

News Updates

Fitch Affirms Commercial Bank of Kuwait, Ahli United Bank, and Burgan Bank at 'A'; Stable Outlook – Fitch Ratings has affirmed Commercial Bank of Kuwait K.P.S.C.'s (CBok) Long-Term Issuer Default Rating (IDR) at 'A' with a Stable Outlook and its Viability Rating (VR) at 'bb+'. Fitch Ratings has affirmed Ahli United Bank K.S.C.P.'s (AUBK) Long-Term IDR at 'A' with Stable Outlook and its VR at 'bbb-'. Fitch Ratings has also affirmed Burgan Bank K.P.S.C.'s (BB) Long-Term IDR at 'A' with a Stable Outlook and its VR at 'bb'. *(Source: Fitch Ratings)*

ECB facing high core inflation in the near term, Lagarde says –

Underlying inflation in the euro zone will stay high in the near term so a 50 basis point European Central Bank interest rate increase later this month is increasingly certain, ECB President Christine Lagarde said. The ECB has already raised rates by 3 percentage points since July and essentially promised another half a percentage point increase on March 16 but investors have recently speculated on an even bigger move given poor inflation data. Lagarde said the flagged increase is now "very very likely" but she also warned that underlying inflation could stay uncomfortably high even as the overall inflation rate drops in the coming months. *(Source: Reuters)*

Oil Drops on China's Cautious Growth Goal as Fed Concerns Linger

– Oil declined at the start of the week after China set a modest growth target for this year and avoided any large stimulus, while concerns lingered over further monetary tightening from the Federal Reserve. West Texas Intermediate dropped toward \$79 a barrel after closing more than 4% higher last week. China's Premier Li Keqiang announced a goal for gross domestic product of around 5% at the annual National People's Congress on Sunday, lower than economists had expected. The nation, the world's largest oil importer, ended its restrictive Covid Zero policy late last year. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.47	-1.83	KSA	2027	4.61	-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	
	06/03/2023	31/12/2022	06/03/2023	31/12/2022	06/03/2023	31/12/2022
KIBOR	4.2500	4.0000	4.4375	4.2500	4.6875	4.5625
SAIBOR	5.5011	5.3404	5.7358	5.5978	5.8088	5.8697
BHIBOR	6.2983	6.1417	6.4376	6.2675	6.7708	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	85.02	-0.29
2-Year	5.1766	-1.87	9.9	SAR	3.7530	0.0000	0.15	Gold	1,860.80	1.01
5-Year	4.3177	-1.35	7.3	EUR	1.0645	0.0846	-0.57	Silver	21.36	-11.78
7-Year	4.1111	-1.26	5.3	GBP	1.2037	0.0083	-0.38	Copper	406.10	6.46
10-Year	3.9651	-1.08	3.3	JPY	135.6400	0.1770	-3.33	Nat. Gas	2.71	-30.74
30-Year	3.4912	-0.46	0.0	CNH	6.9181	-0.3224	0.06	Aluminum	2,367.00	-0.21
US Treasuries				UK Gilts				German Bunds		
	Yield %	1D Δ (%)			Yield %	1D Δ (%)			Yield %	1D Δ (%)
2-Year	4.84	0.04			3.67	0.02			3.21	-0.02
5-Year	4.23	0.07			3.64	0.18			2.85	0.01
10-Year	3.94	0.10			3.84	0.25			2.69	0.22
30-Year	3.87	0.08			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	06-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	62.94	71.08
Japan	23.71	23.60
Germany	12.79	17.15
France	19.26	24.94