

News Updates

Saudi Arabia Upgraded By Fitch On Strong Fiscal Buffers – Saudi Arabia’s sovereign debt rating was raised to A+ by Fitch Ratings, which cited the country’s efforts to diversify its economy away from a reliance on oil sales and large reserves. The upgrade reflects the kingdom’s “strong fiscal and external balance sheets” and “assumes ongoing commitment to gradual progress with fiscal, economic and governance reforms,” Fitch said in a statement. The upgrade comes just days after the country led a group of oil producers in cutting production, a move that caused crude prices to jump more than 6% to over \$85 a barrel. Saudi Arabia recorded its first budget surplus in almost a decade in 2022, and is forecasting another surplus this year helped by high oil prices and rapid growth in the non-oil sector. *(Source: Bloomberg)*

Qatar’s economy records 8% growth rate in Q4 of 2022 – Qatar achieved a real growth rate of 8% in the fourth quarter of 2022 compared to the same period in the previous year, official data showed on Tuesday. According to the country’s Planning and Statistics Authority, the GDP at current prices jumped to about 220.43 billion riyals in the fourth quarter of 2022, a surge of 26.2% compared to the final quarter of the previous year. *(Source: Arab News)*

Global CoCo Bonds Rebound to Levels Before Credit Suisse Crisis – Contingent convertible bonds issued by banks have rebounded from the market-wide losses inflicted by the terms of Credit Suisse Group AG’s rescue, another sign that stress from the recent financial turmoil is subsiding. The Bloomberg Global CoCo Banking Statistics Index rose on Tuesday to its highest since March 16. That was before all of Credit Suisse’s CoCo debt was wiped out as part of a state-led rescue, which then spurred widespread panic selling of the instruments. Other indicators including credit-default swap rates also suggest that concerns about the financial sector’s health, ignited by the failure of Silicon Valley Bank last month have retreated. Markets have also been quick to rebound, as regulators told investors that additional tier one debt, another term for CoCo, had different terms of protection in other jurisdictions. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.85	0.89	KSA	2027	4.10	1.58
Abu Dhabi	2031	3.81	3.37	KSA	2032	4.22	1.92
Abu Dhabi	2050	4.74	1.90	KSA	2050	5.32	0.52
Bahrain	2028	5.83	1.52	Oman	2027	5.34	1.86
Bahrain	2032	6.78	2.84	Oman	2032	5.83	1.75
Bahrain	2051	8.00	1.53	Oman	2051	7.04	2.22
Dubai	2029	4.31	1.10	Qatar	2026	3.88	1.39
Dubai	2050	5.81	1.76	Qatar	2030	4.05	0.57
Kuwait	2027	3.79	-0.93	Qatar	2050	4.75	2.97

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.09	8.08	0.26	2.60
S&P MENA Bond and Sukuk Index	4.77	NA	0.25	2.74
Bloomberg Emerging Markets USD Index	7.19	6.80	0.16	2.75
Bloomberg Global Aggregate Index	3.45	7.42	0.42	3.88

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	05/04/2023	31/12/2022	05/04/2023	31/12/2022	05/04/2023	31/12/2022
KIBOR	4.2500	4.0000	4.4375	4.2500	4.6875	4.5625
SAIBOR	5.7194	5.3404	5.6296	5.5978	5.6541	5.8697
BHIBOR	6.3349	6.1417	6.4363	6.2675	6.4839	6.5529
QATAR	5.6000	5.2833	5.7500	5.4167	5.9500	5.5833
AEIBOR	4.9475	4.3095	5.0785	4.9399	5.0673	5.0421
EURIBOR	3.0530	2.1320	3.3350	2.6930	3.6510	3.2910
LIBOR	5.2226	4.7673	5.3199	5.1389	5.3311	5.4821

USD Swap Rates				Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)	
1-Year	4.9045	1.80	-4.2	KWD	0.3071	-0.2931	Crude Oil	85.32	0.66
2-Year	4.1855	2.74	-11.1	SAR	3.7512	-0.0080	Gold	2,042.70	9.96
5-Year	3.4816	2.46	-13.5	EUR	1.0964	0.1004	Silver	25.05	3.46
7-Year	3.3783	1.82	-13.4	GBP	1.2510	0.0640	Copper	394.55	3.43
10-Year	3.3503	1.41	-12.7	JPY	131.5000	0.1597	Nat. Gas	2.07	-47.24
30-Year	3.1925	1.39	-8.6	CNH	6.8721	0.1033	Aluminum	2,332.27	-2.25
US Treasuries			UK Gilts		German Bunds				
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)			
2-Year	3.87	-0.07	3.36	-0.08	2.65	-0.04			
5-Year	3.42	-0.12	3.30	-0.20	2.28	-0.16			
10-Year	3.36	-0.13	3.46	-0.23	2.23	-0.24			
30-Year	3.60	-0.09	3.77	-0.50	2.34	-0.35			

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	05-Apr 2023	31-Dec 2022
Kuwait	37.64	39.45
KSA	61.65	60.05
Abu Dhabi	40.92	43.90
Dubai	75.44	74.01
Qatar	41.63	46.55
Bahrain	241.54	224.63
Oman	154.46	185.75
Iraq	366.09	421.67
Egypt	NA	NA
Morocco	156.53	143.12
Turkey	528.14	506.65
US	42.16	22.82
UK	26.71	25.54
China	71.87	71.08
Japan	24.70	23.60
Germany	13.51	17.15
France	24.95	24.94