

News Updates

Kuwait Starts Commercial Operations at New Al-Zour Mega-Refinery

– Kuwait has started commercial operations of the first phase of its Al-Zour mega-refinery, after the initial production and sale of fuel oil began last month to supply local power stations. Commercial operations at Al-Zour are a “long-term investment aimed at providing international and local markets with high-quality products,” Khaled Al-Awadhi, the refinery’s deputy chief executive, said to KUNA news agency on Sunday. Kuwaiti Mega-Refinery is weeks from first diesel shipments. Comprising three mini refineries, Al-Zour is the biggest of several oil-processing facilities being added across the Middle East. (Source: Bloomberg)

Saudi Arabia buys 4 existing US dollar-denominated bonds at discount to nominal value

– Saudi Arabia has purchased two of its existing US dollar-denominated bonds at a discount ranging between 5.6-5.9% of the nominal value, along with two others from investors at a lower discount, Al Eqtisadiyah newspaper reported. The transactions were carried out at prices varying from 99.53 to 94.01 cents on the US dollar. Some asset management companies took advantage of the offer presented by Saudi Arabia in order to provide liquidity to their bond funds amid realized exit cashflows from them, the newspaper added. (Source: Argaam)

Samurai Bond Market Is a Rare Bright Spot for Issuers, Investors

– The Samurai bond market is one of the few places left that corporate borrowers can raise capital as global debt issuance shrinks. Yen-denominated bonds issued in Japan by foreign entities climbed by the most in three years in 2022, with France, the UK and South Korea leading the sales. While low borrowing costs lure overseas issuers as rates rise rapidly elsewhere, Japanese investors are attracted by the extra yield the notes offer relative to local corporate debt. Total Samurai bond sales climbed to 955.6 billion yen (\$6.5 billion) during January to October of 2022, almost doubling 506 billion yen in the year-ago period. The number of issues rose to 43, the highest since 2018. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.62	-13.27	KSA	2027	4.90	-12.18
Abu Dhabi	2031	4.84	-19.43	KSA	2032	5.20	-20.72
Abu Dhabi	2050	5.52	-34.79	KSA	2050	6.13	-33.56
Bahrain	2028	6.97	-10.04	Oman	2027	6.33	-8.62
Bahrain	2032	8.15	-16.35	Oman	2032	6.90	-11.92
Bahrain	2051	9.15	-23.62	Oman	2051	8.35	-19.30
Dubai	2029	4.81	-13.27	Qatar	2026	4.80	-11.22
Dubai	2050	6.52	-31.61	Qatar	2030	4.99	-18.03
Kuwait	2027	4.47	-12.13	Qatar	2050	5.51	-32.74

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.91	8.08	0.07	-15.85
S&P MENA Bond and Sukuk Index	5.62	NA	-0.42	-17.48
Bloomberg Emerging Markets USD Index	8.53	6.80	0.20	-21.22
Bloomberg Global Aggregate Index	3.89	7.42	0.45	-20.69

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	07/11/2022	31/12/2021	07/11/2022	31/12/2021	07/11/2022	31/12/2021
KIBOR	3.9375	1.5000	4.1250	1.7500	4.3750	2.0000
SAIBOR	5.5638	0.9057	5.8309	0.9829	6.2777	1.0600
BHIBOR	5.7167	1.5167	6.0333	1.6233	6.3250	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	4.2926	0.3645	4.5469	0.7000	4.9360	0.7396
EURIBOR	1.7340	-0.5730	2.2780	-0.5460	2.7940	-0.4980
LIBOR	4.5503	0.2144	5.0113	0.3451	5.6664	0.5888

	USD Swap Rates			Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	5.2157	1.04	874.9	KWD	0.3097	-0.0969	-2.31	Crude Oil	97.57	33.88
2-Year	5.0482	1.12	436.3	SAR	3.7577	0.0000	-0.06	Gold	1,676.60	-8.92
5-Year	4.4283	0.75	223.4	EUR	0.9939	-0.1808	-12.59	Silver	20.66	-12.24
7-Year	4.2861	0.10	190.4	GBP	1.1330	-0.4306	-16.27	Copper	364.80	-17.27
10-Year	4.1962	-0.50	165.4	JPY	147.2000	-0.3940	-21.82	Nat. Gas	6.97	74.92
30-Year	3.7678	-2.13	117.7	CNH	7.2193	-0.4488	-11.94	Aluminum	2,348.25	-15.35

	US Treasuries		UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.68	-0.03	2.98	0.04	NA	NA
5-Year	4.34	-0.05	3.38	0.07	2.08	-0.08
10-Year	4.15	0.05	3.53	-0.18	2.17	-0.26
30-Year	4.23	0.27	3.76	-0.66	2.22	-0.85

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	07-Nov 2022	31-Dec 2021
Kuwait	57.01	40.53
KSA	66.83	50.97
Abu Dhabi	56.98	43.09
Dubai	103.59	89.58
Qatar	56.49	42.55
Bahrain	252.10	286.32
Oman	220.27	254.42
Iraq	576.20	507.35
Egypt	NA	496.58
Morocco	290.25	85.91
Turkey	630.18	555.46
US	26.87	10.01
UK	24.96	8.91
China	101.00	39.86
Japan	30.71	16.23
Germany	22.48	7.53
France	28.55	17.87