

News Updates

Gulf central banks raise rates after Fed's third big hike in a row – Gulf central banks raised their key interest rates on Wednesday after the U.S. Federal Reserve delivered its third consecutive three-quarter percentage point hike, with Brent dropping below \$90 immediately after the Fed news before recovering. While the Fed's move is motivated by bringing inflation down in the United States, it also serves to guide Gulf monetary policy as most of the region's currencies are pegged to the dollar. Kuwait, which pegs its dinar against a basket of currencies that includes the dollar, increased its key discount rate by 25 basis points (bps) to 3%, having more flexibility to stray from Fed policy than its neighbours. Saudi Arabia and Bahrain lifted their benchmark rates by a matching 75 basis points, and Qatar and the United Arab Emirates said their matching rate hikes will take effect on Thursday. Oman, the remaining member of the six-country Gulf Cooperation Council, is widely expected to follow with a similar move. *(Source: Reuters)*

Oman's nominal GDP surges over 32% – Oman's economy is witnessing a remarkable expansion this year as elevated oil prices, increased hydrocarbon production and stronger non-oil growth have provided a much needed boost to the country's GDP. The sultanate's nominal gross domestic product at current market prices recorded a whopping 32.4 per cent growth in the first half of 2022, the fastest economic expansion in over a decade, official data released on Tuesday showed. Nominal GDP surged to RO20.261bn in the first half of 2022 compared to RO15.302bn in the same period of 2021. *(Source: Muscat Daily)*

Lebanon must implement reforms before board will consider IMF program-IMF staff – Lebanese authorities must complete actions agreed with the International Monetary Fund in April before the global lender's board will consider Lebanon's request for new financing, an IMF staff team said as it completed a visit to the country. Lebanon's economy remained severely depressed amid the continued deadlock over much-needed economic reforms, and progress on implementation of reforms agreed under a staff-level agreement had been 'very slow,' the staff said in a statement, adding that IMF officials would remain engaged with authorities in the country to advance the reforms. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.98	-10.90	KSA	2027	4.05	-9.40
Abu Dhabi	2031	4.15	-15.35	KSA	2032	4.25	-14.47
Abu Dhabi	2050	4.77	-26.65	KSA	2050	5.29	-25.14
Bahrain	2028	6.30	-7.45	Oman	2027	6.04	-7.62
Bahrain	2032	7.67	-13.38	Oman	2032	6.57	-9.67
Bahrain	2051	8.55	-18.34	Oman	2051	7.87	-14.60
Dubai	2029	3.98	-9.17	Qatar	2026	4.02	-8.93
Dubai	2050	5.92	-25.24	Qatar	2030	4.16	-13.63
Kuwait	2027	3.90	-10.00	Qatar	2050	4.83	-25.42

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.05	8.08	-0.07	-11.73
S&P MENA Bond and Sukuk Index	4.67	NA	-0.25	-12.53
Bloomberg Emerging Markets USD Index	7.47	6.80	0.14	-17.32
Bloomberg Global Aggregate Index	3.43	7.42	-0.20	-18.00

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	22/09/2022	31/12/2021	22/09/2022	31/12/2021	22/09/2022	31/12/2021
KIBOR	2.6250	1.5000	2.9375	1.7500	3.2500	2.0000
SAIBOR	3.6005	0.9057	4.0700	0.9829	4.4690	1.0600
BHIBOR	4.3171	1.5167	4.6583	1.6233	5.3250	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	3.3940	0.3645	3.7477	0.7000	4.1458	0.7396
EURIBOR	1.1000	-0.5730	1.7400	-0.5460	2.3380	-0.4980
LIBOR	3.6017	0.2144	4.1751	0.3451	4.6994	0.5888

	USD Swap Rates			Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	4.6083	5.09	761.4	KWD	0.3085	0.0324	-1.94	Crude Oil	90.11	22.05
2-Year	4.5305	6.52	381.3	SAR	3.7640	-0.0133	-0.18	Gold	1,668.30	-9.38
5-Year	3.9065	4.02	185.3	EUR	0.9831	-0.0610	-13.54	Silver	19.38	-17.68
7-Year	3.7325	2.58	152.9	GBP	1.1247	-0.2130	-16.89	Copper	346.10	-21.51
10-Year	3.6096	0.92	128.3	JPY	144.8400	-0.5317	-20.54	Nat. Gas	7.73	110.26
30-Year	3.1997	-0.06	84.8	CNH	7.0985	-0.3240	-10.44	Aluminum	2,192.00	-21.21

	US Treasuries		UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.11	-0.10	3.34	-0.09	NA	NA
5-Year	3.81	-0.17	3.36	-0.30	1.62	0.00
10-Year	3.54	-0.08	3.31	-0.18	1.79	0.00
30-Year	3.51	-0.02	3.58	0.03	1.80	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	22-Sep 2022	31-Dec 2021
Kuwait	52.16	40.53
KSA	49.82	50.97
Abu Dhabi	48.30	43.09
Dubai	113.29	89.58
Qatar	48.61	42.55
Bahrain	283.67	286.32
Oman	255.40	254.42
Iraq	732.11	507.35
Egypt	NA	496.58
Morocco	244.42	85.91
Turkey	729.69	555.46
US	19.74	10.01
UK	28.53	8.91
China	92.53	39.86
Japan	21.61	16.23
Germany	15.89	7.53
France	24.36	17.87