

News Updates

National Industries Group completes over \$129m bond issue – National Industries Group Holding has completed a KD 40 million (\$129.75 million) bond issue, marking the first Kuwaiti Dinar-denominated bond issuance so far in Kuwait in 2022. Kuwait Financial Centre (Markaz) and Gulf Bank served as the Joint Lead Managers for the five-year bond issue. The bonds were issued in two tranches, the first with a fixed rate at 5.25% per annum, payable on a quarterly basis, and the second tranche with a floating rate at 2.25% above the Central Bank of Kuwait Discount Rate, and payable on a quarterly basis. These bonds, due in 2027, have a credit rating of (BBB-) from Capital Intelligence. *(Source: Trade Arabia)*

Moody’s: GCC states should continue economic diversification; oil to reach \$50-\$70/bbl in 2024 – This year, GCC states will record their highest oil production since 2016, and a GDP growth that will be among the highest in the world. Despite higher oil windfalls, they should continue diversifying the economy, according to Moody’s. The rating agency stated oil prices are expected to fall to \$50 to \$70 per barrel in the medium term, around 2024, but prior to that GCC states are to see their highest GDP growth rate since 2011. This particularly applies to the UAE and Saudi Arabia, where GDP growth year-on-year could be as high as 7%, which may make them the highest growing sovereigns globally. According to Moody’s, the aggregate fiscal surplus for the region will rise to 8% of GDP, that compares to a small deficit of 2.1% in 2021, a deficit of more than 11% of GDP in 2020. The fiscal surplus for the GCC as a whole is likely to stay for the next three years *(Source: Zawya)*

Abu Dhabi royal-owned company revives plans for dollar sukuk – The Private Department of Sheikh Mohamed Bin Khalid al-Nahyan LLC (PD) is reviving plans to sell U.S. dollar-denominated sukuk, bank documents showed. PD, a relatively small real estate player in Abu Dhabi owned by members of its ruling family, last year pulled a \$350 million sukuk after its launch and ahead of pricing. Abu Dhabi Commercial Bank, Citi, Dubai Islamic Bank, Emirates NBD Capital, First Abu Dhabi Bank, HSBC, JP Morgan, Kamco Invest, KFH Capital, Mashreq and Warba Bank are arranging the planned benchmark sale of three-year sukuk. PD was aiming to raise \$600 million in July last year before setting the size at \$350 million and subsequently pulling the deal at the eleventh hour. Sources said at the time that the company likely faced a rating downgrade if the deal had closed at the \$350 million size. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.54	-8.97	KSA	2027	3.64	-7.96
Abu Dhabi	2031	3.84	-13.36	KSA	2032	3.98	-12.63
Abu Dhabi	2050	4.59	-24.49	KSA	2050	5.14	-23.54
Bahrain	2028	6.11	-6.69	Oman	2027	5.55	-5.67
Bahrain	2032	7.57	-12.78	Oman	2032	6.21	-7.25
Bahrain	2051	8.55	-18.32	Oman	2051	7.51	-10.96
Dubai	2029	3.96	-8.99	Qatar	2026	3.64	-7.70
Dubai	2050	5.79	-23.70	Qatar	2030	3.81	-11.83
Kuwait	2027	3.48	-8.41	Qatar	2050	4.64	-23.25

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.79	8.08	0.20	-10.41
S&P MENA Bond and Sukuk Index	4.41	NA	0.19	-11.28
Bloomberg Emerging Markets USD Index	7.10	6.80	0.23	-15.93
Bloomberg Global Aggregate Index	3.21	7.42	0.36	-16.24

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	13/09/2022	31/12/2021	13/09/2022	31/12/2021	13/09/2022	31/12/2021
KIBOR	2.5625	1.5000	2.8750	1.7500	3.1250	2.0000
SAIBOR	3.3444	0.9057	3.7580	0.9829	4.1968	1.0600
BHIBOR	4.1417	1.5167	4.4637	1.6233	5.1016	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	3.0781	0.3645	3.6275	0.7000	3.6519	0.7396
EURIBOR	0.9340	-0.5730	1.4420	-0.5460	2.0150	-0.4980
LIBOR	3.2454	0.2144	3.8111	0.3451	4.1890	0.5888

USD Swap Rates			Currencies			Commodities			
Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	4.0041	-1.48	648.4 KWD	0.3080	0.0974	-1.75	Crude Oil	93.73	26.95
2-Year	3.8886	-2.47	313.1 SAR	3.7587	0.0000	-0.07	Gold	1,731.70	-5.93
5-Year	3.4916	-2.07	155.0 EUR	1.0140	0.1680	-10.83	Silver	19.64	-16.57
7-Year	3.4254	-1.99	132.1 GBP	1.1692	0.0685	-13.60	Copper	361.40	-18.04
10-Year	3.4071	-2.16	115.5 JPY	142.5000	0.2456	-19.24	Nat. Gas	8.40	128.45
30-Year	3.1726	-2.12	83.3 CNH	6.9254	-0.1025	-8.20	Aluminum	2,271.25	-18.59

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	3.54	0.06	2.99	0.03	NA	NA
5-Year	3.43	0.10	2.97	-0.02	1.20	0.00
10-Year	3.34	0.17	3.07	0.11	1.47	0.00
30-Year	3.49	0.34	3.44	0.34	1.72	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	13-Sep 2022	31-Dec 2021
Kuwait	49.00	40.53
KSA	46.01	50.97
Abu Dhabi	44.15	43.09
Dubai	108.65	89.58
Qatar	45.00	42.55
Bahrain	286.65	286.32
Oman	244.33	254.42
Iraq	771.25	507.35
Egypt	NA	496.58
Morocco	240.69	85.91
Turkey	666.13	555.46
US	19.53	10.01
UK	26.59	8.91
China	64.36	39.86
Japan	18.95	16.23
Germany	15.10	7.53
France	21.93	17.87