

News Updates

ADNOC considers reviving bond issue plans – Abu Dhabi National Oil Company is considering reviving plans to issue U.S. dollar-denominated bonds more than a year after it set up a debt-issuing unit to tap the debt capital markets, said two sources with direct knowledge of the matter. The state oil giant set up ADNOC Murban in January 2022 and tapped JPMorgan and Morgan Stanley to hold investor meetings that month. The debt markets, however, were plunged into turmoil following Russia’s invasion of Ukraine the following month and remained turbulent for much of last year. ADNOC has held conversations with banks over the planned issue, one of the sources said, declining to be named as the matter is not public. Issuance would be subject to market conditions and a final decision by ADNOC, the sources said. *(Source: Reuters)*

Bahrain Returns to Debt Market with Mix of Dollar Bond, Sukuk – Bahrain is tapping the public debt market for the first time since 2021, taking advantage of a decline in its borrowing costs and a surge in oil prices. The country plans to sell dollar-denominated Islamic securities maturing in seven years plus a 12-year conventional dollar bond, according to a person familiar with the matter. The offering follows a decline in the country’s credit risk, with S&P Global Ratings raising the outlook on Bahrain’s debt to positive in November on expectations that the government will continue efforts to reduce its budget deficit and that it will benefit from high oil prices. Bahrain has a total of around \$2.5 billion of debt maturities this year, including a \$1.5 billion bond maturing in August, according to Arqaam Capital. *(Source: Bloomberg)*

US-10 Year Yield’s Loss Streak Presages More Weakness in Rates – The US 10-year yield’s continuing losing run suggests more cheer for bond bulls. The benchmark 10-year rate fell for six straight days through Wednesday’s close, the worst such streak since the seven-day drop during the pandemic-led crash. The plunge has sent it to its lowest level this year, as weaker-than-expected private sector job growth and a softer manufacturing print outweighed comments from Fed officials warning of further tightening. History suggests that the markets will hold sway again. Over the past decade, we have had 25 such loss streaks and in 17 of those cases, the benchmark yield was down ~13 basis points over the next 20 days. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.75	1.33	KSA	2027	4.02	1.90
Abu Dhabi	2031	3.64	4.60	KSA	2032	4.17	2.28
Abu Dhabi	2050	4.69	2.72	KSA	2050	5.27	1.18
Bahrain	2028	5.97	0.98	Oman	2027	5.36	1.84
Bahrain	2032	6.93	1.78	Oman	2032	5.83	1.79
Bahrain	2051	8.08	0.55	Oman	2051	7.03	2.28
Dubai	2029	4.29	1.22	Qatar	2026	3.79	1.67
Dubai	2050	5.79	2.13	Qatar	2030	3.98	1.00
Kuwait	2027	3.72	-0.65	Qatar	2050	4.71	3.60

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.05	8.08	0.28	2.89
S&P MENA Bond and Sukuk Index	4.71	NA	0.38	3.14
Bloomberg Emerging Markets USD Index	7.19	6.80	-0.01	2.74
Bloomberg Global Aggregate Index	3.41	7.42	0.16	4.05

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	06/04/2023	31/12/2022	06/04/2023	31/12/2022	06/04/2023	31/12/2022
KIBOR	4.2500	4.0000	4.4375	4.2500	4.6875	4.5625
SAIBOR	5.7267	5.3404	5.6506	5.5978	5.6585	5.8697
BHIBOR	6.3382	6.1417	6.4260	6.2675	6.4501	6.5529
QATAR	5.7000	5.2833	5.7833	5.4167	5.9000	5.5833
AEIBOR	5.1506	4.3095	4.9846	4.9399	5.0050	5.0421
EURIBOR	3.0520	2.1320	3.3590	2.6930	3.6380	3.2910
LIBOR	5.2189	4.7673	5.3367	5.1389	5.2961	5.4821

USD Swap Rates				Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)	
1-Year	4.8228	-2.24	-5.8	KWD	0.3071	-0.2931	Crude Oil	84.49	-0.32
2-Year	4.0680	-3.81	-13.6	SAR	3.7519	-0.0080	Gold	2,030.60	9.31
5-Year	3.4133	-2.37	-15.2	EUR	1.0904	-0.0092	Silver	24.98	3.19
7-Year	3.3203	-2.05	-14.9	GBP	1.2464	0.0080	Copper	400.05	4.88
10-Year	3.2997	-1.34	-14.0	JPY	131.4600	-0.0989	Nat. Gas	2.13	-45.87
30-Year	3.1693	0.36	-9.2	CNH	6.8826	0.0494	Aluminum	2,295.25	-3.80

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	3.74	0.08	3.33	0.00	2.58	-0.04
5-Year	3.34	0.14	3.27	-0.10	2.19	-0.09
10-Year	3.29	0.19	3.44	-0.16	2.16	-0.17
30-Year	3.56	0.13	3.79	-0.36	2.27	-0.32

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	06-Apr 2023	31-Dec 2022
Kuwait	38.60	39.45
KSA	62.65	60.05
Abu Dhabi	41.48	43.90
Dubai	75.84	74.01
Qatar	42.31	46.55
Bahrain	249.12	224.63
Oman	157.48	185.75
Iraq	383.97	421.67
Egypt	NA	NA
Morocco	162.57	143.12
Turkey	545.97	506.65
US	42.28	22.82
UK	26.42	25.54
China	72.82	71.08
Japan	24.36	23.60
Germany	13.47	17.15
France	25.17	24.94