

News Updates

Saudi Arabia and the UAE to lead GCC economies in outstripping global growth this year, World Bank official says – Gulf countries will

see double the global level of economic growth this year – with Saudi Arabia and the UAE leading the way, according to Issam Abu Suleiman, regional director for the Gulf Cooperation Council at the World Bank. Abu Suleiman stated that the World Bank expects global economies to grow by 1.7% in 2023, while Gulf countries are forecast to surge 3.7%. Abu Suleiman pointed out that Gulf economies achieved a growth of about 6%, as Saudi Arabia witnessed the largest growth at 8.9% in 2022. *(Source: Arab News)*

Fed's Daly: tighter policy, for a longer time, 'likely' needed – San

Francisco Federal Reserve Bank President Mary Daly on Saturday sounded a clear warning on the inflationary threat, and signaled that the U.S. central bank may raise interest rates further, and keep them there longer, than has been expected. Though inflation by the Fed's preferred measure has fallen from its mid-2022 highs of around 7% to 5.4% in January, the latest monthly reading showed price pressures gaining at their fastest pace in seven months. *(Source: Reuters)*

Morgan Stanley, others now forecast 4% peak for key ECB rate

– Morgan Stanley and three other investment banks have revised their forecasts for the European Central Bank's terminal rate - the level at which its key interest rate will peak - to 4% as inflationary pressures weigh. Data this week showed a surprise surge in underlying inflation across the 20-nation euro zone. The revisions also come on the heels of remarks by ECB governing council member and Belgian national bank governor Pierre Wunsch on Friday that the ECB could consider raising its key interest rate to as high as 4% if underlying inflation remains persistently high. *(Source: Reuters)*

GCC Sovereign Yields

| Sovereigns | Maturity | Yield % | Price Δ (YTD %) | Sovereigns | Maturity | Yield % | Price Δ (YTD %) |
|------------|----------|---------|-----------------|------------|----------|---------|-----------------|
| Abu Dhabi | 2027 | 4.47 | -1.83 | KSA | 2027 | 4.60 | -0.40 |
| Abu Dhabi | 2031 | 4.45 | -1.60 | KSA | 2032 | 4.67 | -1.66 |
| Abu Dhabi | 2050 | 5.06 | -3.28 | KSA | 2050 | 5.55 | -2.86 |
| Bahrain | 2028 | 5.93 | 1.00 | Oman | 2027 | 5.79 | 0.23 |
| Bahrain | 2032 | 6.78 | 2.75 | Oman | 2032 | 6.05 | 0.32 |
| Bahrain | 2051 | 7.88 | 2.96 | Oman | 2051 | 7.10 | 1.53 |
| Dubai | 2029 | 4.51 | 0.03 | Qatar | 2026 | 3.47 | 0.68 |
| Dubai | 2050 | 5.88 | 0.10 | Qatar | 2030 | 4.56 | -1.89 |
| Kuwait | 2027 | 4.33 | -3.00 | Qatar | 2050 | 5.09 | -2.36 |

Bonds and Sukuk Indices

| Index Name | Yield % | Duration (yrs) | 1D Δ (%) | YTD Δ (%) |
|--------------------------------------|---------|----------------|----------|-----------|
| Bloomberg GCC FI Index | 5.42 | 8.08 | 0.18 | -0.12 |
| S&P MENA Bond and Sukuk Index | 5.24 | NA | 0.14 | -0.56 |
| Bloomberg Emerging Markets USD Index | 7.59 | 6.80 | 0.47 | 0.61 |
| Bloomberg Global Aggregate Index | 3.89 | 7.42 | 0.41 | -0.35 |

