

News Updates

Moody's affirms UAE's Aa2 rating, maintains stable outlook – International credit rating agency Moody's on Tuesday affirmed the Aa2 long-term local and foreign currency issuer ratings of the UAE's government with the outlook predicted to remain stable. Moody's Investors Service also affirmed the foreign currency senior unsecured debt and program ratings at Aa2 and (P) Aa2, respectively. *(Source: Arab News)*

Fed begins crucial rate talks amid ongoing bank concerns – Federal Reserve members kicked off two days of crucial interest rate talks on Tuesday, as the US central bank looks to chart a path between stubbornly high inflation and turbulent financial markets. A majority of analysts and traders believe the Fed will raise its benchmark lending rate a quarter percentage point on Wednesday afternoon, its ninth consecutive increase, while a minority predict the US central bank will halt its hiking cycle on banking sector concerns following the collapse of Silicon Valley Bank. *(Source: Zawya)*

JPMorgan Says Treasuries Coping Amid Worst Liquidity Since 2020 – The Federal Reserve can look past low liquidity in the Treasuries market and continue with its rate hikes, according to strategists at JPMorgan Chase & Co. While the world's biggest bond market endured some illiquidity recently, the impact on prices isn't as severe as during the onset of the pandemic. As such, it's not affecting financial stability and the Fed will make that distinction when deciding on its rate hikes, they said. “The footprint of each trade in the market, as measured by price impact, has been elevated for the past year but has not risen appreciably in recent weeks and remains below crisis levels,” the analysts wrote. “Dislocations have increased but are far from distressed levels.” *(Source: Bloomberg)*

Global bank bonds claw back losses as markets rout eases – An uneasy calm descended across battered bank bonds and shares on Tuesday, with prices recovering a day after regulators sought to convince investors that the hit facing bondholders of embattled Credit Suisse is isolated. Additional Tier 1 (AT1) bonds issued by European lenders rose, with UniCredit's 6.625% issue up more than 5 cents. Tuesday's AT1 rebound only partially offset hefty losses of 5 cents or more suffered on Monday and sentiment remained fragile. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.08	-0.14	KSA	2027	4.40	0.42
Abu Dhabi	2031	4.06	1.37	KSA	2032	4.42	0.41
Abu Dhabi	2050	4.85	0.00	KSA	2050	5.40	-0.80
Bahrain	2028	6.00	0.80	Oman	2027	5.70	0.56
Bahrain	2032	6.92	1.79	Oman	2032	6.13	-0.30
Bahrain	2051	8.18	-0.56	Oman	2051	7.18	0.48
Dubai	2029	4.39	0.70	Qatar	2026	4.23	0.26
Dubai	2050	5.90	0.19	Qatar	2030	4.33	-0.80
Kuwait	2027	4.06	-1.98	Qatar	2050	4.82	1.72

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.27	8.08	-0.01	1.42
S&P MENA Bond and Sukuk Index	4.96	NA	-0.02	1.48
Bloomberg Emerging Markets USD Index	7.55	6.80	0.10	0.94
Bloomberg Global Aggregate Index	3.57	7.42	-0.29	2.39

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	22/03/2023	31/12/2022	22/03/2023	31/12/2022	22/03/2023	31/12/2022
KIBOR	4.2500	4.0000	4.4375	4.2500	4.6875	4.5625
SAIBOR	5.5146	5.3404	5.6555	5.5978	5.7285	5.8697
BHIBOR	6.1552	6.1417	6.1876	6.2675	6.3173	6.5529
QATAR	5.2000	5.2833	5.2500	5.4167	5.3500	5.5833
AEIBOR	4.9193	4.3095	4.8560	4.9399	4.9925	5.0421
EURIBOR	2.8920	2.1320	3.0950	2.6930	3.3950	3.2910
LIBOR	4.9471	4.7673	4.8487	5.1389	4.7034	5.4821

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	5.0175	0.54	-2.0	KWD	0.3071	-0.2931	-0.26	Crude Oil	74.97	-12.08
2-Year	4.4580	0.01	-5.3	SAR	3.7574	0.0053	0.05	Gold	1,959.40	5.47
5-Year	3.8330	-1.61	-4.7	EUR	1.0770	0.0093	0.60	Silver	22.50	-7.07
7-Year	3.7011	-1.58	-5.2	GBP	1.2233	0.1228	1.23	Copper	398.80	4.55
10-Year	3.6335	-1.04	-5.3	JPY	132.4900	0.0226	-1.03	Nat. Gas	2.31	-41.00
30-Year	3.2922	0.54	-5.7	CNH	6.8868	-0.1452	0.52	Aluminum	2,233.00	-6.41

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.16	0.01	3.25	-0.11	2.61	-0.40
5-Year	3.73	0.09	3.20	-0.23	2.31	-0.90
10-Year	3.59	0.15	3.36	-0.49	2.24	-1.33
30-Year	3.73	0.12	3.83	-0.37	2.31	-2.28

Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	A1	A+	AA-
KSA	A1	Au	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	22-Mar 2023	31-Dec 2022
Kuwait	46.51	39.45
KSA	67.51	60.05
Abu Dhabi	45.47	43.90
Dubai	79.30	74.01
Qatar	46.94	46.55
Bahrain	247.74	224.63
Oman	159.72	185.75
Iraq	405.44	421.67
Egypt	NA	NA
Morocco	178.35	143.12
Turkey	537.08	506.65
US	40.94	22.82
UK	24.24	25.54
China	76.25	71.08
Japan	25.80	23.60
Germany	13.44	17.15
France	23.33	24.94