

News Updates

Fitch revises Saudi Aramco's outlook to positive from stable - Fitch Ratings has revised the outlook on the world's largest oil producer, Saudi Aramco, to positive from stable, following a similar rating action on Saudi Arabia and has affirmed the Long-Term Foreign & Local Currency Issuer Default Ratings at 'A'. According to the ratings agency, Aramco's financial profile benefits from strong pre-dividend free cash flow generation and conservative leverage. Its business profile is characterised by large scale production, vast reserves, low output costs and expansion into downstream and petrochemicals. Its upstream operations focus on a single country and, compared with global oil and gas majors, its operations are skewed towards crude oil production. (Source: Zawya)

Egypt eyes issuance of yuan-denominated bonds in China - Egypt aims to cooperate with China to issue yuan-denominated bonds in the Chinese market, the world's second-largest bonds market, according to an official statement by the Ministry of Finance on May 11th. This step will help Egypt to diversify financing resources and tools and to attract new investors and will assist in cutting costs, Egyptian Minister of Finance Mohamed Maait said during his meeting with the Chinese Ambassador to Cairo Liao Liqiang. The Egyptian government is keen on reinforcing the trade exchange with China as well as strengthening mutual economic ties and investments between the two countries, the minister stressed. (Source: Arab Finance)

Fitch Affirms Morocco at 'BB+'; Outlook Stable - Fitch Ratings has affirmed Morocco's Long-Term Foreign-Currency Issuer Default Rating at 'BB+' with a Stable Outlook. Fitch stated that Morocco's 'BB+' ratings reflect favourable debt composition, including a moderate share of foreign currency in total general government debt and official creditor support; reasonably comfortable external liquidity buffers; and a record of macroeconomic stability, reflected in relatively low inflation and GDP volatility pre-pandemic. These strengths are balanced against weak development and governance indicators, high public debt and budget and current account deficits larger than peers. (Source: Fitch Ratings)

U.S. Treasury's Yellen says Fed can bring down inflation without causing recession - U.S. Treasury Secretary Janet Yellen said that she believes the Federal Reserve can bring down inflation without causing a recession because of a strong U.S. job market and household balance sheets, low debt costs and a strong banking sector Yellen told a U.S. House of Representatives Financial Services Committee hearing on Thursday that "all of those things suggest that the Fed has a path to bring down inflation without causing a recession, and I know it will be their objective to try to accomplish that." (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.32	-8.21	KSA	2027	3.32	-6.83
Abu Dhabi	2031	3.67	-12.67	KSA	2032	3.82	-11.64
Abu Dhabi	2050	4.41	-22.28	KSA	2050	4.90	-20.76
Bahrain	2028	5.83	-5.82	Oman	2027	5.60	-6.03
Bahrain	2032	7.21	-10.73	Oman	2032	6.41	-8.47
Bahrain	2051	8.15	-14.60	Oman	2051	7.72	-13.42
Dubai	2029	4.11	-9.62	Qatar	2026	4.45	-10.78
Dubai	2050	5.63	-22.72	Qatar	2030	3.65	-10.23
Kuwait	2027	3.21	-7.32	Qatar	2050	4.55	-22.09

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.50	8.08	-0.02	-10.23
S&P MENA Bond and Sukuk Index	4.10	NA	0.04	-10.69
Bloomberg Emerging Markets USD Index	6.58	6.80	-0.09	-14.56
Bloomberg Global Aggregate Index	2.58	7.42	-0.41	-12.16

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	16/05/2022	31/12/2021	16/05/2022	31/12/2021	16/05/2022	31/12/2021
KIBOR	1.8750	1.5000	2.1250	1.7500	2.3750	2.0000
SAIBOR	2.3776	0.9057	2.7750	0.9829	3.1084	1.0600
BHIBOR	2.5906	1.5167	2.9453	1.6233	3.5417	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	1.4009	0.3645	2.0788	0.7000	2.6225	0.7396
EURIBOR	-0.4030	-0.5730	-0.2090	-0.5460	0.1820	-0.4980
LIBOR	1.4437	0.2144	1.9950	0.3451	2.6521	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.5100	0.14	369.2	KWD	0.3068	0.0000	-1.40	Gold	1,806.90	-1.45
2-Year	2.8735	0.00	205.3	SAR	3.7511	0.0000	0.11	Silver	21.05	-10.10
5-Year	2.9151	-0.59	112.9	BHD	0.3770	0.0000	0.01	Copper	416.10	-6.34
7-Year	2.9413	-1.11	99.3	QAR	3.6414	0.0055	0.01	Nat. Gas	7.81	118.08
10-Year	2.9829	-1.51	88.7	OMR	0.3850	0.0000	-0.06	Aluminum	2,760.75	-1.60
30-Year	2.8338	-1.31	63.7	AED	3.6727	0.0082	0.00	Crude Oil	109.31	44.13

US Treasuries			UK Gilt		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.58	0.01	1.22	-0.14	NA	NA
5-Year	2.86	0.03	1.37	-0.40	0.22	0.00
10-Year	2.90	0.16	1.74	-0.88	0.77	0.00
30-Year	3.07	0.31	1.99	-1.55	1.09	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	16-May 2022	31-Dec 2021
Kuwait	58.37	40.53
KSA	66.14	50.97
Abu Dhabi	65.43	43.09
Dubai	112.33	89.58
Qatar	65.73	42.55
Bahrain	303.15	286.32
Oman	246.76	254.42
Iraq	402.58	507.35
Egypt	840.46	496.58
Morocco	106.39	85.91
Turkey	704.83	555.46
US	16.00	10.01
UK	8.73	8.91
China	81.14	39.86
Japan	18.45	16.23
Germany	10.83	7.53
France	19.88	17.87