

## News Updates

### US consumer prices rise 6% at tricky time for Fed amid Silicon Valley

**Bank fallout** – US inflation was high enough in February to further complicate the path forward for the Federal Reserve as it contends with three bank failures and broader concerns about financial stability.

The consumer price index rose 6% year on year last month, following a 0.4% increase from the previous month, the Bureau of Labor Statistics said on Tuesday. That is a step down from the annual 6.4% pace registered during January, though still stubbornly high. *(Source: Financial Times)*

### Treasury Two-Year Yield Rebounds After Biggest Slide in Decades –

Treasury two-year yields steadied Tuesday, recovering somewhat from their biggest drop since the Volcker era in the early 1980s. The yield advanced 20 basis points to 4.17%, after falling over 100 basis points in the previous three sessions. Traders are turning to US inflation data due later in the day for clues on the path for interest rates after the failure of several US banks muddled the outlook for Federal Reserve’s policy plan. *(Source: Bloomberg)*

### BlackRock Expects Fed to Keep Hiking Rates Despite Bank Turmoil

– The Federal Reserve will press on with interest-rate hikes despite the collapse of Silicon Valley Bank, according to the BlackRock Investment Institute. Although stress in the banking sector is denting investor confidence and tightening financial conditions, the US central bank will need to continue to raise rates to combat rampant inflation, says the research arm of BlackRock Inc., the world’s biggest asset manager.

Goldman, Barclays expect Fed to pause in light of bank stress. *(Source: Bloomberg)*

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.10	-0.26	KSA	2027	4.43	0.28
Abu Dhabi	2031	4.13	0.78	KSA	2032	4.43	0.21
Abu Dhabi	2050	4.88	-0.55	KSA	2050	5.40	-0.77
Bahrain	2028	5.88	1.31	Oman	2027	5.64	0.78
Bahrain	2032	6.84	2.39	Oman	2032	6.02	0.49
Bahrain	2051	8.02	1.30	Oman	2051	7.09	1.56
Dubai	2029	4.35	0.92	Qatar	2026	4.37	-0.12
Dubai	2050	5.89	0.42	Qatar	2030	4.36	-0.93
Kuwait	2027	4.13	-2.21	Qatar	2050	4.88	0.80

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.26	8.08	-0.21	1.25
S&P MENA Bond and Sukuk Index	5.03	NA	-0.37	1.00
Bloomberg Emerging Markets USD Index	7.49	6.80	-0.40	1.03
Bloomberg Global Aggregate Index	3.66	7.42	-0.54	1.55

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	15/03/2023	31/12/2022	15/03/2023	31/12/2022	15/03/2023	31/12/2022
KIBOR	4.2500	4.0000	4.4375	4.2500	4.6875	4.5625
SAIBOR	5.6131	5.3404	5.7280	5.5978	5.7927	5.8697
BHIBOR	6.3083	6.1417	6.3817	6.2675	6.5917	6.5529
QATAR	5.3500	5.2833	5.4500	5.4167	5.6167	5.5833
AEIBOR	4.7500	4.3095	4.9823	4.9399	5.1484	5.0421
EURIBOR	2.9570	2.1320	3.3750	2.6930	3.8580	3.2910
LIBOR	4.8663	4.7673	5.0507	5.1389	5.1426	5.4821

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	5.0050	6.42	-2.2	KWD	0.3071	-0.2931	-0.26	Crude Oil	78.54	-7.89
2-Year	4.5793	7.98	-2.7	SAR	3.7558	0.0080	0.08	Gold	1,906.00	3.46
5-Year	3.9501	0.74	-1.8	EUR	1.0745	0.1025	0.36	Silver	21.85	-9.76
7-Year	3.8021	-0.86	-2.6	GBP	1.2160	0.0165	0.64	Copper	401.15	5.16
10-Year	3.7201	-1.71	-3.1	JPY	134.6200	-0.2897	-2.59	Nat. Gas	2.59	-33.98
30-Year	3.3804	-2.52	-3.2	CNH	6.8869	-0.0973	0.52	Aluminum	2,326.00	-2.51

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.31	-0.11	3.45	-0.22	2.88	-0.32
5-Year	3.85	0.02	3.38	-0.54	2.51	-0.74
10-Year	3.67	0.19	3.48	-0.97	2.38	-1.30
30-Year	3.78	0.52	3.88	-1.03	2.40	-2.81

## 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	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	15-Mar 2023	31-Dec 2022
Kuwait	39.49	39.45
KSA	60.59	60.05
Abu Dhabi	42.20	43.90
Dubai	66.24	74.01
Qatar	43.24	46.55
Bahrain	243.69	224.63
Oman	139.14	185.75
Iraq	401.58	421.67
Egypt	NA	NA
Morocco	154.67	143.12
Turkey	534.14	506.65
US	39.57	22.82
UK	22.54	25.54
China	74.80	71.08
Japan	25.01	23.60
Germany	13.13	17.15
France	21.44	24.94