

News Updates

World Bank approves \$150 million food security loan for Lebanon

The World Bank on Monday approved a \$150 million loan to help Lebanon fund wheat imports and keep bread prices stable for nine months, the country's economy minister told Reuters. The program, known as the Lebanon Wheat Supply Emergency Response Project, still needs approval by the country's cabinet and parliament, said Amin Salam. A World Bank spokesperson said the loan aimed to "finance immediate wheat imports to avoid the disruption in supply over the short term and help secure affordable bread for poor and vulnerable households including... refugees in Lebanon." *(Source: Reuters)*

Fitch Ratings: Saudi Arabian Banks Recovering Well from Pandemic Pressures

The pandemic's impact on Saudi Arabian banks has been contained and pressures on the operating environment have largely eased, says Fitch Ratings in a new peer review. The sector's economic activity is recovering well, supported by soaring oil prices that underpin government spending. The banks' financial metrics have mostly stabilised and Fitch expects these to be further supported by higher interest rates in 2022–2023. *(Source: Fitch Ratings)*

Global bond funds post massive outflows in the week to May 4

Global bond funds faced big outflows in the week to May 4 as soaring inflationary pressure fueled caution ahead of the Federal Reserve's policy decision this week. According to Refinitiv Lipper, investors exited global bond funds worth \$11.99 billion in their fifth weekly net selling in a row. Fanning inflationary fears, data last week showed strong U.S. consumer spending in March and a jump in labor costs in the first quarter, which raised concerns that the Fed would tighten policy more aggressively than planned earlier. *(Source: Reuters)*

Oil Extends Slump as Europe Softens Russian Sanction Proposals

Oil extended its biggest drop in more than five weeks after the European Union softened its proposed sanctions on Russian crude exports and as economic growth concerns weighed on sentiment. West Texas Intermediate futures fell below \$102 a barrel in Asian trading after sliding around 6% on Monday. The bloc will scrap a proposed ban on EU-owned vessels transporting Russian crude after objections from members including Greece. Talks on a sixth package of sanctions are continuing. Central banks have tightened monetary policy to rein in inflation that's been fanned by Russia's war in Ukraine, and investors will be keenly watching the April U.S. consumer-price index print on Wednesday. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.42	-8.51	KSA	2027	3.41	-7.07
Abu Dhabi	2031	3.83	-13.83	KSA	2032	3.92	-12.46
Abu Dhabi	2050	4.55	-23.96	KSA	2050	4.95	-21.41
Bahrain	2028	5.73	-5.37	Oman	2027	5.45	-5.45
Bahrain	2032	7.21	-10.71	Oman	2032	6.35	-7.98
Bahrain	2051	8.08	-13.80	Oman	2051	7.45	-11.17
Dubai	2029	4.07	-9.47	Qatar	2026	3.44	-7.26
Dubai	2050	5.69	-23.53	Qatar	2030	3.83	-10.85
Kuwait	2027	3.25	-7.51	Qatar	2050	4.62	-23.06

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.54	8.08	-0.49	-10.64
S&P MENA Bond and Sukuk Index	4.13	NA	-0.19	-11.01
Bloomberg Emerging Markets USD Index	6.56	6.80	-0.36	-14.56
Bloomberg Global Aggregate Index	2.66	7.42	-0.02	-12.44

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	10/05/2022	31/12/2021	10/05/2022	31/12/2021	10/05/2022	31/12/2021
KIBOR	1.8125	1.5000	2.0625	1.7500	2.3125	2.0000
SAIBOR	2.5142	0.9057	2.7049	0.9829	3.0045	1.0600
BHIBOR	2.5667	1.5167	2.9161	1.6233	3.5417	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	1.4470	0.3645	2.0917	0.7000	2.6500	0.7396
EURIBOR	-0.4260	-0.5730	-0.2060	-0.5460	0.2460	-0.4980
LIBOR	1.4019	0.2144	1.9646	0.3451	2.6947	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.4458	1.56	357.2	KWD	0.3068	0.0815	-1.37	Gold	1,862.60	1.59
2-Year	2.8964	0.99	207.7	SAR	3.7511	0.0000	0.12	Silver	22.05	-5.85
5-Year	3.0182	1.21	120.4	BHD	0.3770	0.0000	0.00	Copper	424.20	-4.51
7-Year	3.0638	1.75	107.6	QAR	3.6414	0.0055	0.01	Nat. Gas	7.06	97.23
10-Year	3.1064	1.79	96.5	OMR	0.3850	0.0026	-0.06	Aluminum	2,723.00	-2.94
30-Year	2.8942	1.41	67.2	AED	3.6731	-0.0082	-0.01	Crude Oil	105.21	38.73

US Treasuries			UK Gilts			German Bunds		
Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)	
2-Year	2.61	-0.02	1.36	0.21		NA	NA	
5-Year	2.96	-0.04	1.57	0.39		0.36	0.00	
10-Year	3.05	-0.10	1.95	0.40		0.93	0.00	
30-Year	3.16	-0.18	2.16	0.27		1.20	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	10-May 2022	31-Dec 2021
Kuwait	53.36	40.53
KSA	66.70	50.97
Abu Dhabi	65.38	43.09
Dubai	102.59	89.58
Qatar	65.76	42.55
Bahrain	285.46	286.32
Oman	227.21	254.42
Iraq	382.45	507.35
Egypt	878.03	496.58
Morocco	105.96	85.91
Turkey	679.57	555.46
US	16.00	10.01
UK	9.44	8.91
China	85.85	39.86
Japan	17.04	16.23
Germany	11.16	7.53
France	21.92	17.87