## MENA Daily Fixed Income Report – 06 April 2023

Kuwait Financial Centre "Markaz"

## **News Updates**

ADNOC considers reviving bond issue plans – Abu Dhabi National Oil Company is considering reviving plans to issue U.S. dollardenominated 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 Argaam Capital. (Source: Bloombera)

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 Sove	ereign Yie	lds										
Sovereigr	ns	Maturity	Yie	ld %	Price ∆ (YTD %)	Soverei	gns Ma	aturity	Yield %		rice Δ TD %	
Abu Dhat	bi	2027	3.	75	1.33	KSA		2027	4.02		L.90	
Abu Dhat	bi	2031	3.	64	4.60	KSA	2	2032	4.17		2.28	
Abu Dhat	bi	2050	4.	69	2.72	KSA		2050	5.27		L.18	
Bahrain		2028	5.	97	0.98	Oma	n 2	2027	5.36		L.84	
Bahrain		2032	6.	93	1.78	Oma	n 2	2032	5.83		L.79	
Bahrain		2051	8.	08	0.55	Oma	n 2	2051	7.03		2.28	
Dubai		2029	4.	29	1.22	Qata	r 2	2026	3.79		L.67	
Dubai		2050	5.	79	2.13	Qata	r 2	2030	3.98		L.00	
Kuwait		2027	3.	72	-0.65	Qata	r 2	2050	4.71	3	3.60	
Bonds an		ndices				_			(a.()			
Index Na	-				Yield %		ation (yrs)			YTD		
Bloombe	-				5.05		8.08	0.2		2.8		
		nd Sukuk I			4.71		NA	0.3	-	3.1		
	• •	ing Market		lex	7.19		6.80	-0.0		2.7		
Bloombe	rg Global	Aggregate	Index		3.41		7.42	0.1	6	4.(	)5	
Interbank	k Rates (%	6)										
		3 Mor	nths		6 Mont	ths		12	Months			
	06/	/04/2023	31/12,	/2022	06/04/202	23 31/	12/2022	06/04/	2023	31/12/	2022	
KIBOR	4	1.2500	4.00	000	4.4375	2	1.2500	4.68	75	4.56	25	
SAIBOR	5	5.7267	5.34	104	5.6506	5	5.5978	5.65	85	5.86	97	
BHIBOR	6	5.3382	6.14	117	6.4260	6	5.2675	6.45	01	6.55	29	
QATAR	5	5.7000	5.28	333	5.7833	5	5.4167	5.90	00	5.58	33	
AEIBOR	5	5.1506	4.30	)95	4.9846	2	1.9399	5.0050		5.04	5.0421	
EURIBOR	. 3	3.0520	2.13	320	3.3590	2	2.6930	3.6380		3.2910		
LIBOR	[ 	5.2189	4.76	573	5.3367	5	5.1389	5.2961		5.48	5.4821	
	USD Swa				Currencie			С	ommoditie			
	Yield %	1D Δ	YTD Δ		USD	1D ∆	YTD Δ		USD		YTD /	
4	4 0000	(bps)	(%)	IAND	0 2074	(bps)	(%)	Course of the Ca	1 04.40		(%)	
1-Year	4.8228	-2.24	-5.8	KWD	0.3071	-0.2931	-0.26	Crude Oi			-0.32	
2-Year	4.0680	-3.81	-13.6	SAR	3.7519	-0.0080	0.18	Gold	2,030.6		9.31	
5-Year	3.4133	-2.37	-15.2	EUR	1.0904	-0.0092	1.85	Silver	24.98		3.19	
7-Year	3.3203	-2.05	-14.9	GBP	1.2464	0.0080	3.14	Copper			4.88	
10-Year	3.2997	-1.34	-14.0 -9.2		131.4600		-0.25 0.58	Nat. Gas			45.8	
30-Year	3.1693	0.36		CNH	6.8826	0.0494	0.58	Aluminur	,		-3.80	
		US T Yield %	reasuries	; D ∆ (%)	Yield	UK Gilts	1D ∆ (%)	Vie	German B eld %		(%) ۵	
2-Year		3.74		0.08	3.33		0.00		.58		<u>.04</u>	
5-Year		3.34		0.08	3.33		-0.10		.19		.04	
10-Year		3.29		0.19	3.44		-0.16		.16		.17	
20 1/		2.50		0.42	2.70		0.20	-	27		22	

