

News Updates

Moody's cuts growth forecasts for G20 economies as financial conditions tighten – Global credit agency Moody's has slashed growth forecasts for G20 economies and expects real gross domestic product to rise 2.5% in 2022, down from its May projection of 3.1%. As financial conditions tighten, the firm's GDP forecast for 2023 has also been cut to 2.1%, down from 2.9%, according to a statement. Global monetary and financial conditions will remain fairly restrictive through 2023, Madhavi Bokil, senior vice president at Moody's, said in the report. This happens as economic outlooks have deteriorated because of tighter global financial conditions and energy and commodity price shocks resulting from Russia's invasion of Ukraine. (Source: Arab News)

Egypt eyes issuance of \$500mln panda bonds in Chinese market – Egypt has completed all necessary procedures to issue panda bonds in the Chinese market at an expected value of \$500 million, Vice Minister of Finance for Fiscal Policies and Institutional Reform Ahmed Kouchouk said. The Ministry of Finance hopes to enter the Chinese market for the first time before the end of the current fiscal year, Kouchouk added. Moreover, he referred to other financing alternatives, such as monthly issuance of local and international Sukuk and obtaining financing from international financing institutions. (Source: Arab Finance)

Turkish Economy Grows 7.6% Despite Fastest Inflation in Decades – Turkey's economy outpaced most peers in the second quarter despite inflation at a 24-year high, driven by a surge in consumption. Gross domestic product rose an annual 7.6% in the second quarter. Household consumption rose 22.5% from a year earlier. Gross fixed capital formation rose an annual 4.7%. Annual GDP grew to \$828 billion in the second quarter from \$793 billion through the previous three-month period. Exports increased 16.4% on an annual basis. Imports increased by 5.8%. Government consumption spending rose 2.3% from a year earlier. (Source: Bloomberg)

European debt market hit by historic sell-off after rate rise bets – Europe's bond market is on course for its worst month on record as investors have bet on big rate rises from the European Central Bank and Bank of England at a time of unprecedented inflation. The region's market for high-grade government and corporate debt posted a fall of 5.3 per cent in the month to Tuesday, the biggest drop since the Bloomberg Pan-European Aggregate Total Return index began in 1999. The continent's bond markets have been knocked as investors brace for more aggressive central bank rate rises in the face of surging food and fuel prices triggered by Russia's war in Ukraine. The selling picked up speed on Wednesday after a fresh round of data showed the rate of consumer price growth in the euro area hit a record high of 9.1 per cent in August. The report underlined how high inflation is becoming embedded more broadly across the economy. (Source: Financial Times)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.34	-8.09	KSA	2027	3.45	-7.32
Abu Dhabi	2031	3.64	-12.05	KSA	2032	3.78	-11.19
Abu Dhabi	2050	4.45	-22.70	KSA	2050	5.00	-21.94
Bahrain	2028	6.11	-6.70	Oman	2027	5.61	-5.95
Bahrain	2032	7.49	-12.32	Oman	2032	6.24	-7.46
Bahrain	2051	8.56	-18.42	Oman	2051	7.65	-12.40
Dubai	2029	3.86	-8.50	Qatar	2026	3.36	-6.93
Dubai	2050	5.73	-22.95	Qatar	2030	3.71	-11.10
Kuwait	2027	3.37	-7.95	Qatar	2050	4.48	-21.21

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.63	8.08	-0.21	-9.47
S&P MENA Bond and Sukuk Index	4.22	NA	-0.13	-9.98
Bloomberg Emerging Markets USD Index	7.05	6.80	-0.28	-15.85
Bloomberg Global Aggregate Index	3.10	7.42	-0.06	-15.55

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	01/09/2022	31/12/2021	01/09/2022	31/12/2021	01/09/2022	31/12/2021
KIBOR	2.6250	1.5000	2.8750	1.7500	3.1875	2.0000
SAIBOR	3.1178	0.9057	3.5397	0.9829	4.0185	1.0600
BHIBOR	4.1346	1.5167	4.4814	1.6233	5.1417	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	2.9015	0.3645	3.4464	0.7000	3.5536	0.7396
EURIBOR	0.6200	-0.5730	1.1930	-0.5460	1.7580	-0.4980
LIBOR	3.0821	0.2144	3.5954	0.3451	4.1599	0.5888

USD Swap Rates			Currencies			Commodities				
Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)			
1-Year	3.9215	0.91	633.0	KWD	0.3080	-0.0487	-1.77	Crude Oil	95.10	28.81
2-Year	3.8528	0.49	309.3	SAR	3.7595	-0.0372	-0.08	Gold	1,714.10	-6.89
5-Year	3.4236	-0.49	150.0	EUR	1.0009	-0.4476	-11.97	Silver	17.56	-25.39
7-Year	3.3271	0.16	125.5	GBP	1.1573	-0.4216	-14.48	Copper	347.80	-21.12
10-Year	3.2867	0.63	107.9	JPY	139.5000	-0.3800	-17.50	Nat. Gas	9.12	148.01
30-Year	3.0341	2.08	75.3	CNH	6.9179	-0.1547	-8.10	Aluminum	2,364.75	-15.24

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	3.50	0.00	2.97	-0.14	NA	NA
5-Year	3.35	0.02	2.74	-0.40	1.09	0.00
10-Year	3.20	-0.02	2.80	-0.88	1.37	0.00
30-Year	3.30	-0.16	3.07	-1.45	1.61	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	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-Sep 2022	31-Dec 2021
Kuwait	57.99	40.53
KSA	48.18	50.97
Abu Dhabi	47.72	43.09
Dubai	109.16	89.58
Qatar	47.06	42.55
Bahrain	287.11	286.32
Oman	270.30	254.42
Iraq	845.35	507.35
Egypt	NA	496.58
Morocco	238.78	85.91
Turkey	772.12	555.46
US	18.33	10.01
UK	21.30	8.91
China	72.56	39.86
Japan	18.61	16.23
Germany	14.34	7.53
France	22.19	17.87