

News Updates

Saudi Electricity dual-tranche sukuk draw over \$12bln in demand

– Saudi Electricity Company has tightened price guidance for its sale of dual-tranche Islamic bonds comprising 10-year green sukuk and 30-year conventional Islamic paper, a bank document on the deal showed on Monday. Guidance was tightened from initial guidance by 25 basis points (bps) for the 10-year green sukuk to around 140 bps over U.S. Treasuries and by 20 bps for the 30-year sukuk to around 220 bps over U.S. Treasuries, the bank document showed. Orders for the 10-year tranche topped \$7.5 billion and the 30-year tranche drew more than \$4.5 billion in demand, both excluding interest from joint lead managers, the document said. *(Source: Reuters)*

OPEC+ production cuts likely to lift oil prices above \$100 a barrel

The OPEC+ group’s surprise additional production cuts could push oil prices back toward \$100 a barrel, tighten the market and encourage refiners to diversify supplies, analysts and traders said. Oil prices jumped more than \$4 a barrel on Monday after the Organization of the Petroleum Exporting Countries and their allies including Russia announced further production cuts of about 1.16 million barrels per day from May through the rest of the year. The pledges will bring the total volume of cuts by the group known as OPEC+ since November to 3.66 million bpd according to Reuters calculations, equal to 3.7% of the global demand. *(Source: Reuters)*

Dollar gains as surprise OPEC+ cut adds to inflation conundrum

The dollar rose against other major currencies on Monday as fears over inflation resurfaced after a surprise announcement by major oil producers to cut production targets further, with traders wagering the Federal Reserve may need to increase interest rates again at its next meeting, according to Reuters. Markets are now pricing in around a 70% probability of the Fed hiking rates by a quarter point in May, from around 50% on Friday. But, by the end of the year, expectations are priced in for cuts of 40 bps. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.91	0.69	KSA	2027	4.06	1.72
Abu Dhabi	2031	3.89	2.75	KSA	2032	4.29	1.38
Abu Dhabi	2050	4.77	1.41	KSA	2050	5.32	0.32
Bahrain	2028	5.86	1.42	Oman	2027	5.41	1.62
Bahrain	2032	6.84	2.40	Oman	2032	5.89	1.32
Bahrain	2051	8.06	0.74	Oman	2051	7.08	1.67
Dubai	2029	4.28	1.26	Qatar	2026	3.88	1.22
Dubai	2050	5.85	1.37	Qatar	2030	4.03	0.76
Kuwait	2027	3.78	-0.96	Qatar	2050	4.77	2.52

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.13	8.08	0.42	2.34
S&P MENA Bond and Sukuk Index	4.82	NA	0.50	2.48
Bloomberg Emerging Markets USD Index	7.23	6.80	0.43	2.58
Bloomberg Global Aggregate Index	3.49	7.42	0.43	3.45

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	04/04/2023	31/12/2022	04/04/2023	31/12/2022	04/04/2023	31/12/2022
KIBOR	4.2500	4.0000	4.4375	4.2500	4.6875	4.5625
SAIBOR	5.6769	5.3404	5.6717	5.5978	5.6646	5.8697
BHIBOR	6.3316	6.1417	6.4160	6.2675	6.4768	6.5529
QATAR	5.7833	5.2833	5.8667	5.4167	5.9833	5.5833
AEIBOR	4.8931	4.3095	5.0724	4.9399	4.9767	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	5.0245	1.33	-1.9	KWD	0.3071	-0.2931	Crude Oil	85.43	0.79
2-Year	4.3198	1.85	-8.3	SAR	3.7512	-0.0027	Gold	1,998.90	7.60
5-Year	3.5830	2.02	-10.9	EUR	1.0904	0.0459	Silver	24.08	-0.52
7-Year	3.4635	1.35	-11.3	GBP	1.2422	0.0644	Copper	404.35	6.00
10-Year	3.4189	0.94	-10.9	JPY	132.7400	-0.2034	Nat. Gas	2.14	-45.61
30-Year	3.2143	0.56	-7.9	CNH	6.8855	-0.1205	Aluminum	2,362.00	-1.01

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	3.97	-0.01	3.36	0.00	2.69	-0.01
5-Year	3.51	-0.06	3.28	0.00	2.30	-0.05
10-Year	3.42	-0.06	3.42	0.00	2.22	-0.12
30-Year	3.64	-0.07	3.75	0.00	2.31	-0.23

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	04-Apr 2023	31-Dec 2022
Kuwait	38.55	39.45
KSA	59.14	60.05
Abu Dhabi	39.40	43.90
Dubai	74.74	74.01
Qatar	40.33	46.55
Bahrain	235.53	224.63
Oman	149.71	185.75
Iraq	378.09	421.67
Egypt	NA	NA
Morocco	152.74	143.12
Turkey	518.81	506.65
US	42.27	22.82
UK	27.13	25.54
China	70.75	71.08
Japan	24.58	23.60
Germany	13.54	17.15
France	24.64	24.94