

News Updates

GCC will see \$100bn fiscal surplus in 2022 – IMF – The Gulf Cooperation Council region will have an overall fiscal surplus of \$100 billion in 2022, as reforms have allowed countries to save far more resources than in previous growth periods. Analysis by the International Monetary Fund said that the rise in expenditures, particularly on wages, has been contained so far, as the region’s governments have carried out reforms to allow them to save resources amid rising hydrocarbon prices. GDP growth in the region is expected to double this year, reaching 6.5%, and countries should maintain their reform momentum irrespective of hydrocarbon prices, the fund said.

(Source: Zawya)

Saudi PIF secures record-breaking \$17bn seven-year senior unsecured term loan – Saudi Arabia’s Public Investment Fund has announced that it has secured a new \$17 billion seven-year senior unsecured term loan, according to a statement. The loan is the largest-of-its-kind general corporate purpose loan worldwide and was twice oversubscribed. The new loan falls in line with the sovereign wealth fund’s strategy of diversifying its funding sources in an attempt to prompt effective investment in the Kingdom and globally. The PIF’s \$11 billion five-year loan which was arranged back in 2018 is set to be repaid early. (Source: Arab News)

Fed's Powell: Rate hikes to slow, but adjustment just beginning – Federal Reserve Chair Jerome Powell on Wednesday said it was time to slow the pace of coming interest rate hikes while also signaling a protracted economic adjustment to a world where borrowing costs will remain high, inflation comes down slowly and the United States remains chronically short of workers. Powell gave a short-term message that sent markets soaring: The Fed was "slowing down" from the breakneck pace of three-quarter percentage point rate hikes that have prevailed since June, and would feel the way towards the peak interest rate needed to slow inflation to the Fed's 2% target. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.99	-10.71	KSA	2027	4.35	-10.11
Abu Dhabi	2031	4.18	-15.19	KSA	2032	4.54	-16.09
Abu Dhabi	2050	4.97	-28.84	KSA	2050	5.40	-26.29
Bahrain	2028	5.99	-5.87	Oman	2027	5.83	-6.77
Bahrain	2032	7.00	-8.97	Oman	2032	6.11	-6.74
Bahrain	2051	8.09	-13.98	Oman	2051	7.40	-9.94
Dubai	2029	4.74	-13.11	Qatar	2026	4.22	-9.43
Dubai	2050	6.07	-26.61	Qatar	2030	4.35	-14.95
Kuwait	2027	4.32	-11.44	Qatar	2050	4.94	-26.57

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.34	8.08	-0.18	-11.72
S&P MENA Bond and Sukuk Index	5.05	NA	-0.04	-13.07
Bloomberg Emerging Markets USD Index	7.59	6.80	0.52	-15.98
Bloomberg Global Aggregate Index	3.53	7.42	-0.01	-16.70

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	01/12/2022	31/12/2021	01/12/2022	31/12/2021	01/12/2022	31/12/2021
KIBOR	4.0000	1.5000	4.2500	1.7500	4.5000	4.4375
SAIBOR	5.4444	0.9057	5.7403	0.9829	6.0565	6.3719
BHIBOR	5.8076	1.5167	6.1083	1.6233	6.3660	6.3250
QATAR	4.9500	1.1250	5.0500	1.2000	5.3000	5.1000
AEIBOR	4.4780	0.3645	4.8091	0.7000	5.1318	5.1212
EURIBOR	1.9840	-0.5730	2.4420	-0.5460	2.8920	2.8110
LIBOR	4.7606	0.2144	5.2089	0.3451	5.5534	5.4513

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	5.1155	0.82	856.2	KWD	0.3076	-0.0488	-1.64	Crude Oil	86.76	19.75
2-Year	4.6405	1.17	393.0	SAR	3.7602	-0.0293	-0.10	Gold	1,793.50	-2.73
5-Year	3.7918	1.68	176.9	EUR	1.0445	0.3652	-8.14	Silver	22.55	-4.59
7-Year	3.6421	0.83	146.8	GBP	1.2100	0.3400	-10.59	Copper	378.30	-13.84
10-Year	3.5687	0.24	125.7	JPY	136.3000	1.3060	-15.56	Nat. Gas	6.99	70.78
30-Year	3.3000	0.70	90.6	CNH	7.0573	-0.1559	-9.92	Aluminum	2,455.00	-11.28

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.33	-0.04	3.22	-0.06	NA	NA
5-Year	3.75	-0.06	3.23	-0.19	2.05	-0.04
10-Year	3.61	-0.02	3.15	-0.53	1.87	-0.02
30-Year	3.74	-0.02	3.42	-0.90	1.74	-0.03

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	B3	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	01-Dec 2022	31-Dec 2021
Kuwait	39.99	40.53
KSA	58.08	50.97
Abu Dhabi	44.99	43.09
Dubai	91.55	89.58
Qatar	46.18	42.55
Bahrain	233.23	286.32
Oman	157.77	254.42
Iraq	507.91	507.35
Egypt	NA	496.58
Morocco	238.21	85.91
Turkey	521.75	555.46
US	26.23	10.01
UK	23.74	8.91
China	71.49	39.86
Japan	22.47	16.23
Germany	17.32	7.53
France	25.31	17.87