

News Updates

Bahrain gets S&P ratings boost on fiscal reforms, high oil prices –S&P

Global Ratings today (November 26) revised its outlook on Bahrain to positive from stable, while affirming its 'B+/B' long- and short-term foreign and local currency sovereign credit ratings. The transfer and convertibility assessment on Bahrain remains 'BB-'. The upgrade is on expectation that the government will continue implementing fiscal reforms to reduce the budget deficit that will place debt to GDP on a more sustainable path, stated the top rating agency. In its review, S&P said Bahrain's economy is benefiting from the surge in regional activity tied to elevated oil prices. In second-quarter 2022, real GDP expanded 6.9% year on year, the highest pace of quarterly growth since 2011, thus reflecting the sustained recovery of regional tourism, transportation, and hospitality amid higher oil prices. (Source: Zawya)

Turkey Cuts Interest Rates to Single Digits Despite High Inflation –

Turkey's central bank cut its key interest rate for a fourth consecutive month on Thursday to single digits, intensifying a monetary policy demanded by President Recep Tayyip Erdogan despite the country's high inflation rate. The bank's monetary policy committee said it cut its benchmark interest rate by 1.5 percentage points to 9%. Turkey's inflation rate is above 85%, according to the state statistics agency, the seventh highest in the world. Independent economists at ENAG, a research group that studies inflation in Turkey, say the actual rate of inflation is likely more than 185%. (Source: WSJ)

Oil set for third weekly loss on price-cap impasse, demand fears –

Oil headed for a third weekly loss as the European Union weighed a higher-than-expected price cap on Russian crude and slowdown concerns threatened the demand outlook. Brent was steady below \$86 a barrel, putting the global benchmark on course for a drop of almost 3 per cent this week. European diplomats remain locked in talks over how strict the cap should be, highlighting disagreements between member states. Negotiations could resume Friday but may also slip beyond that. Signs of challenges to demand have been accumulating. In China, the world's largest oil importer, daily Covid infections hit a record this week, prompting officials to step up curbs. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.93	-10.59	KSA	2027	4.42	-10.21
Abu Dhabi	2031	4.14	-15.04	KSA	2032	4.52	-16.01
Abu Dhabi	2050	4.92	-28.36	KSA	2050	5.36	-25.86
Bahrain	2028	6.07	-6.25	Oman	2027	6.35	-8.63
Bahrain	2032	7.05	-9.39	Oman	2032	6.20	-7.45
Bahrain	2051	8.09	-14.00	Oman	2051	7.66	-12.57
Dubai	2029	4.42	-11.54	Qatar	2026	4.22	-9.54
Dubai	2050	5.90	-25.70	Qatar	2030	4.35	-14.84
Kuwait	2027	4.53	-12.25	Qatar	2050	4.92	-26.40

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.35	8.08	0.60	-11.84
S&P MENA Bond and Sukuk Index	5.06	NA	0.72	-13.32
Bloomberg Emerging Markets USD Index	7.73	6.80	0.57	-16.72
Bloomberg Global Aggregate Index	3.55	7.42	-0.32	-16.47

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	27/11/2022	31/12/2021	27/11/2022	31/12/2021	27/11/2022	31/12/2021
KIBOR	4.0000	1.5000	4.2500	1.7500	4.5000	4.4375
SAIBOR	5.5037	0.9057	5.7835	0.9829	6.2447	6.3719
BHIBOR	5.7721	1.5167	6.0750	1.6233	6.3417	6.3250
QATAR	4.8833	1.1250	5.0333	1.2000	5.2667	5.1000
AEIBOR	4.4474	0.3645	4.7669	0.7000	4.9825	5.1212
EURIBOR	1.9220	-0.5730	2.3740	-0.5460	2.8600	2.8110
LIBOR	4.7339	0.2144	5.2187	0.3451	5.5980	5.4513

USD Swap Rates			Currencies			Commodities				
Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)			
1-Year	5.1774	-0.42	867.7	KWD	0.3073	0.2278	-1.55	Crude Oil	83.63	14.75
2-Year	4.7947	-1.82	409.4	SAR	3.7578	-0.0080	-0.06	Gold	1,768.80	-4.07
5-Year	3.9360	-8.00	187.4	EUR	1.0403	-0.1441	-8.58	Silver	21.61	-8.55
7-Year	3.7550	-2.10	154.5	GBP	1.2103	-0.1734	-10.64	Copper	363.05	-17.31
10-Year	3.6620	-0.80	131.6	JPY	139.3800	-0.4670	-17.32	Nat. Gas	7.02	76.35
30-Year	3.2998	1.32	90.6	CNH	7.1981	-0.3420	-11.63	Aluminum	2,339.05	-15.47

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.45	0.05	3.21	-0.08	NA	NA
5-Year	3.86	0.13	3.25	-0.27	2.10	-0.14
10-Year	3.68	0.15	3.11	-0.74	1.93	-0.69
30-Year	3.73	-0.03	3.33	-0.82	1.79	-1.47

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-Nov 2022	31-Dec 2021
Kuwait	40.16	40.53
KSA	55.80	50.97
Abu Dhabi	42.76	43.09
Dubai	86.41	89.58
Qatar	43.64	42.55
Bahrain	223.81	286.32
Oman	149.68	254.42
Iraq	483.84	507.35
Egypt	NA	496.58
Morocco	245.85	85.91
Turkey	537.31	555.46
US	23.76	10.01
UK	22.62	8.91
China	74.75	39.86
Japan	22.12	16.23
Germany	16.96	7.53
France	25.57	17.87