatar	2050	4.68	-23.65

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.78	8.08	0.21	-11.29
S&P MENA Bond and Sukuk Index	4.36	NA	0.03	-11.73
Bloomberg Emerging Markets USD Index	7.06	6.80	-0.14	-16.61
Bloomberg Global Aggregate Index	3.08	7.42	-0.31	-14.80

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	20/06/2022	31/12/2021	20/06/2022	31/12/2021	20/06/2022	31/12/2021
KIBOR	2.1250	1.5000	2.3750	1.7500	2.6875	2.0000
SAIBOR	3.2958	0.9057	3.4251	0.9829	3.7443	1.0600
BHIBOR	3.4583	1.5167	3.6433	1.6233	4.2500	1.7667
QATAR	1.1500	1.1250	1.3000	1.2000	1.8500	1.3250
AEIBOR	1.7525	0.3645	2.5075	0.7000	3.2829	0.7396
EURIBOR	-0.1690	-0.5730	0.2910	-0.5460	1.1240	-0.4980
LIBOR	2.0959	0.2144	2.7804	0.3451	3.5859	0.5888

USD Swap Rates					Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)	
1-Year	3.3940	1.47	534.4	KWD	0.3069	-0.0489	-1.42	Crude Oil	113.08	50.13	
2-Year	3.6000	5.59	282.4	SAR	3.7528	-0.0027	0.07	Gold	1,845.70	0.53	
5-Year	3.3928	0.68	147.7	EUR	1.0523	0.2286	-7.45	Silver	21.81	-7.02	
7-Year	3.3222	5.51	125.1	GBP	1.2236	-0.0490	-9.58	Copper	401.55	-9.37	
10-Year	3.2906	4.74	108.1	JPY	134.9700	0.0445	-14.73	Nat. Gas	6.72	84.77	
30-Year	3.0008	6.79	73.3	CNH	6.6754	0.5124	-4.76	Aluminum	2,483.25	-11.26	
US Treasuries					UK Gilts			German Bunds			
	Yield %		1D Δ (%)		Yield %		1D Δ (%)		Yield %		1D Δ (%)
2-Year	3.18		0.01		2.17		-0.15		NA		NA
5-Year	3.34		0.01		2.19		-0.15		1.13		0.00
10-Year	3.23		0.02		2.49		0.17		1.53		0.00
30-Year	3.28		0.05		2.66		0.13		1.81		0.00

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	20-Jun 2022	31-Dec 2021
Kuwait	59.89	40.53
KSA	61.85	50.97
Abu Dhabi	60.83	43.09
Dubai	112.27	89.58
Qatar	61.37	42.55
Bahrain	303.12	286.32
Oman	249.95	254.42
Iraq	450.91	507.35
Egypt	908.91	496.58
Morocco	216.52	85.91
Turkey	821.11	555.46
US	15.61	10.01
UK	10.64	8.91
China	83.26	39.86
Japan	21.20	16.23
Germany	10.71	7.53
France	19.64	17.87