

News Updates

**Fitch downgrades Kuwait International Bank's Viability Rating to 'bb'**

– Fitch Ratings has placed Kuwait International Bank K.S.C.P.'s 'bb-' Viability Rating on Rating Watch Negative (RWN). Its other ratings are unaffected. The RWN reflects a sharp and unexpected drop in the bank's capitalisation, with the common equity Tier 1 capital ratio falling to 9.0% at end-1H22 from 11.1% at end-2021. The decline primarily reflects aggressive growth, which resulted in an increase in risk-weighted assets, combined with weak internal capital generation and mark-to-market losses in other comprehensive income affecting the capital base. *(Source: Fitch Ratings)*

**Oil Settles Near January Lows After Swinging With Broader Market**

– Oil declined, taking direction from broader markets as the potential impact of rising interest rates worldwide subdued investor sentiment. Crude gave up a short-lived rally with both benchmarks falling to near nine-month lows as the dollar traded at an all-time high, which makes commodities priced in the currency less attractive. Brent settled below \$85 a barrel and West Texas Intermediate remains under \$80. Oil is on track for a substantial quarterly slump as leading central banks including the US Federal Reserve raise interest rates aggressively to fight inflation, hurting the outlook for energy demand. *(Source: Bloomberg)*

**U.S. yields keep climbing as rate hike concerns grip markets**

– U.S. Treasury yields were up to new highs on Monday, rising in tandem with euro zone and British government debt yields amid concerns that central banks globally will keep tightening monetary policy to curb stubbornly high inflation. The slump in global bonds on Monday followed a week that saw the Federal Reserve deliver its third straight seventy-five basis point rate hike. Two-year Treasury yields, which tend to be more sensitive to interest rate changes, rose to a fresh 15-year high of 4.237%, and benchmark 10-year note yields were up about 5 basis points from their Friday close, climbing to 3.746%. Last week, those yields jumped to an intra-day high of 3.829%, the highest since April 2010. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.41	-12.56	KSA	2027	4.38	-10.63
Abu Dhabi	2031	4.46	-17.31	KSA	2032	4.61	-16.90
Abu Dhabi	2050	4.94	-28.61	KSA	2050	5.54	-27.75
Bahrain	2028	6.71	-9.23	Oman	2027	6.66	-9.86
Bahrain	2032	8.12	-16.22	Oman	2032	7.09	-12.91
Bahrain	2051	8.92	-21.60	Oman	2051	8.32	-18.89
Dubai	2029	4.21	-10.38	Qatar	2026	4.37	-10.01
Dubai	2050	6.11	-27.32	Qatar	2030	4.50	-15.30
Kuwait	2027	4.31	-11.54	Qatar	2050	5.03	-27.69

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.36	8.08	-0.52	-13.27
S&P MENA Bond and Sukuk Index	4.93	NA	-0.65	-13.87
Bloomberg Emerging Markets USD Index	7.93	6.80	-1.14	-19.44
Bloomberg Global Aggregate Index	3.73	7.42	-1.24	-20.31

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	27/09/2022	31/12/2021	27/09/2022	31/12/2021	27/09/2022	31/12/2021
KIBOR	2.9375	1.5000	3.2500	1.7500	3.5625	2.0000
SAIBOR	3.8692	0.9057	4.3614	0.9829	4.8865	1.0600
BHIBOR	5.0000	1.5167	5.2333	1.6233	5.6167	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	3.4100	0.3645	3.9656	0.7000	4.2993	0.7396
EURIBOR	1.1530	-0.5730	1.8030	-0.5460	2.5000	-0.4980
LIBOR	3.6284	0.2144	4.2013	0.3451	4.8349	0.5888

USD Swap Rates				Currencies			Commodities			
Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	4.6411	-1.69	767.5	KWD	0.3085	0.0324	-1.94	Crude Oil	84.72	14.75
2-Year	4.6355	-3.51	392.5	SAR	3.7630	-0.0027	-0.16	Gold	1,638.60	-10.99
5-Year	4.1888	-5.02	205.9	EUR	0.9637	0.2914	-15.24	Silver	18.50	-21.41
7-Year	4.0273	-5.23	172.9	GBP	1.0767	0.7204	-20.44	Copper	329.75	-25.22
10-Year	3.8893	-5.23	146.0	JPY	144.5400	0.1522	-20.38	Nat. Gas	7.06	92.00
30-Year	3.3070	-4.30	91.0	CNH	7.1649	0.1298	-11.27	Aluminum	2,131.75	-23.37

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.31	0.06	4.40	-0.80	NA	NA
5-Year	4.14	0.21	4.52	-1.89	1.82	0.00
10-Year	3.88	0.39	4.24	-3.35	2.03	0.00
30-Year	3.70	0.62	4.53	-5.31	1.92	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	27-Sep 2022	31-Dec 2021
Kuwait	51.48	40.53
KSA	56.92	50.97
Abu Dhabi	48.30	43.09
Dubai	116.33	89.58
Qatar	55.41	42.55
Bahrain	313.24	286.32
Oman	267.75	254.42
Iraq	804.42	507.35
Egypt	NA	496.58
Morocco	255.29	85.91
Turkey	783.10	555.46
US	23.44	10.01
UK	41.74	8.91
China	101.18	39.86
Japan	23.20	16.23
Germany	17.64	7.53
France	27.70	17.87