

News Updates

Arada Developments hires banks for debut dollar sukuk - Arada Developments, the largest developer in the United Arab Emirate of Sharjah, has hired banks to arrange a debut sale of U.S. dollar-denominated Islamic bonds, a document showed on Tuesday. The deal could be the first dollar bond sale out of the Gulf since late March, when the Sharjah government raised \$750 million, also with sukuk. The region has seen a dearth of bond sales this year amid enduring market volatility and as many issuers turn to loans. Dubai Islamic Bank Emirates NBD Capital and Standard Chartered Bank were hired as joint global coordinators. They are joined by Abu Dhabi Commercial Bank, Ajman Bank, Al Rajhi Capital, Kamco Invest, Mashreq, Sharjah Islamic Bank and Warba Bank as joint lead managers and bookrunners, the document from one of the banks showed. The real estate developer is rated B1 by Moody's and B+ by Fitch. *(Source: Reuters)*

Fitch Affirms Islamic Development Bank at 'AAA'; Outlook Stable - Fitch Ratings has affirmed Islamic Development Bank's (IsDB) Long-Term Issuer Default Rating at 'AAA' with a Stable Outlook and Short-Term IDR at 'F1+'. The trust certificates issued by IDB Trust Services Ltd and IsDB Trust Services No.2 SARL have also been affirmed at 'AAA'. IsDB's ratings are driven by its Standalone Credit Profile, with solvency and liquidity both assessed at 'aaa'. The affirmation and Stable Outlook reflect Fitch's expectation that the bank's SCP will remain commensurate with its 'AAA' rating over the medium term, supported by robust liquidity buffers and a large capital increase. *(Source: Fitch Ratings)*

Treasury Yields Slide as Fed's Path Is Repriced After Weak Data - Treasury yields plunged Tuesday as worse-than-expected economic data and sliding equities sparked a flight to the safety of US debt and prompted traders to dial back the expected pace of Federal Reserve interest-rate increases. Shorter-maturity yields led declines, with the two-year falling as much as 16 basis points to 2.46%. Traders are pricing in 135 basis points of Fed hikes over its next three meetings, down from 141 basis points on Monday. Longer-dated yields also fell, with the 10-year sliding as much as 13 basis points to 2.72%, the lowest this month. Yields were little changed in early Wednesday trade. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.11	-7.07	KSA	2027	3.13	-6.04
Abu Dhabi	2031	3.47	-11.22	KSA	2032	3.68	-10.62
Abu Dhabi	2050	4.25	-20.25	KSA	2050	4.77	-19.21
Bahrain	2028	5.85	-5.82	Oman	2027	5.51	-5.80
Bahrain	2032	7.12	-10.08	Oman	2032	6.30	-7.69
Bahrain	2051	8.00	-12.96	Oman	2051	7.68	-12.66
Dubai	2029	4.06	-9.35	Qatar	2026	3.14	-6.18
Dubai	2050	5.68	-22.40	Qatar	2030	3.60	-9.77
Kuwait	2027	3.13	-6.94	Qatar	2050	4.34	-19.55

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.41	8.08	0.43	-9.34
S&P MENA Bond and Sukuk Index	4.02	NA	0.31	-9.98
Bloomberg Emerging Markets USD Index	6.47	6.80	0.38	-14.09
Bloomberg Global Aggregate Index	2.53	7.42	0.63	-10.65

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	25/05/2022	31/12/2021	25/05/2022	31/12/2021	25/05/2022	31/12/2021
KIBOR	1.8750	1.5000	2.1250	1.7500	2.4375	2.0000
SAIBOR	2.7799	0.9057	3.0223	0.9829	3.2524	1.0600
BHIBOR	2.6356	1.5167	2.9833	1.6233	3.5417	1.7667
QATAR	1.1500	1.1250	1.3000	1.2000	1.8500	1.3250
AEIBOR	1.5781	0.3645	2.1326	0.7000	2.4964	0.7396
EURIBOR	-0.3630	-0.5730	-0.0850	-0.5460	0.3480	-0.4980
LIBOR	1.5239	0.2144	2.0619	0.3451	2.7180	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.5143	0.11	370.0	KWD	0.3065	0.0000	-1.31	Gold	1,866.90	1.69
2-Year	2.8019	0.71	197.7	SAR	3.7509	0.0000	0.13	Silver	22.06	-5.78
5-Year	2.7871	1.73	103.5	BHD	0.3770	0.0000	0.00	Copper	430.55	-3.08
7-Year	2.7906	1.70	89.1	QAR	3.6414	0.0055	0.01	Nat. Gas	8.91	148.98
10-Year	2.8246	1.61	78.7	OMR	0.3850	-0.0052	-0.06	Aluminum	2,882.90	2.87
30-Year	2.7292	1.19	57.7	AED	3.6730	0.0000	0.00	Crude Oil	114.85	51.44

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.52	0.00	1.43	0.22	NA	NA
5-Year	2.76	-0.07	1.55	0.50	0.38	0.10
10-Year	2.77	-0.12	1.88	0.84	0.81	0.34
30-Year	2.98	-0.20	2.13	1.02	1.14	0.58

	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-May 2022	31-Dec 2021
Kuwait	66.40	40.53
KSA	66.25	50.97
Abu Dhabi	64.63	43.09
Dubai	116.59	89.58
Qatar	65.97	42.55
Bahrain	314.16	286.32
Oman	249.41	254.42
Iraq	474.21	507.35
Egypt	846.40	496.58
Morocco	196.78	85.91
Turkey	726.62	555.46
US	16.00	10.01
UK	9.74	8.91
China	77.29	39.86
Japan	18.49	16.23
Germany	10.67	7.53
France	20.37	17.87