

News Updates

Gulf issuers find sweet spot for bond deals – Debt issuers in the Gulf are rushing back to markets during a typically slow period during Ramadan as they take advantage of lower yields and a range of market dynamics that favour them, fund managers and sources said. The region is benefiting from high oil prices, making it a bright spot for equity investors too. The UAE federal government, Abu Dhabi and its second-biggest sovereign wealth fund Mubadala are all considering issuing green bonds, sources familiar with the matter said. The UAE is also planning a sukuk sale, two sources said. ADNOC is considering reviving bond plans after a roadshow early last year, Reuters reported on Wednesday. Bahrain raised \$2 billion on Thursday with Islamic and conventional bonds. On Monday, Saudi Electricity Co raised \$2 billion via sukuk, which followed a debut dollar Islamic bonds sale by Al Rajhi Bank last week that raised \$1 billion. The Saudi government followed regional banks to kick off the region's issuance this year with a \$10 billion haul in January. Its sovereign Public Investment Fund raised \$5.5 billion with green bonds the following month. *(Source: Reuters)*

Qatar's GDP growth set to slow to 2.7% in 2023, says S&P – Qatar's real GDP growth is set to slow to 2.7% in 2023 and then bounce slightly higher to 3.4% in 2024, according to S&P Global Market Intelligence. In 2022, Qatar grew at 4.8%, a level unseen since the middle of the last decade, lifted by robust economic activity in Q4. According to the state Planning and Statistics Authority, Qatar's real GDP grew by 8% year-on-year in Q4 2022 to 2.7%. *(Source: Zawya)*

Oman set to post highest GDP growth at 4.3%: World Bank – A new report issued by the World Bank projects slowing GDP growth across the economies of the MENA region in 2023, amid double-digit food inflation. However, the Sultanate of Oman is still anticipated to deliver the highest GDP growth among the GCC member states this year. The report forecasts MENA's GDP will slow to 3.0% in 2023, from 5.8% in 2022. Real GDP per capita growth is expected to slow down to 1.6% in 2023 from 4.4% in 2022, the report warns. Oman, however, is expected to outperform its GCC peers amid this decelerating growth scenario, according to the report. “In the GCC, growth is expected to slow to 3.2% in 2023 and to 3.1% in 2024. This comes after the GCC grew 7.3% in 2022. The fastest growing economy within the GCC in 2023 is projected to be Oman, at 4.3% growth. *(Source: Zawya)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.60	1.97	KSA	2027	-3.58	34.70
Abu Dhabi	2031	3.62	4.78	KSA	2032	3.98	3.82
Abu Dhabi	2050	4.71	2.35	KSA	2050	5.29	0.73
Bahrain	2028	5.94	1.09	Oman	2027	5.33	1.87
Bahrain	2032	6.92	1.70	Oman	2032	5.77	2.14
Bahrain	2051	8.08	0.47	Oman	2051	7.00	2.67
Dubai	2029	4.29	1.22	Qatar	2026	1.65	1.93
Dubai	2050	5.75	2.53	Qatar	2030	3.78	2.17
Kuwait	2027	3.70	-0.70	Qatar	2050	4.69	3.78

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.08	8.08	-0.32	2.74
S&P MENA Bond and Sukuk Index	4.82	NA	-0.70	2.59
Bloomberg Emerging Markets USD Index	7.25	6.80	-0.28	2.43
Bloomberg Global Aggregate Index	3.47	7.42	-0.24	3.72

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	09/04/2023	31/12/2022	09/04/2023	31/12/2022	09/04/2023	31/12/2022
KIBOR	4.2500	4.0000	4.4375	4.2500	4.6875	4.5625
SAIBOR	5.7221	5.3404	5.6375	5.5978	5.6600	5.8697
BHIBOR	6.3283	6.1417	6.3932	6.2675	6.3933	6.5529
QATAR	5.7000	5.2833	5.7833	5.4167	5.9000	5.5833
AEIBOR	4.9893	4.3095	5.0222	4.9399	4.7863	5.0421
EURIBOR	3.0750	2.1320	3.3390	2.6930	3.5780	3.2910
LIBOR	5.1979	4.7673	5.2374	5.1389	5.1257	5.4821

USD Swap Rates				Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)	
1-Year	5.0164	13.09	-2.0	KWD	0.3071	-0.2931	Crude Oil	85.12	0.42
2-Year	4.3016	13.66	-8.6	SAR	3.7515	0.0000	Gold	2,026.40	9.08
5-Year	3.5680	12.23	-11.3	EUR	1.0918	-0.1556	Silver	25.09	3.66
7-Year	3.4514	11.02	-11.6	GBP	1.2428	-0.1768	Copper	401.55	5.27
10-Year	3.4080	9.68	-11.2	JPY	132.2900	-0.2875	Nat. Gas	2.01	-48.84
30-Year	3.2140	6.21	-7.9	CNH	6.8863	0.0771	Aluminum	2,294.75	-3.82

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	3.98	-0.28	3.34	-0.02	2.59	-0.05
5-Year	3.50	-0.55	3.25	-0.04	2.17	-0.02
10-Year	3.39	-0.70	3.42	-0.03	2.14	-0.01
30-Year	3.61	-1.02	3.76	0.02	2.27	-0.30

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	09-Apr 2023	31-Dec 2022
Kuwait	39.08	39.45
KSA	62.97	60.05
Abu Dhabi	41.47	43.90
Dubai	80.85	74.01
Qatar	42.25	46.55
Bahrain	246.96	224.63
Oman	156.75	185.75
Iraq	390.15	421.67
Egypt	NA	NA
Morocco	163.20	143.12
Turkey	550.83	506.65
US	42.13	22.82
UK	25.96	25.54
China	71.96	71.08
Japan	25.03	23.60
Germany	13.39	17.15
France	24.95	24.94