

News Updates

DIB prices \$750m from inaugural sustainable Sukuk – Dubai Islamic Bank (DIB) has issued its \$750 million inaugural sustainable Sukuk, which was announced last February, according to a press release. The issuance comes in line with DIB’s sustainable finance framework which aims to facilitate funding of green and social projects. The deal marks the biggest transaction by a Gulf lender since February 2022. The five-year Islamic bond was oversubscribed 2.5 times once first debuted, with an annual profit rate of 5.493%, equivalent to a spread of 155 basis points (bps) over 5-Year US Treasuries. Arab Banking Corporation (Bank ABC), DIB, Emirates NBD Capital, First Abu Dhabi Bank (FAB), HSBC, KFH Capital, and Sharjah Islamic Bank (SIB) acted as the joint lead managers and bookrunners on the transaction. *(Source: Mubasher)*

Emerging market debt ratio climbs back to record highs – IIF – Emerging markets’ debt-to-gross domestic product ratio returned to record highs despite a \$6.4 trillion decline in the global debt pile to \$290 trillion in the third quarter due to a strong dollar and slowing bond sales, an IIF report found. Budget deficits and slower economic growth lifted the debt-to-GDP ratio in developing economies to 254 percent, matching a record high hit in the first quarter of 2021, the IIF said. High-yield borrowers have seen spreads widen by about 400 basis points on average this year but the widening has been smaller for investment grade borrowers, according to the IIF. *(Source: Arab News)*

Most Fed Officials Seek to Slow Pace of Interest-Rate Hikes Soon – Federal Reserve officials at their meeting earlier this month concluded it would soon be appropriate to slow the pace of rate increases, signaling the central bank was leaning toward downshifting to a 50 basis-point hike in December. “A substantial majority of participants judged that a slowing in the pace of increase would likely soon be appropriate,” according to minutes from their Nov. 1-2 meeting. Officials in September saw rates reaching 4.4% by the end of this year and 4.6% in 2023. They will update those quarterly forecasts at their Dec. 13-14 meeting. Yields on government 10-year notes have declined about 30 basis points since early Nov. *(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	4.46	-10.47
Abu Dhabi	2031	4.23	-15.52	KSA	2032	4.58	-16.49
Abu Dhabi	2050	5.00	-29.33	KSA	2050	5.49	-27.25
Bahrain	2028	6.17	-6.64	Oman	2027	5.86	-6.89
Bahrain	2032	7.15	-9.97	Oman	2032	6.22	-7.48
Bahrain	2051	8.17	-14.70	Oman	2051	7.65	-12.55
Dubai	2029	4.63	-12.77	Qatar	2026	4.33	-9.73
Dubai	2050	6.05	-26.45	Qatar	2030	4.47	-15.50
Kuwait	2027	4.42	-11.76	Qatar	2050	5.03	-27.69

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.42	8.08	0.53	-12.39
S&P MENA Bond and Sukuk Index	5.15	NA	0.36	-14.10
Bloomberg Emerging Markets USD Index	7.81	6.80	0.52	-17.19
Bloomberg Global Aggregate Index	3.55	7.42	0.83	-16.54

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	24/11/2022	31/12/2021	24/11/2022	31/12/2021	24/11/2022	31/12/2021
KIBOR	4.0000	1.5000	4.2500	1.7500	4.5000	4.4375
SAIBOR	5.5339	0.9057	5.8427	0.9829	6.2993	6.3719
BHIBOR	5.7682	1.5167	6.0586	1.6233	6.3417	6.3250
QATAR	4.9500	1.1250	5.0500	1.2000	5.3000	5.1000
AEIBOR	4.3013	0.3645	4.7559	0.7000	5.0600	5.1212
EURIBOR	1.8630	-0.5730	2.3380	-0.5460	2.8470	2.8110
LIBOR	4.6987	0.2144	5.1621	0.3451	5.5789	5.4513

USD Swap Rates			Currencies			Commodities				
Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)			
1-Year	5.1816	0.23	868.5	KWD	0.3073	0.2278	-1.55	Crude Oil	84.96	16.58
2-Year	4.8129	0.90	411.3	SAR	3.7587	0.0000	-0.07	Gold	1,769.80	-4.02
5-Year	3.9450	-0.80	188.1	EUR	1.0436	0.3751	-8.21	Silver	21.79	-7.79
7-Year	3.7760	-0.08	155.9	GBP	1.2097	0.3401	-10.61	Copper	366.10	-16.62
10-Year	3.6700	0.15	132.1	JPY	138.8800	0.5257	-17.13	Nat. Gas	7.12	78.68
30-Year	3.2866	-0.60	89.9	CNH	7.1413	0.1821	-10.98	Aluminum	2,377.90	-14.06

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)	
2-Year	4.48	0.01	3.06	0.02	NA	NA
5-Year	3.88	0.01	3.15	0.17	2.08	-0.04
10-Year	3.69	0.02	3.00	1.08	1.89	0.16
30-Year	3.73	0.06	3.19	1.68	1.79	1.52

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	24-Nov 2022	31-Dec 2021
Kuwait	44.23	40.53
KSA	56.22	50.97
Abu Dhabi	43.93	43.09
Dubai	89.46	89.58
Qatar	44.37	42.55
Bahrain	224.77	286.32
Oman	153.57	254.42
Iraq	483.84	507.35
Egypt	NA	496.58
Morocco	256.24	85.91
Turkey	548.01	555.46
US	24.45	10.01
UK	22.15	8.91
China	74.78	39.86
Japan	23.62	16.23
Germany	18.06	7.53
France	25.55	17.87