

News Updates

Kuwaiti economy to grow at 7% on oil – The Institute of International Finance (IIF) said the Kuwaiti economy is expected to grow to 7% this year on the back of a 10% increase in oil production, with the current account surplus likely to widen mainly due to the rise in oil exports, reports Al-Rai daily. As for the fiscal deficit, excluding investment income, the IIF expected it to turn into a surplus equal to 8.3% of GDP. It also expected that Kuwait’s nominal GDP would reach \$170.6 billion this year and \$166.8 billion in 2023. *(Source: Arab Times)*

GCC may not follow US Fed to avoid ‘stifling’ non-oil growth – The Economist Intelligence Unit reported that some of the Gulf Cooperation Council countries could decide not to follow the US Federal Reserve which has raised interest rates, citing Kuwait in particular because it does not want to stifle non-oil growth in the country, reports Al-Rai daily. EIU sources indicated that pegging the Gulf Cooperation Council countries currencies to the dollar was beneficial because it provided them with a credible basis for their monetary policies. *(Source: Arab Times)*

Oil May Sink to Low \$60s If Deep Recession Hits, RBC Forecasts – In a deep-recession scenario, Brent may sink into the low \$60s/bbl by mid-2023, according to RBC Capital Markets, outlining a trio of outlooks while noting that forecasting is challenging at present. In the blue sky, risk-on scenario, Brent seen at \$115-120/bbl in mid-2023, RBC says in note received on Oct. 12. In the weak-macro but constructive-fundamental scenario, Brent seen at \$90-95/bbl. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.72	-13.74	KSA	2027	4.65	-11.46
Abu Dhabi	2031	4.84	-19.55	KSA	2032	5.04	-19.68
Abu Dhabi	2050	5.36	-33.10	KSA	2050	5.99	-32.17
Bahrain	2028	6.98	-10.22	Oman	2027	6.65	-9.80
Bahrain	2032	8.49	-18.38	Oman	2032	7.07	-12.84
Bahrain	2051	9.22	-24.11	Oman	2051	8.37	-19.31
Dubai	2029	4.51	-11.93	Qatar	2026	4.68	-11.02
Dubai	2050	6.48	-31.09	Qatar	2030	4.91	-17.44
Kuwait	2027	4.49	-12.11	Qatar	2050	5.42	-31.80

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.76	8.08	-0.42	-15.37
S&P MENA Bond and Sukuk Index	5.34	NA	-0.82	-16.28
Bloomberg Emerging Markets USD Index	8.32	6.80	-0.15	-20.92
Bloomberg Global Aggregate Index	3.83	7.42	-0.15	-21.03

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	13/10/2022	31/12/2021	13/10/2022	31/12/2021	13/10/2022	31/12/2021
KIBOR	3.1875	1.5000	3.5625	1.7500	3.8125	2.0000
SAIBOR	4.7395	0.9057	4.9507	0.9829	5.4720	1.0600
BHIBOR	5.0000	1.5167	5.2417	1.6233	5.7059	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	3.7771	0.3645	4.1024	0.7000	4.4492	0.7396
EURIBOR	1.3400	-0.5730	2.0030	-0.5460	2.6930	-0.4980
LIBOR	3.9407	0.2144	4.4533	0.3451	5.0984	0.5888

	USD Swap Rates			Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	4.7580	3.17	789.3	KWD	0.3102	-0.2418	-2.47	Crude Oil	92.57	26.20
2-Year	4.6412	2.45	393.1	SAR	3.7597	0.0027	-0.08	Gold	1,675.90	-8.96
5-Year	4.1727	1.87	204.7	EUR	0.9704	0.0000	-14.66	Silver	18.95	-19.48
7-Year	4.0445	2.08	174.1	GBP	1.1090	-0.0991	-18.05	Copper	342.55	-22.32
10-Year	3.9458	2.37	149.6	JPY	146.8300	0.0545	-21.62	Nat. Gas	6.46	70.68
30-Year	3.4625	2.21	100.0	CNH	7.1835	-0.1142	-11.50	Aluminum	2,313.50	-16.84

	US Treasuries		UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.31	-0.03	3.90	0.35	NA	NA
5-Year	4.14	-0.09	4.42	0.38	1.70	0.06
10-Year	3.92	-0.18	4.42	0.05	2.12	0.00
30-Year	3.90	-0.34	4.80	-0.20	2.35	-0.90

	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-Oct 2022	31-Dec 2021
Kuwait	60.09	40.53
KSA	70.03	50.97
Abu Dhabi	48.30	43.09
Dubai	119.24	89.58
Qatar	60.68	42.55
Bahrain	301.73	286.32
Oman	260.78	254.42
Iraq	778.39	507.35
Egypt	NA	496.58
Morocco	286.63	85.91
Turkey	762.22	555.46
US	27.42	10.01
UK	45.01	8.91
China	108.23	39.86
Japan	27.39	16.23
Germany	26.76	7.53
France	33.22	17.87