

News Updates

**Credit Suisse places U.S. asset management arm for sale** – Credit Suisse Group AG recently launched a process that could see its U.S. asset management arm sold, a source familiar with the matter said on Monday, as the Swiss bank seeks to reshape its business after multiple scandals. Initial expressions of interest from potential buyers are due in at the end of this week, said the source. The source added there was no guarantee of a sale and Credit Suisse could ultimately retain the business. Bloomberg News reported earlier on Monday, citing people familiar with the matter, the launch of an auction for the unit, which includes a platform for investing in collateralized loan obligations. *(Source: Reuters)*

**Goldman Sachs sees deeper UK recession after tax U-turn** – Goldman Sachs has downgraded Britain's economic outlook and warned of a deeper recession next year after Prime Minister Liz Truss last week removed Kwasi Kwarteng as chancellor and scrapped parts of their unpopular economic package. The Wall Street bank revised its 2023 UK economic output forecast to a 1% contraction from an earlier forecast for a 0.4% output drop, with core inflation seen at 3.1% at the end of 2023, down from 3.3% previously. *(Source: Reuters)*

**Government bonds no safe haven in central bank-driven recession - BlackRock** – Government bonds may not offer much protection in a recession if surging inflation pressures central banks to continue tightening monetary policy, the BlackRock Investment Institute said. Risks of a global recession have increased as central banks around the world tighten monetary policy to bring down consumer prices. Fears of a downturn would typically send investors out of comparatively risky assets such as stocks and some corporate bonds and into government bonds. But such a scenario is unlikely to play out if inflation remains elevated and central banks are forced to keep interest rates high, strategists at the BlackRock Investment Institute said in a note on Monday. *(Source: Reuters)*

GCC Sovereign Yields

| Sovereigns | Maturity | Yield % | Price Δ (YTD %) | Sovereigns | Maturity | Yield % | Price Δ (YTD %) |
|------------|----------|---------|-----------------|------------|----------|---------|-----------------|
| Abu Dhabi  | 2027     | 4.73    | -13.74          | KSA        | 2027     | 4.83    | -12.03          |
| Abu Dhabi  | 2031     | 4.89    | -19.89          | KSA        | 2032     | 5.10    | -20.02          |
| Abu Dhabi  | 2050     | 5.39    | -33.38          | KSA        | 2050     | 6.09    | -33.10          |
| Bahrain    | 2028     | 7.09    | -10.68          | Oman       | 2027     | 6.62    | -9.66           |
| Bahrain    | 2032     | 8.54    | -18.69          | Oman       | 2032     | 7.08    | -12.92          |
| Bahrain    | 2051     | 9.28    | -24.64          | Oman       | 2051     | 8.40    | -19.58          |
| Dubai      | 2029     | 4.59    | -12.27          | Qatar      | 2026     | 4.84    | -11.36          |
| Dubai      | 2050     | 6.48    | -31.00          | Qatar      | 2030     | 4.97    | -17.69          |
| Kuwait     | 2027     | 4.67    | -12.69          | Qatar      | 2050     | 5.48    | -32.37          |

Bonds and Sukuk Indices

| Index Name                           | Yield % | Duration (yrs) | 1D Δ (%) | YTD Δ (%) |
|--------------------------------------|---------|----------------|----------|-----------|
| Bloomberg GCC FI Index               | 5.84    | 8.08           | 0.11     | -15.69    |
| S&P MENA Bond and Sukuk Index        | 5.47    | NA             | 0.04     | -16.94    |
| Bloomberg Emerging Markets USD Index | 8.51    | 6.80           | 0.05     | -21.55    |
| Bloomberg Global Aggregate Index     | 3.88    | 7.42           | 0.40     | -21.02    |

