

News Updates

Oil Dips Ahead of OPEC+ Meeting That May Yield Big Output Cut – Oil slipped following a two-day surge ahead of an OPEC+ meeting at which the alliance may agree on its biggest production cut since 2020 to revive faltering prices. West Texas Intermediate fell to trade near \$86 a barrel after jumping almost 9% over the previous two sessions. The cartel is set to discuss reducing output by as much as 2 million barrels a day, delegates said before the group meets in Vienna later Wednesday. That’s double the volume previously flagged. *(Source: Bloomberg)*

Egypt’s Pound Falls to Record Low as Crucial IMF Deal Draws Near – Egypt’s pound weakened to a record low as the government seeks to clinch a loan from the International Monetary Fund. The pound slipped 0.2% to 19.6736 against the dollar in the offshore market on Tuesday, surpassing the record low of 19.6725 reached in December 2016, according to data compiled by Bloomberg. Some of the world’s biggest banks have said the Egyptian pound is still too expensive and the IMF would demand a looser exchange rate, even after the central bank devalued it by about 15% in March. The government has already conceded a more flexible currency is necessary to support the economy. *(Source: Bloomberg)*

Pimco Says Bond Returns Look ‘Compelling’ Given Rise in Yields – Bond giant Pacific Investment Management Co., whose managers oversee around \$1.8 trillion in assets worldwide, expects high-quality bonds to start delivering returns much more consistent with long-term averages. In contrast, it sees downside risk for global equity markets. The view comes as both bonds and stocks rallied for a second day Tuesday on bets that a peak in interest rates is nearing. Aggressive interest-rate hikes spurred the worst fixed-income rout on record this year, driving yields across major markets to the highest in decades. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.36	-12.33	KSA	2027	4.35	-10.39
Abu Dhabi	2031	4.48	-17.37	KSA	2032	4.67	-17.33
Abu Dhabi	2050	5.04	-29.68	KSA	2050	5.59	-28.31
Bahrain	2028	6.77	-9.39	Oman	2027	6.50	-9.31
Bahrain	2032	8.26	-17.04	Oman	2032	6.96	-12.15
Bahrain	2051	9.06	-22.83	Oman	2051	8.31	-18.82
Dubai	2029	4.34	-11.07	Qatar	2026	4.34	-10.01
Dubai	2050	6.26	-28.87	Qatar	2030	4.57	-15.75
Kuwait	2027	4.44	-11.99	Qatar	2050	5.08	-28.25

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.49	8.08	0.62	-13.77
S&P MENA Bond and Sukuk Index	5.11	NA	0.24	-14.79
Bloomberg Emerging Markets USD Index	7.99	6.80	0.80	-19.38
Bloomberg Global Aggregate Index	3.56	7.42	0.63	-18.70

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	05/10/2022	31/12/2021	05/10/2022	31/12/2021	05/10/2022	31/12/2021
KIBOR	3.1250	1.5000	3.5000	1.7500	3.8125	2.0000
SAIBOR	4.2715	0.9057	4.6350	0.9829	5.0591	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	3.4341	0.3645	4.0831	0.7000	4.1208	0.7396
EURIBOR	1.1850	-0.5730	1.7750	-0.5460	2.5000	-0.4980
LIBOR	3.7483	0.2144	4.2729	0.3451	4.8027	0.5888

	USD Swap Rates			Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	4.5010	0.63	741.3	KWD	0.3099	-0.4357	-2.37	Crude Oil	91.52	24.77
2-Year	4.3809	0.25	365.4	SAR	3.7597	0.0000	-0.09	Gold	1,727.30	-6.17
5-Year	3.8843	-0.20	183.6	EUR	0.9964	-0.2203	-12.37	Silver	20.85	-11.41
7-Year	3.7453	0.19	153.8	GBP	1.1431	-0.4008	-15.53	Copper	350.15	-20.59
10-Year	3.6447	0.66	130.5	JPY	144.1700	-0.0208	-20.17	Nat. Gas	6.78	79.08
30-Year	3.2491	1.06	87.7	CNH	7.0552	-0.1871	-9.89	Aluminum	2,348.40	-15.59

	US Treasuries		UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.09	0.01	3.84	0.17	NA	NA
5-Year	3.85	0.04	4.07	0.46	1.45	0.12
10-Year	3.63	0.03	3.86	0.71	1.73	0.34
30-Year	3.70	0.01	4.02	-1.74	1.89	0.26

	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	05-Oct 2022	31-Dec 2021
Kuwait	59.79	40.53
KSA	54.00	50.97
Abu Dhabi	48.30	43.09
Dubai	112.60	89.58
Qatar	53.47	42.55
Bahrain	287.72	286.32
Oman	242.28	254.42
Iraq	805.79	507.35
Egypt	NA	496.58
Morocco	269.93	85.91
Turkey	744.60	555.46
US	25.50	10.01
UK	39.64	8.91
China	94.30	39.86
Japan	25.77	16.23
Germany	22.40	7.53
France	29.32	17.87