MENA Daily Fixed Income Report – 28 March 2023

Kuwait Financial Centre "Markaz"

special purpose vehicle. (Source: Zawya)

المـــركــــز MARKAZ

News Updates

Saudi Al Rajhi Bank to issue dollar-denominated sustainable sukuk – Saudi Arabia's al Rajhi Bank intends to issue a US dollar denominated sustainable sukuk under the international sukuk programme it had set up in April 2022. The amount and terms of offer of the Islamic bond will be determined subject to the market conditions, the lender said in a regulatory disclosure on Tadawul on Monday. The issuance will meet the bank's financial and strategic objectives as per its Sustainable Finance Framework. The offering, open to eligible investors in Saudi Arabia and internationally, is expected to be facilitated through a

Egypt central bank seen raising interest rates by 200 bps — Egypt's central bank (CBE) is forecast to hike its overnight interest rates by 200 basis points on Thursday as it struggles to bring soaring inflation under control, a Reuters poll showed on Monday. The median forecast in a poll of 15 analysts is for the bank to increase its deposit rate to 18.25% and its lending rate to 19.25% at its regular monetary policy committee (MPC) meeting. Seven of the analysts expected an increase of 300 bps. At its last meeting on Feb. 2, the central bank left rates steady despite analyst expectations of a 150 bps increase, saying steep rate hikes put in place over the previous year should help to tame inflation, which in December had accelerated to a five-year high of 21.3%. (Source: Reuters)

Real GDP growth projected to expand by 4.3% in 2024: UAE Central Bank – The Central Bank of the United Arab Emirates has projected the country's annual real GDP growth to expand by 4.3 percent in 2024. "After three quarters of high growth, the UAE's economy maintained a solid footing in Q4 2022, reflecting a strong performance of both the oil and the non-oil sectors," revealed in its 4th Quarterly Economic Review. For the whole year, growth is estimated at 7.6%. In 2023, the CBUAE maintains its forecast unchanged at 3.9%. While oil production is expected to moderate in line with the OPEC+ agreements, the non-oil sector is expected to continue to support aggregate output, even if at a more modest pace. (Source: Bloomberg)

GCC	Sovereign	Yields
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Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.92	0.61	KSA	2027	4.02	1.85
Abu Dhabi	2031	3.93	2.40	KSA	2032	4.27	1.50
Abu Dhabi	2050	4.81	0.70	KSA	2050	5.34	0.10
Bahrain	2028	5.97	0.94	Oman	2027	5.57	1.05
Bahrain	2032	6.95	1.54	Oman	2032	6.06	0.15
Bahrain	2051	8.25	-1.41	Oman	2051	7.20	0.21
Dubai	2029	4.32	1.02	Qatar	2026	3.85	1.17
Dubai	2050	5.87	0.55	Qatar	2030	4.07	0.58
Kuwait	2027	3.81	-1.06	Qatar	2050	4.78	2.37

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD ∆ (%)
Bloomberg GCC FI Index	5.15	8.08	0.00	2.12
S&P MENA Bond and Sukuk Index	4.81	NA	0.25	2.41
Bloomberg Emerging Markets USD Index	7.47	6.80	-0.31	1.35
Bloomberg Global Aggregate Index	3.52	7.42	-0.61	2.77

Interbank Rates (%)

	3 Months		6 Months		12 Months			
	28/03/2023	31/12/2022	28/03/2023	31/12/2022	28/03/2023	31/12/2022		
KIBOR	4.2500	4.0000	4.4375	4.2500	4.6875	4.5625		
SAIBOR	5.6332	5.3404	5.6418	5.5978	5.5598	5.8697		
BHIBOR	6.2765	6.1417	6.3120	6.2675	6.3643	6.5529		
QATAR	5.4250	5.2833	5.5500	5.4167	5.7500	5.5833		
AEIBOR	4.8184	4.3095	4.9187	4.9399	4.8854	5.0421		
EURIBOR	3.0250	2.1320	3.2810	2.6930	3.5330	3.2910		
LIBOR	5.1014	4.7673	4.9873	5.1389	4.8089	5.4821		

	USD Swa	p Rates			Currencie	es		Con	nmodities	
	Yield %	1D Δ (bps)	YTD ∆ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD ∆ (%)
1-Year	4.9869	2.85	-2.6	KWD	0.3071	-0.2931	-0.26	Crude Oil	78.01	-8.51
2-Year	4.3340	2.37	-7.9	SAR	3.7564	0.0000	0.07	Gold	1,972.70	6.19
5-Year	3.6656	0.00	-8.9	EUR	1.0816	0.1574	1.03	Silver	23.09	-4.61
7-Year	3.5570	-0.63	-8.9	GBP	1.2326	0.3174	2.01	Copper	408.65	7.13
10-Year	3.5205	-0.78	-8.3	JPY	130.9200	0.5042	0.16	Nat. Gas	2.11	-46.16
30-Year	3.2845	-0.90	-5.9	CNH	6.8826	0.0073	0.58	Aluminum	2,331.25	-2.29

	US Treasuries		UK G	ilts	German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	3.97	-0.04	3.28	0.00	2.60	-0.11
5-Year	3.59	0.02	3.20	0.00	2.28	-0.28
10-Year	3.52	0.12	3.36	0.00	2.24	-0.47
30-Year	3.75	0.26	3.80	0.00	2.35	-1.15

Sovereign Ratings				
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	Moody's	S&P	Fitch	
Kuwait	A1	A+	AA-	
KSA	A1	Au	Α	
UAE	Aa2	NR	AA-	
Abu Dhabi	Aa2	AA	AA	
Qatar	Aa3	AA	AA-	
Bahrain	В2	B+	B+	
Oman	Ba3	ВВ	ВВ	
Egypt	В3	В	B+	
Lebanon	С	SD	RDu	
Jordan	B1	B+	BB-	
Turkey	В3	Bu	В	
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	28-Mar	31-Dec
5Yr CDS	2023	2022
Kuwait	47.25	39.45
KSA	65.95	60.05
Abu Dhabi	45.88	43.90
Dubai	79.52	74.01
Qatar	46.88	46.55
Bahrain	242.27	224.63
Oman	160.74	185.75
Iraq	426.08	421.67
Egypt	NA	NA
Morocco	179.52	143.12
Turkey	529.14	506.65
US	42.42	22.82
UK	26.13	25.54
China	82.93	71.08
Japan	25.68	23.60
Germany	14.23	17.15
France	25.63	24.94