

News Updates

OPEC+ Makes Shock Million-Barrel Cut in New Inflation Risk – OPEC+ announced a surprise oil production cut of more than 1 million barrels a day, abandoning previous assurances that it would hold supply steady and posing a new risk for the global economy. It's a significant reduction for a market where — despite the recent price fluctuations — supply was looking tight for the latter part of the year. Oil futures soared as much as 8% in New York on Monday while gasoline also gained, adding to inflationary pressures that may force central banks around the world to keep interest rates higher for longer. Saudi Arabia led the cartel by pledging its own 500,000 barrel-a-day supply reduction. Fellow members including Kuwait, the United Arab Emirates and Algeria followed suit, while Russia said the production cut it was implementing from March to June would continue until the end of the 2023. *(Source: Bloomberg)*

AT1 Yields Near Record Show Lasting Damage From Credit Suisse – The \$256 billion market for additional tier 1 debt is still reeling from Credit Suisse Group AG's debt wipeout. For all the soothing words from bank regulators and politicians, the controversial writedown of risky debt as part of the Swiss bank's emergency rescue has caused big ripple effects. Yields have stayed near record highs and concern is growing that the market convention of buying back AT1s will be broken in the coming months, leaving investors stuck with the debt. An index of contingent convertible bonds, or AT1s, issued by European banks had a yield of 13.5% as of Tuesday — down slightly from the record seen after the Credit Suisse wipeout. Yields were as low as 7.8% in February. *(Source: Bloomberg)*

FDIC Mulls Forcing Big Banks to Pay Up After \$23 Billion Hit – The Federal Deposit Insurance Corp., facing almost \$23 billion in costs from recent bank failures, is considering steering a larger-than-usual portion of that burden to the nation's biggest banks, according to people with knowledge of the matter. The agency has said it plans to propose a so-called special assessment on the industry in May to shore up a \$128 billion deposit insurance fund that's set to take hits after the recent collapses of Silicon Valley Bank and Signature Bank. The regulator — under political pressure to spare small banks — has noted it has latitude in how it sets those fees. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.97	0.39	KSA	2027	4.26	0.98
Abu Dhabi	2031	3.98	2.01	KSA	2032	4.33	1.05
Abu Dhabi	2050	4.82	0.51	KSA	2050	5.40	-0.76
Bahrain	2028	5.95	0.99	Oman	2027	5.51	1.26
Bahrain	2032	6.91	1.90	Oman	2032	6.00	0.59
Bahrain	2051	8.15	-0.23	Oman	2051	7.15	0.81
Dubai	2029	4.35	0.85	Qatar	2026	4.06	0.82
Dubai	2050	5.88	0.87	Qatar	2030	4.18	-0.05
Kuwait	2027	3.91	-1.37	Qatar	2050	4.85	1.42

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.19	8.08	0.01	1.91
S&P MENA Bond and Sukuk Index	4.90	NA	0.05	1.98
Bloomberg Emerging Markets USD Index	7.36	6.80	0.42	2.15
Bloomberg Global Aggregate Index	3.54	7.42	0.13	3.01

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	03/04/2023	31/12/2022	03/04/2023	31/12/2022	03/04/2023	31/12/2022
KIBOR	4.2500	4.0000	4.4375	4.2500	4.6875	4.5625
SAIBOR	5.6703	5.3404	5.6807	5.5978	5.6427	5.8697
BHIBOR	6.3185	6.1417	6.4014	6.2675	6.4692	6.5529
QATAR	5.7833	5.2833	5.8667	5.4167	5.9833	5.5833
AEIBOR	4.9100	4.3095	5.0397	4.9399	4.9795	5.0421
EURIBOR	3.0380	2.1320	3.3410	2.6930	3.6220	3.2910
LIBOR	5.1927	4.7673	5.3130	5.1389	5.3053	5.4821

USD Swap Rates				Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)	
1-Year	5.0783	5.53	-0.8	KWD	0.3071	-0.2931	Crude Oil	84.05	-0.84
2-Year	4.4383	8.26	-5.7	SAR	3.7536	-0.0107	Gold	1,971.40	6.12
5-Year	3.7090	7.55	-7.8	EUR	1.0823	-0.1476	Silver	23.82	-1.60
7-Year	3.5802	6.60	-8.3	GBP	1.2311	-0.2189	Copper	405.50	6.30
10-Year	3.5236	5.99	-8.2	JPY	133.6500	-0.5837	Nat. Gas	2.07	-47.32
30-Year	3.2754	6.11	-6.2	CNH	6.8894	-0.2729	Aluminum	2,382.75	-0.14

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.11	-0.15	3.48	-0.13	2.76	-0.09
5-Year	3.65	-0.32	3.40	-0.31	2.38	-0.26
10-Year	3.53	-0.50	3.53	-0.36	2.29	-0.41
30-Year	3.71	-1.05	3.87	-0.72	2.40	-0.82

Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	A1	A+	AA-
KSA	A1	Au	A
UAE	Aa2	NR	AA-
Abu Dhabi	Aa2	AA	AA
Qatar	Aa3	AA	AA-
Bahrain	B2	B+	B+
Oman	Ba3	BB	BB
Egypt	B3	B	B+
Lebanon	C	SD	RDu
Jordan	B1	B+	BB-
Turkey	B3	Bu	B
Tunisia	Caa2	NR	CCC+
Morocco	Ba1	BB+	BB+u
US	Aaa	AA+u	AAAu
UK	Aa3	AAu	AA-u
China	A1	A+	A+u

USD 5Yr CDS	03-Apr 2023	31-Dec 2022
Kuwait	38.55	39.45
KSA	59.34	60.05
Abu Dhabi	40.21	43.90
Dubai	74.65	74.01
Qatar	40.55	46.55
Bahrain	235.10	224.63
Oman	150.46	185.75
Iraq	390.04	421.67
Egypt	NA	NA
Morocco	155.24	143.12
Turkey	518.59	506.65
US	42.93	22.82
UK	26.31	25.54
China	70.76	71.08
Japan	24.49	23.60
Germany	13.52	17.15
France	25.03	24.94