

**News Updates**

**Banque Saudi Fransi Seeks to Sell First USD Bond in a Decade –**

Banque Saudi Fransi is putting in a rare appearance in international debt markets as it pitches its first dollar-denominated bond in a decade. The Saudi Arabian lender is offering benchmark-sized notes due in five years. The bank so far pulled in more than \$2.6 billion of bids for a sale that’s expected to raise at least \$500 million. The sale follows a similarly-sized offering last month from Emirates NBD Bank PJSC, which attracted orders for twice the size of the transaction. The lender is offering the notes at about 170 basis points above US Treasuries, down from 175 basis points guided earlier and inside opening price guidance of about 195 basis points. Emirates NBD last month cut the spread on its five-year deal by 20 basis points during marketing. Those notes have since rallied, cutting the yield to about 5.4% from more than 5.7% at issue. *(Source: Bloomberg)*

**Oil Extends Drop on Demand Concerns as Geopolitical Risks Ease –**

Oil extended losses as investors shifted their focus back to concerns over the demand outlook after geopolitical tensions eased. West Texas Intermediate dropped toward \$84 a barrel after closing 1.5% lower on Wednesday. China is grappling with rising Covid cases, while JPMorgan Chase & Co. projected the US will enter a “mild” recession next year due to interest-rate hikes. OPEC trimmed its forecasts for oil demand earlier this week. NATO and Polish leaders said there’s no indication a missile that struck the nation’s border with Ukraine was an intentional attack by Russia, easing fears it might lead to an escalation of the war in Europe. The Druzhba pipeline that carries Russian oil westward also restarted after a power disruption. *(Source: Bloomberg)*

**Fed's Waller says more comfortable with smaller hikes, leaves door open to a ‘sequence’ of 50bps moves –**

Federal Reserve officials backed expectations they will moderate interest-rate increases to 50 basis points next month, while stressing the need to keep hiking into 2023. In a speech on Wednesday, Governor Christopher Waller said his final decision on the size of the appropriate move next month will hinge on data. He also left the door open to a sequence of half percentage-point increases if needed to curb high inflation. *(Source: Bloomberg)*

**GCC Sovereign Yields**

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.03	-10.88	KSA	2027	4.42	-10.36
Abu Dhabi	2031	4.28	-15.86	KSA	2032	4.68	-17.13
Abu Dhabi	2050	5.10	-30.35	KSA	2050	5.55	-27.86
Bahrain	2028	6.00	-5.94	Oman	2027	5.67	-6.20
Bahrain	2032	7.06	-9.37	Oman	2032	6.11	-6.71
Bahrain	2051	8.11	-14.11	Oman	2051	7.57	-11.65
Dubai	2029	4.74	-13.10	Qatar	2026	4.30	-9.68
Dubai	2050	6.07	-26.62	Qatar	2030	4.50	-15.63
Kuwait	2027	4.37	-11.77	Qatar	2050	5.12	-28.65

**Bonds and Sukuk Indices**

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.43	8.08	0.37	-12.75
S&P MENA Bond and Sukuk Index	5.18	NA	0.53	-14.49
Bloomberg Emerging Markets USD Index	7.79	6.80	0.47	-17.36
Bloomberg Global Aggregate Index	3.57	7.42	0.46	-16.78

**Interbank Rates (%)**

	3 Months		6 Months		12 Months	
	17/11/2022	31/12/2021	17/11/2022	31/12/2021	17/11/2022	31/12/2021
KIBOR	4.0000	1.5000	4.1875	1.7500	4.4375	4.4375
SAIBOR	5.6944	0.9057	5.8938	0.9829	6.3269	6.3719
BHIBOR	5.8250	1.5167	6.0618	1.6233	6.3250	6.3250
QATAR	4.8667	1.1250	5.0000	1.2000	5.1500	5.1000
AEIBOR	4.3080	0.3645	4.6972	0.7000	5.0224	5.1212
EURIBOR	1.7950	-0.5730	2.3000	-0.5460	2.8520	2.8110
LIBOR	4.6497	0.2144	5.0850	0.3451	5.4601	5.4513

	USD Swap Rates			Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	5.0993	0.97	853.1	KWD	0.3079	0.0325	-1.72	Crude Oil	91.82	25.99
2-Year	4.6920	1.39	398.5	SAR	3.7591	-0.0080	-0.09	Gold	1,765.00	-4.12
5-Year	3.9118	2.03	185.6	EUR	1.0373	-0.2116	-8.77	Silver	21.37	-9.59
7-Year	3.7615	2.71	154.9	GBP	1.1890	-0.2098	-12.14	Copper	371.90	-15.29
10-Year	3.6915	3.48	133.5	JPY	139.5700	-0.0502	-17.55	Nat. Gas	6.19	55.46
30-Year	3.4325	3.30	98.3	CNH	7.1428	-0.4830	-11.00	Aluminum	2,399.00	-13.30

	US Treasuries		UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.37	-0.02	2.94	0.14	NA	NA
5-Year	3.87	-0.09	3.16	0.51	2.07	0.12
10-Year	3.72	-0.22	3.14	1.26	1.94	0.64
30-Year	3.86	-0.41	3.30	2.14	1.93	1.82

**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	17-Nov 2022	31-Dec 2021
Kuwait	45.14	40.53
KSA	55.40	50.97
Abu Dhabi	45.67	43.09
Dubai	94.31	89.58
Qatar	45.58	42.55
Bahrain	229.23	286.32
Oman	169.28	254.42
Iraq	483.83	507.35
Egypt	NA	496.58
Morocco	256.33	85.91
Turkey	564.44	555.46
US	25.80	10.01
UK	22.94	8.91
China	77.74	39.86
Japan	23.05	16.23
Germany	18.10	7.53
France	26.76	17.87