

News Updates

Kuwait economy best performance among GCC countries – The World Bank forecasted higher Gross Domestic Product (GDP) for Kuwait this year — from 5.7 percent in April to 8.5 percent. The per capita share will increase by 1.4 percent next year, compared to the previous estimate of 2.5 percent. The balance in the current account of Kuwait will most likely reach 28.6 percent of the GDP in 2022 and 23.6 percent in 2023; provided the overall balance of the public budget will reach 1.1 percent of the GDP in the current year and then down to -0.5 percent next year. *(Source: Arab Times)*

Sukuk Market Activity Slow but Pipeline Is Building Up – Near-term sukuk market activity will be slow amid continued volatilities, says Fitch Ratings, as will bond market activity. Rising interest rates, high oil prices, geopolitical events and lower emerging-market debt appetite propelled a 14.4% quarterly fall in total sukuk issuance in the core markets in 3Q22, with bond issuance falling similarly. “The sukuk pipeline is developing behind the scenes, and waiting for the right market conditions, despite the fall in issuance last quarter,” said Bashar Al-Natoor, Global Head of Islamic Finance at Fitch Ratings. The number of Fitch-rated outstanding sukuk expanded by 7.3% qoq in 3Q22, to a volume of USD133.9 billion. *(Source: Fitch Ratings)*

Public debt hits six-decade high and puts global stability and prosperity at risk: IMF – As governments across the world borrowed more to deal with the pandemic, public debt now accounts for almost 40 percent of the global total — the most in almost six decades, revealed the International Monetary Fund’s annual report. The world’s overall debt jumped by 28 percentage points to 256 percent of the gross domestic product in 2020, with government borrowing accounting for about half of corporations and households. *(Source: Arab News)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.55	-13.05	KSA	2027	4.56	-11.13
Abu Dhabi	2031	4.68	-18.62	KSA	2032	4.85	-18.44
Abu Dhabi	2050	5.20	-31.39	KSA	2050	5.77	-30.16
Bahrain	2028	6.90	-9.83	Oman	2027	6.62	-9.70
Bahrain	2032	8.44	-18.04	Oman	2032	7.03	-12.60
Bahrain	2051	9.15	-23.54	Oman	2051	8.32	-19.01
Dubai	2029	4.38	-11.29	Qatar	2026	4.56	-10.65
Dubai	2050	6.38	-30.04	Qatar	2030	4.75	-16.63
Kuwait	2027	4.52	-12.25	Qatar	2050	5.27	-30.30

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.62	8.08	-0.03	-14.59
S&P MENA Bond and Sukuk Index	5.20	NA	-0.05	-15.28
Bloomberg Emerging Markets USD Index	8.17	6.80	-0.42	-20.24
Bloomberg Global Aggregate Index	3.79	7.42	-0.57	-20.66

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	11/10/2022	31/12/2021	11/10/2022	31/12/2021	11/10/2022	31/12/2021
KIBOR	3.1875	1.5000	3.5625	1.7500	3.8125	2.0000
SAIBOR	4.5778	0.9057	4.8469	0.9829	5.3178	1.0600
BHIBOR	5.0000	1.5167	5.2417	1.6233	5.6393	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	3.6194	0.3645	4.0208	0.7000	4.3617	0.7396
EURIBOR	1.2880	-0.5730	1.8970	-0.5460	2.5520	-0.4980
LIBOR	3.9087	0.2144	4.3847	0.3451	4.9963	0.5888

	USD Swap Rates			Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	4.7490	4.90	787.7	KWD	0.3102	-0.2418	-2.47	Crude Oil	95.71	30.48
2-Year	4.6887	4.62	398.1	SAR	3.7595	0.0186	-0.08	Gold	1,669.60	-9.31
5-Year	4.2545	8.49	210.7	EUR	0.9679	-0.2474	-14.88	Silver	19.41	-17.53
7-Year	4.1220	10.08	179.3	GBP	1.1029	-0.2442	-18.50	Copper	341.80	-22.49
10-Year	4.0127	11.61	153.8	JPY	145.7800	-0.0343	-21.05	Nat. Gas	6.55	73.03
30-Year	3.5022	10.11	102.3	CNH	7.1998	-0.6362	-11.70	Aluminum	2,257.80	-18.84

	US Treasuries		UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.35	-0.07	4.26	-0.28	NA	NA
5-Year	4.23	-0.38	4.59	-0.76	1.79	-0.07
10-Year	4.00	-0.91	4.46	-1.83	2.17	-0.67
30-Year	3.95	-1.70	4.67	-2.90	2.31	-2.76

	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	11-Oct 2022	31-Dec 2021
Kuwait	61.58	40.53
KSA	61.05	50.97
Abu Dhabi	48.30	43.09
Dubai	116.17	89.58
Qatar	57.30	42.55
Bahrain	289.52	286.32
Oman	253.21	254.42
Iraq	788.35	507.35
Egypt	NA	496.58
Morocco	285.75	85.91
Turkey	773.14	555.46
US	26.25	10.01
UK	41.47	8.91
China	105.02	39.86
Japan	25.48	16.23
Germany	23.75	7.53
France	31.12	17.87