Interbank Rates (%)

| | 3 Months | | 6 Months | | 12 Months | |
|---------|------------|------------|------------|------------|------------|------------|
| | 05/03/2023 | 31/12/2022 | 05/03/2023 | 31/12/2022 | 05/03/2023 | 31/12/2022 |
| KIBOR | 4.2500 | 4.0000 | 4.4375 | 4.2500 | 4.6875 | 4.5625 |
| SAIBOR | 5.4908 | 5.3404 | 5.7692 | 5.5978 | 5.8248 | 5.8697 |
| BHIBOR | 6.2983 | 6.1417 | 6.4247 | 6.2675 | 6.7520 | 6.5529 |
| QATAR | 5.2000 | 5.2833 | 5.2500 | 5.4167 | 5.3500 | 5.5833 |
| AEIBOR | 4.7960 | 4.3095 | 5.1436 | 4.9399 | 5.2195 | 5.0421 |
| EURIBOR | 2.8490 | 2.1320 | 3.3530 | 2.6930 | 3.8260 | 3.2910 |
| LIBOR | 4.9840 | 4.7673 | 5.3157 | 5.1389 | 5.6944 | 5.4821 |

| USD Swap Rates | | | | Currencies | | | | Commodities | | |
|----------------|---------|------------|-----------|------------|----------|------------|-----------|--------------|----------|-----------|
| | Yield % | 1D Δ (bps) | YTD Δ (%) | | USD | 1D Δ (bps) | YTD Δ (%) | | USD | YTD Δ (%) |
| 1-Year | 5.5571 | -0.64 | 8.5 | KWD | 0.3062 | -0.0490 | 0.03 | Crude Oil | 85.83 | 0.66 |
| 2-Year | 5.1953 | -3.55 | 10.3 | SAR | 3.7530 | 0.0000 | 0.15 | Gold | 1,854.60 | 0.67 |
| 5-Year | 4.3312 | -6.88 | 7.7 | EUR | 1.0639 | 0.3586 | -0.65 | Silver | 21.24 | -12.27 |
| 7-Year | 4.1237 | -8.34 | 5.7 | GBP | 1.2051 | 0.7534 | -0.39 | Copper | 406.70 | 6.62 |
| 10-Year | 3.9759 | -9.85 | 3.6 | JPY | 135.9500 | 0.6624 | -3.50 | Nat. Gas | 3.01 | -23.18 |
| 30-Year | 3.4958 | -11.25 | 0.1 | CNH | 6.9005 | 0.3713 | 0.39 | Aluminum | 2,367.00 | -0.21 |
| US Treasuries | | | | UK Gilts | | | | German Bunds | | |
| | Yield % | 1D Δ (%) | | | Yield % | 1D Δ (%) | | | Yield % | 1D Δ (%) |
| 2-Year | 4.86 | 0.06 | | | 3.66 | 0.02 | | | 3.21 | -0.02 |
| 5-Year | 4.25 | 0.30 | | | 3.64 | 0.18 | | | 2.84 | 0.01 |
| 10-Year | 3.95 | 0.85 | | | 3.84 | 0.25 | | | 2.69 | 0.22 |
| 30-Year | 3.88 | 2.00 | | | 4.21 | 0.63 | | | 2.65 | 0.69 |

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 | 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 | 05-Mar 2023 | 31-Dec 2022 |
|-------------|-------------|-------------|
| Kuwait | 38.13 | 39.45 |
| KSA | 55.63 | 60.05 |
| Abu Dhabi | 38.05 | 43.90 |
| Dubai | 61.01 | 74.01 |
| Qatar | 40.32 | 46.55 |
| Bahrain | 210.05 | 224.63 |
| Oman | 134.51 | 185.75 |
| Iraq | 385.56 | 421.67 |
| Egypt | NA | NA |
| Morocco | 146.50 | 143.12 |
| Turkey | 551.00 | 506.65 |
| US | 35.69 | 22.82 |
| UK | 20.55 | 25.54 |
| China | 65.19 | 71.08 |
| Japan | 24.01 | 23.60 |
| Germany | 12.79 | 17.15 |
| France | 19.26 | 24.94 |