3.79

2.27

-0.36

-0.32

France

25.17

24.94



Sovereign Ratings

Δ1

Kuwait

Moody's S&P

A+

Fitch

AA-

Kuwait	AI	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	В	B+	
Lebanon	С	SD	RDu	
Jordan	B1	B+	BB-	
Turkey	B3	Bu	В	
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	06-Apr	31	-Dec	
USD 5Yr CDS	06-Apr 2023		-Dec 022	
		2		
5Yr CDS	2023	<b>2</b> 39	022	
5Yr CDS Kuwait	<b>2023</b> 38.60	2 39 60	<b>022</b> 9.45	
5Yr CDS Kuwait KSA	<b>2023</b> 38.60 62.65	2 39 60 43	<b>022</b> 9.45 0.05	
5Yr CDS Kuwait KSA Abu Dhabi	<b>2023</b> 38.60 62.65 41.48	2 39 60 43 74	<b>022</b> 9.45 0.05 3.90	
5Yr CDS Kuwait KSA Abu Dhabi Dubai	<b>2023</b> 38.60 62.65 41.48 75.84	2 39 60 43 74 40	022 9.45 0.05 3.90 4.01	
5Yr CDS Kuwait KSA Abu Dhabi Dubai Qatar	2023 38.60 62.65 41.48 75.84 42.31	2 39 60 43 74 40 22	022 9.45 0.05 3.90 4.01 5.55	
5Yr CDS Kuwait KSA Abu Dhabi Dubai Qatar Bahrain	<b>2023</b> 38.60 62.65 41.48 75.84 42.31 249.12	2 39 60 43 74 40 22 18	022 9.45 0.05 3.90 4.01 5.55 4.63	
5Yr CDS Kuwait KSA Abu Dhabi Dubai Qatar Bahrain Oman	2023 38.60 62.65 41.48 75.84 42.31 249.12 157.48 383.97 NA	2 39 60 43 74 40 22 18 42	022 0.45 0.05 3.90 4.01 5.55 4.63 5.75 1.67 NA	
SYr CDS Kuwait KSA Abu Dhabi Dubai Qatar Bahrain Oman Iraq	2023 38.60 62.65 41.48 75.84 42.31 249.12 157.48 383.97 NA 162.57	2 39 60 43 74 40 22 18 42	022   9.45   9.05   3.90   4.01   5.55   4.63   5.75   1.67	
SYr CDS Kuwait KSA Abu Dhabi Dubai Qatar Bahrain Oman Iraq Egypt	2023 38.60 62.65 41.48 75.84 42.31 249.12 157.48 383.97 NA	2 39 60 43 74 40 222 18 42 18 42 14	022 0.45 0.05 3.90 4.01 5.55 4.63 5.75 1.67 NA	
SYr CDS Kuwait KSA Abu Dhabi Dubai Qatar Bahrain Oman Iraq Egypt Morocco	2023 38.60 62.65 41.48 75.84 42.31 249.12 157.48 383.97 NA 162.57	2 39 60 43 74 40 222 18 42 18 42 11 42 14	022 0.45 0.05 3.90 4.01 5.55 4.63 5.75 1.67 NA 3.12	
SYr CDS Kuwait KSA Abu Dhabi Dubai Qatar Bahrain Oman Iraq Egypt Morocco Turkey US UK	2023 38.60 62.65 41.48 75.84 42.31 249.12 157.48 383.97 NA 162.57 545.97	2 39 60 43 74 40 22 18 42 18 42 11 4 50 22	022 0.45 0.05 3.90 4.01 5.55 4.63 5.75 1.67 NA 3.12 6.65	
SYr CDS Kuwait KSA Abu Dhabi Dubai Qatar Bahrain Oman Iraq Egypt Morocco Turkey US	2023 38.60 62.65 41.48 75.84 42.31 249.12 157.48 383.97 NA 162.57 545.97 42.28	2 39 60 43 74 46 222 18 42 18 42 11 42 50 22 25	022 0.45 0.05 3.90 4.01 5.55 4.63 5.75 1.67 NA 3.12 6.65 2.82	
SYr CDS Kuwait KSA Abu Dhabi Dubai Qatar Bahrain Oman Iraq Egypt Morocco Turkey US UK	2023 38.60 62.65 41.48 75.84 42.31 249.12 157.48 383.97 NA 162.57 545.97 42.28 26.42	2 39 60 43 74 46 222 18 42 18 42 114 50 22 29 72	022 0.45 0.05 3.90 4.01 5.55 4.63 5.75 1.67 VA 3.12 6.65 2.82 5.54	
SYr CDS Kuwait KSA Abu Dhabi Dubai Qatar Bahrain Oman Iraq Egypt Morocco Turkey US UK China	2023 38.60 62.65 41.48 75.84 42.31 249.12 157.48 383.97 NA 162.57 545.97 42.28 26.42 72.82	2 39 60 43 40 22 18 40 40 22 18 42 18 42 11 4 50 22 25 72 25 72 25	022 9.45 0.05 3.90 4.01 5.55 4.63 5.75 1.67 NA 3.12 6.65 2.82 5.54 1.08	

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0.13

3.56

30-Year