

News Updates

Abu Dhabi's Mubadala sells \$1 billion in 10-1/2-year bonds – Abu Dhabi sovereign wealth fund Mubadala sold on Tuesday \$1 billion in bonds maturing in 10-1/2 years after drawing more than \$4.2 billion in orders for the debt sale, a bank document showed. The bonds launched at 165 basis points (bps) over 10-year U.S. Treasuries from initial guidance of about 200 bps over the same benchmark, the bank document showed. *(Source: Reuters)*

U.S. Treasuries post record foreign inflows in August – Foreign inflows into U.S. Treasuries posted a record in the month of August, data from the U.S. Treasury department showed on Tuesday, as investors speculated about a pivot by the Federal Reserve away from aggressive tightening. Data showed that foreign investors poured an all-time peak of \$174.2 billion into U.S. Treasuries, up from \$23 billion in July. The overall data, however, is a lagging indicator and the numbers are often outdated. Analysts though look at the report to spot trends on foreign buying of U.S. assets. That said, it was in August that July inflation figures were released showing price pressures on the consumer and producer side moderated more than expected for the month. U.S. consumer prices did not rise in July due to a steep decline in gasoline costs, delivering the first notable sign of relief for Americans who have watched inflation climb over the past two years. *(Source: Reuters)*

UBS Sees UK Bond Surge as BOE Hikes Less on Austerity, Recession – UK bonds, the securities at the heart of a recent market turmoil, will rally and outperform US and German sovereign debt owing to a worsening growth outlook, according to UBS Group AG. The government’s fiscal belt-tightening to restore credibility with financial markets will reduce the need for Bank of England rate hikes, said strategists Rohan Khanna and Jess Eagel. The risk is this new government direction veers “a bit too far into austerity,” pushing the economy into a deeper recession, they said. The analysts are targeting 10- and 30-year gilt yields falling to between 3% to 3.25%, from around 4.00% and 4.25% respectively. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.78	-13.92	KSA	2027	4.77	-11.88
Abu Dhabi	2031	4.98	-20.38	KSA	2032	5.31	-21.31
Abu Dhabi	2050	5.49	-34.42	KSA	2050	6.16	-33.78
Bahrain	2028	7.16	-10.91	Oman	2027	6.78	-10.24
Bahrain	2032	8.66	-19.36	Oman	2032	7.16	-13.42
Bahrain	2051	9.38	-25.37	Oman	2051	8.46	-20.15
Dubai	2029	4.61	-12.39	Qatar	2026	4.81	-11.38
Dubai	2050	6.52	-31.48	Qatar	2030	5.00	-17.92
Kuwait	2027	4.64	-12.64	Qatar	2050	5.53	-32.88

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.89	8.08	-0.22	-15.97
S&P MENA Bond and Sukuk Index	5.50	NA	-0.18	-17.10
Bloomberg Emerging Markets USD Index	8.57	6.80	-0.54	-21.83
Bloomberg Global Aggregate Index	3.94	7.42	-0.72	-21.43

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	20/10/2022	31/12/2021	20/10/2022	31/12/2021	20/10/2022	31/12/2021
KIBOR	3.1875	1.5000	3.5625	1.7500	3.8125	2.0000
SAIBOR	5.2618	0.9057	5.3162	0.9829	5.7972	1.0600
BHIBOR	5.0658	1.5167	5.4435	1.6233	6.0250	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	3.9952	0.3645	4.2400	0.7000	4.6452	0.7396
EURIBOR	1.4560	-0.5730	2.0380	-0.5460	2.6980	-0.4980
LIBOR	4.2426	0.2144	4.7150	0.3451	5.3389	0.5888

USD Swap Rates			Currencies			Commodities				
Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)			
1-Year	5.0738	3.25	848.4	KWD	0.3100	-0.0323	-2.40	Crude Oil	93.03	26.83
2-Year	4.9444	1.47	425.3	SAR	3.7582	0.0000	-0.05	Gold	1,636.20	-11.12
5-Year	4.3961	1.31	221.0	EUR	0.9788	0.1433	-13.92	Silver	18.37	-21.95
7-Year	4.2548	1.48	188.3	GBP	1.1235	0.1337	-16.98	Copper	332.90	-24.50
10-Year	4.1507	1.50	162.5	JPY	149.9200	-0.0133	-23.24	Nat. Gas	5.55	46.51
30-Year	3.6778	1.85	112.5	CNH	7.2385	0.4214	-12.17	Aluminum	2,156.25	-22.27

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)	
2-Year	4.57	-0.02	3.39	0.12	NA	NA
5-Year	4.37	-0.05	3.83	0.10	2.00	0.00
10-Year	4.15	-0.08	3.87	0.57	2.22	0.00
30-Year	4.14	-0.18	3.97	3.53	2.33	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	20-Oct 2022	31-Dec 2021
Kuwait	59.57	40.53
KSA	71.79	50.97
Abu Dhabi	48.30	43.09
Dubai	119.57	89.58
Qatar	62.70	42.55
Bahrain	308.70	286.32
Oman	260.35	254.42
Iraq	757.14	507.35
Egypt	NA	496.58
Morocco	298.50	85.91
Turkey	733.03	555.46
US	29.06	10.01
UK	37.47	8.91
China	110.73	39.86
Japan	26.80	16.23
Germany	26.55	7.53
France	33.07	17.87