

News Updates

Saudi wealth fund raises \$3 billion with debut green bonds – Saudi Arabia's Public Investment Fund (PIF) was set to raise \$3 billion on Wednesday in its first foray into the debt capital markets becoming the first sovereign wealth fund to issue green bonds. PIF is selling the first ever green bonds with a 100-year maturity alongside two other tranches of the issue. The \$500 million of 100-year notes will be sold at a yield of 6.7%, a bank document showed, \$1.25 billion in five-year bonds were launched at 125 basis points (bps) over U.S. Treasuries and \$1.25 billion in 10-year paper at 165 bps over USTs. Initial price guidance for the five- and 10-year paper was tightened by 25 bps, while the 100-year tranche had been indicated in the 7-7.25% area. (Source: Reuters)

Riyad Bank completes offering of \$1bn sukuk – Riyad Bank has completed the offering of its Saudi riyal-denominated additional Tier 1 capital sukuk worth SR3.8 billion (\$1 billion). The bond is perpetual and has a rate of return of 5.25 percent to be paid quarterly from the issue date, according to a bourse filing. (Source: Arab News)

Global bond funds see biggest outflows in two decades – Global bond funds saw the biggest outflows in two decades in the first three quarters of this year as hefty interest rate increases by central banks to tame inflation sparked fears of a recession. According to Refinitiv Lipper, global bond funds faced a cumulative outflow of \$175.5 billion in the first nine months of this year, the first net sales in that period since 2002. Global bond funds declined by 10.2% on average in their net asset values, their worst slump since at least 1990. (Source: Reuters)

OPEC+ agrees output cut of 2 million barrels per day despite US concerns – Oil prices edged up after the Organization of the Petroleum Exporting Countries and its allies, including Russia, agreed an output reduction of 2 million barrels per day from November — its deepest cuts since the 2020 COVID-19 pandemic. The decision could prompt a recovery in oil prices that have dropped to about \$90 from \$120 three months ago on fears of a global economic recession, rising US interest rates and a stronger dollar. The cuts come despite US pressure to pump more, and will curb supply in an already tight market. The supply cut will hit countries “already reeling” from high prices while “the global economy is dealing with the continued negative impact” of Russia's attack on Ukraine, the statement said. (Source: Arab News)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.40	-12.47	KSA	2027	4.37	-10.52
Abu Dhabi	2031	4.54	-17.71	KSA	2032	4.70	-17.51
Abu Dhabi	2050	5.08	-30.19	KSA	2050	5.62	-28.57
Bahrain	2028	6.90	-9.97	Oman	2027	6.75	-10.08
Bahrain	2032	8.34	-17.52	Oman	2032	7.02	-12.52
Bahrain	2051	9.13	-23.38	Oman	2051	8.38	-19.36
Dubai	2029	4.42	-11.44	Qatar	2026	4.48	-10.29
Dubai	2050	6.31	-29.21	Qatar	2030	4.60	-16.02
Kuwait	2027	4.46	-12.05	Qatar	2050	5.15	-28.95

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.55	8.08	-0.37	-14.09
S&P MENA Bond and Sukuk Index	5.12	NA	0.07	-14.73
Bloomberg Emerging Markets USD Index	8.06	6.80	-0.45	-19.74
Bloomberg Global Aggregate Index	3.64	7.42	-0.87	-19.41

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	06/10/2022	31/12/2021	06/10/2022	31/12/2021	06/10/2022	31/12/2021
KIBOR	3.1875	1.5000	3.5625	1.7500	3.8125	2.0000
SAIBOR	4.3082	0.9057	4.6889	0.9829	5.1444	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	3.6105	0.3645	4.0431	0.7000	4.3733	0.7396
EURIBOR	1.1730	-0.5730	1.7620	-0.5460	2.4100	-0.4980
LIBOR	3.7407	0.2144	4.2421	0.3451	4.7241	0.5888

	USD Swap Rates			Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	4.5565	2.43	751.7	KWD	0.3099	-0.4357	-2.37	Crude Oil	93.54	27.53
2-Year	4.4550	0.53	373.3	SAR	3.7613	-0.0053	-0.10	Gold	1,732.40	-5.89
5-Year	4.0006	-1.33	192.1	EUR	0.9919	0.3541	-12.76	Silver	20.90	-11.20
7-Year	3.8717	-1.66	162.4	GBP	1.1361	0.3002	-16.05	Copper	357.30	-18.97
10-Year	3.7734	-1.79	138.7	JPY	144.5300	0.0761	-20.38	Nat. Gas	6.95	83.60
30-Year	3.3178	-1.57	91.7	CNH	7.0292	0.5634	-9.56	Aluminum	2,349.75	-15.54

	US Treasuries		UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.15	0.00	3.93	-0.14	NA	NA
5-Year	3.96	0.05	4.21	-0.56	1.58	0.00
10-Year	3.74	0.12	4.02	-1.30	1.89	0.00
30-Year	3.74	0.23	4.18	-1.84	2.01	0.00

	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	06-Oct 2022	31-Dec 2021
Kuwait	60.56	40.53
KSA	56.38	50.97
Abu Dhabi	48.30	43.09
Dubai	115.00	89.58
Qatar	55.17	42.55
Bahrain	291.77	286.32
Oman	255.96	254.42
Iraq	822.72	507.35
Egypt	NA	496.58
Morocco	291.00	85.91
Turkey	760.96	555.46
US	25.41	10.01
UK	40.48	8.91
China	96.66	39.86
Japan	24.70	16.23
Germany	23.28	7.53
France	30.09	17.87