Interbank Rates (%)

|         | 3 Months   |            | 6 Months   |            | 12 Months  |            |
|---------|------------|------------|------------|------------|------------|------------|
|         | 18/10/2022 | 31/12/2021 | 18/10/2022 | 31/12/2021 | 18/10/2022 | 31/12/2021 |
| KIBOR   | 3.1875     | 1.5000     | 3.5625     | 1.7500     | 3.8125     | 2.0000     |
| SAIBOR  | 4.9842     | 0.9057     | 5.1311     | 0.9829     | 5.5833     | 1.0600     |
| BHIBOR  | 5.0250     | 1.5167     | 5.3250     | 1.6233     | 5.7809     | 1.7667     |
| QATAR   | 2.4500     | 1.1250     | 2.5000     | 1.2000     | 2.7500     | 1.3250     |
| AEIBOR  | 3.8533     | 0.3645     | 4.2918     | 0.7000     | 4.3563     | 0.7396     |
| EURIBOR | 1.4030     | -0.5730    | 2.0270     | -0.5460    | 2.6770     | -0.4980    |
| LIBOR   | 4.1937     | 0.2144     | 4.6853     | 0.3451     | 5.2831     | 0.5888     |

| USD Swap Rates |            |           | Currencies |            |           | Commodities |           |           |          |        |
|----------------|------------|-----------|------------|------------|-----------|-------------|-----------|-----------|----------|--------|
| Yield %        | 1D Δ (bps) | YTD Δ (%) | USD        | 1D Δ (bps) | YTD Δ (%) | USD         | YTD Δ (%) |           |          |        |
| 1-Year         | 4.9790     | -1.46     | 830.7      | KWD        | 0.3099    | 0.1614      | -2.37     | Crude Oil | 92.25    | 25.77  |
| 2-Year         | 4.8004     | -3.23     | 410.0      | SAR        | 3.7580    | 0.0000      | -0.05     | Gold      | 1,664.10 | -9.60  |
| 5-Year         | 4.2000     | -5.08     | 206.7      | EUR        | 0.9860    | 0.1931      | -13.28    | Silver    | 18.80    | -20.14 |
| 7-Year         | 4.0589     | -5.01     | 175.0      | GBP        | 1.1399    | 0.3522      | -15.77    | Copper    | 342.75   | -22.27 |
| 10-Year        | 3.9610     | -4.57     | 150.5      | JPY        | 148.7900  | 0.1748      | -22.65    | Nat. Gas  | 5.93     | 56.52  |
| 30-Year        | 3.5264     | -2.68     | 103.7      | CNH        | 7.1951    | 0.1988      | -11.64    | Aluminum  | 2,214.06 | -20.19 |

  

| US Treasuries |          |      | UK Gilts |          | German Bunds |          |
|---------------|----------|------|----------|----------|--------------|----------|
| Yield %       | 1D Δ (%) |      | Yield %  | 1D Δ (%) | Yield %      | 1D Δ (%) |
| 2-Year        | 4.42     | 0.05 | 3.49     | 0.48     | NA           | NA       |
| 5-Year        | 4.18     | 0.22 | 3.89     | 1.49     | 1.85         | 0.00     |
| 10-Year       | 3.97     | 0.34 | 3.96     | 2.83     | 2.11         | 0.00     |
| 30-Year       | 4.00     | 0.40 | 4.36     | 4.01     | 2.29         | 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 | 18-Oct 2022 | 31-Dec 2021 |
|-------------|-------------|-------------|
| Kuwait      | 59.15       | 40.53       |
| KSA         | 70.50       | 50.97       |
| Abu Dhabi   | 48.30       | 43.09       |
| Dubai       | 119.15      | 89.58       |
| Qatar       | 62.25       | 42.55       |
| Bahrain     | 304.64      | 286.32      |
| Oman        | 259.58      | 254.42      |
| Iraq        | 745.13      | 507.35      |
| Egypt       | NA          | 496.58      |
| Morocco     | 298.08      | 85.91       |
| Turkey      | 750.85      | 555.46      |
| US          | 28.23       | 10.01       |
| UK          | 40.57       | 8.91        |
| China       | 111.54      | 39.86       |
| Japan       | 27.60       | 16.23       |
| Germany     | 26.63       | 7.53        |
| France      | 33.42       | 17.87       |