

News Updates

Turkey inflation hits new 24-year high of 83% after rate cuts – Turkish annual inflation climbed to a new 24-year high of 83.45% in September, data showed on Monday, after the central bank surprised markets by cutting rates twice in the last two months. Despite soaring prices, the central bank was expected to cut its policy rate again this month, after President Tayyip Erdogan called for single-digit interest rates by the end of the year. Month-on-month, consumer prices rose 3.08%. Annually, consumer price inflation was forecast to be 84.63%. It was the highest annual figure since July 1998, when it stood at 85.3% (Source: Reuters)

UK gilt market resilient despite 'major repricing' - debt office head – Britain's bond market is undergoing "a major repricing", but should comfortably absorb the extra 62 billion pounds (\$69 billion) of debt announced after finance minister Kwasi Kwarteng's Sept. 23 mini-budget, the head of the UK Debt Management Office said on Monday. Ten-year British government bonds recorded their biggest calendar-month fall since at least 1957 in September, as concerns about Kwarteng's unfunded 45 billion pounds of tax cuts added to fears of a sharp rise in interest rates by the Bank of England and other major central banks. Ten-year yields rose to their highest since 2008 on Sept. 28 at 4.582%, up 70 basis points from before Kwarteng's mini-budget. (Source: Reuters)

Global recession can be avoided with right fiscal policies - IMF's Georgieva – Global recession can be avoided if governments' fiscal policies were consistent with monetary policy tightening, but likely there would be countries falling into recession next year, the International Monetary Fund's managing director said on Monday. In the context of monetary policy tightening, fiscal policy cannot stay idle because the cost of living crisis is hitting parts of society dramatically, Kristalina Georgieva said. She added fiscal policies that indiscriminately support everybody by suppressing energy prices and providing subsidies are working against monetary policies' purposes. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.39	-12.44	KSA	2027	4.42	-10.65
Abu Dhabi	2031	4.57	-17.98	KSA	2032	4.75	-17.82
Abu Dhabi	2050	5.08	-30.19	KSA	2050	5.65	-28.91
Bahrain	2028	6.91	-10.01	Oman	2027	6.73	-10.04
Bahrain	2032	8.40	-17.91	Oman	2032	7.24	-13.93
Bahrain	2051	9.18	-23.80	Oman	2051	8.55	-20.98
Dubai	2029	4.36	-11.15	Qatar	2026	4.46	-10.39
Dubai	2050	6.35	-29.80	Qatar	2030	4.66	-16.16
Kuwait	2027	4.48	-12.13	Qatar	2050	5.19	-29.36

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.57	8.08	0.09	-14.30
S&P MENA Bond and Sukuk Index	5.12	NA	0.24	-15.00
Bloomberg Emerging Markets USD Index	8.11	6.80	0.60	-20.02
Bloomberg Global Aggregate Index	3.60	7.42	0.86	-19.21

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	04/10/2022	31/12/2021	04/10/2022	31/12/2021	04/10/2022	31/12/2021
KIBOR	3.1250	1.5000	3.4375	1.7500	3.7500	2.0000
SAIBOR	4.3272	0.9057	4.5945	0.9829	4.9980	1.0600
BHIBOR	5.0000	1.5167	5.2333	1.6233	5.6167	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	3.4433	0.3645	4.0706	0.7000	4.4521	0.7396
EURIBOR	1.1730	-0.5730	1.8090	-0.5460	2.5560	-0.4980
LIBOR	3.7547	0.2144	4.2320	0.3451	4.7806	0.5888

	USD Swap Rates			Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	4.4603	-4.72	733.7	KWD	0.3099	-0.4357	-2.37	Crude Oil	89.25	21.68
2-Year	4.3528	-5.74	362.4	SAR	3.7605	0.0053	-0.10	Gold	1,707.40	-7.25
5-Year	3.8994	-3.77	184.7	EUR	0.9827	0.0102	-13.57	Silver	20.87	-11.32
7-Year	3.7682	-2.30	155.4	GBP	1.1325	0.0088	-16.32	Copper	344.30	-21.92
10-Year	3.6658	-0.94	131.9	JPY	144.8500	-0.2002	-20.55	Nat. Gas	6.50	71.61
30-Year	3.2422	-0.33	87.3	CNH	7.0851	0.2837	-10.27	Aluminum	2,220.00	-20.20

	US Treasuries		UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.05	0.12	3.94	0.30	NA	NA
5-Year	3.85	0.15	4.18	0.70	1.53	0.00
10-Year	3.62	0.13	3.94	1.05	1.79	0.00
30-Year	3.68	0.08	3.87	-0.75	1.90	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	04-Oct 2022	31-Dec 2021
Kuwait	58.33	40.53
KSA	57.16	50.97
Abu Dhabi	48.30	43.09
Dubai	115.05	89.58
Qatar	56.08	42.55
Bahrain	281.23	286.32
Oman	261.21	254.42
Iraq	806.06	507.35
Egypt	NA	496.58
Morocco	281.95	85.91
Turkey	766.83	555.46
US	25.55	10.01
UK	44.30	8.91
China	103.98	39.86
Japan	25.92	16.23
Germany	22.51	7.53
France	30.77	17.87