

News Updates

DP World's 4x Leverage Target May Be at Risk From Weak Markets – DP World's aim of reaching 4x net debt/Ebitda, pre-operating leases, this year may entail another \$2 billion or more of asset sales. Yet current volatile market conditions could pressure valuations, though better-quality, cash-generative infrastructure assets may still be in demand. Even under Bloomberg's upside scenario, which assumes 6% Ebitda growth, leverage may be close to 5x. Despite committing to deleveraging, it announced the acquisitions of Syncreon and Imperial Logistics, totaling more than \$2 billion vs. about \$800 million of asset sales, including a stake in Le Havre terminal operations. DP World was reported to have hired advisors last June to gauge buyer interest in a minority stake in the Jebel Ali Free Zone (JAFZ) but has yet to announce a deal. JAFZ was acquired at an enterprise value of \$3.5 billion in 2014. (Source: Bloomberg)

Egypt Inflation at Near-3-Year High as War Impact Hits Home – Inflation in urban parts of Egypt surged into double digits for the first time since May 2019 as soaring global food prices caused by the war in Ukraine pile more pressure on the North African nation's economy. Consumer prices climbed 10.5% year-on-year in March, up from 8.8% the previous month, the state-run statistics agency CAPMAS said Sunday. Inflation is likely to accelerate again in April as the impact of a recent devaluation of the Egyptian pound filters through the economy. Consumer prices climbed 2.2%. The steady annual rise is weighing on Egypt's inflation-adjusted interest rate, which had been one of the world's highest in recent years, helping to draw in billions of dollars in foreign investment in local debt. The central bank in March made its first rate hike since 2017 and most analysts predict more rises this year after Russia's invasion of its neighbor tempered global appetite for riskier assets. The world's largest wheat importer, Egypt has been hit hard by the spike in global commodity prices and is also looking to limit the impact to its tourism sector, which previously relied on Russians and Ukrainians for about a third of all arrivals. (Source: Bloomberg)

Gold Climbs as Investors Weigh Inflation Risks, Fed Comments – Gold climbed for a fifth straight day amid risk-off sentiment in markets as traders assessed comments from the Federal Reserve on its monetary-policy tightening trajectory ahead of the release of U.S. inflation data later Tuesday. Bullion is being buoyed by demand for inflation hedges and haven assets amid Russia's war in Ukraine and risks to global growth, but the prospects of higher interest rates are capping gains on the non-interest bearing metal. Surging bond yields and the stronger dollar, both trends that reflect expectations of faster Fed policy tightening, are also weighing on gold. Charles Evans, the Fed Bank of Chicago president who has long been one of the U.S. central bank's more dovish policy makers, said an accelerated pace of interest-rate increases to combat inflation is worth debating. Meanwhile, Fed Governor Christopher Waller said it's doing all it can to avoid "collateral damage" from raising interest rates, a "brute-force tool" that can act as a "hammer" on the economy. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.00	-6.64	KSA	2027	3.04	-5.62
Abu Dhabi	2031	3.14	-8.97	KSA	2032	3.44	-8.79
Abu Dhabi	2050	3.95	-15.98	KSA	2050	4.44	-14.97
Bahrain	2028	4.93	-1.56	Oman	2027	4.67	-2.25
Bahrain	2032	6.06	-2.55	Oman	2032	5.55	-2.27
Bahrain	2051	7.22	-4.45	Oman	2051	6.82	-3.08
Dubai	2029	3.45	-5.94	Qatar	2026	3.03	-5.57
Dubai	2050	4.90	-12.30	Qatar	2030	3.37	-8.11
Kuwait	2027	2.93	-6.11	Qatar	2050	4.01	-14.89

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.96	8.08	-0.63	-6.73
S&P MENA Bond and Sukuk Index	3.65	NA	-0.73	-7.52
Bloomberg Emerging Markets USD Index	5.92	6.80	-0.74	-11.12
Bloomberg Global Aggregate Index	2.41	7.42	-0.50	-8.81

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	12/04/2022	31/12/2021	12/04/2022	31/12/2021	12/04/2022	31/12/2021
KIBOR	1.6875	1.5000	1.9375	1.7500	2.1875	2.0000
SAIBOR	2.3441	0.9057	2.3992	0.9829	2.8098	1.0600
BHIBOR	1.9133	1.5167	2.1633	1.6233	2.8667	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	1.1120	0.3645	1.6685	0.7000	2.2898	0.7396
EURIBOR	-0.4490	-0.5730	-0.3500	-0.5460	-0.0480	-0.4980
LIBOR	1.0107	0.2144	1.5404	0.3451	2.2716	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.1461	2.57	301.1	KWD	0.3050	-0.0820	-0.79	Gold	1,961.10	6.97
2-Year	2.7860	2.99	196.0	SAR	3.7503	-0.0080	0.14	Silver	25.36	8.44
5-Year	2.8958	3.90	111.4	BHD	0.3771	0.0000	-0.01	Copper	465.80	4.59
7-Year	2.8952	4.38	96.2	QAR	3.6414	0.0055	0.01	Nat. Gas	6.79	92.71
10-Year	2.8955	4.83	83.1	OMR	0.3850	0.0000	-0.06	Aluminum	3,223.25	14.85
30-Year	2.6871	3.86	55.2	AED	3.6731	-0.0082	-0.01	Crude Oil	101.26	32.56

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.53	-0.06	1.56	-0.03	NA	NA
5-Year	2.82	-0.15	1.63	-0.11	0.26	-0.02
10-Year	2.82	-0.30	1.87	-0.27	0.72	-0.18
30-Year	2.84	-0.47	2.01	-0.49	0.91	-0.45

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+u	B+
Tunisia	Caa1	NR	CCC
Morocco	Ba1	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	12-Apr 2022	31-Dec 2021
Kuwait	51.32	40.53
KSA	52.11	50.97
Abu Dhabi	51.21	43.09
Dubai	91.53	89.58
Qatar	50.90	42.55
Bahrain	283.15	286.32
Oman	219.33	254.42
Iraq	317.96	507.35
Egypt	567.79	496.58
Morocco	98.62	85.91
Turkey	597.28	555.46
US	15.98	10.01
UK	10.59	8.91
China	67.94	39.86
Japan	16.33	16.23
Germany	13.04	7.53
France	23.75	17.87