

News Updates

Saudi Arabia's wealth fund hires banks for debut green bonds – Saudi Arabia's sovereign wealth fund, the Public Investment Fund (PIF), has hired banks including Citi and JPMorgan to arrange a debut issuance of multi-tranche U.S. dollar-denominated green bonds, a document showed. Sources told Reuters that PIF would issue the long-planned green bonds this month or in October. BNP Paribas, Citi, Deutsche Bank, Goldman Sachs and JPMorgan, mandated as joint global coordinators and active bookrunners, will organize investor calls starting on Tuesday. A debut issuance in tranches of five, 10 and potentially a longer-dated tenor will follow, subject to market conditions. *(Source: Reuters)*

Goldman Slashes Oil Price Forecasts But Says It Remains Bullish – Goldman Sachs Group Inc. sharply lowered its oil price forecasts amid increasing signs of a global economic slowdown, but said that crude would probably climb from current levels because the market is still “critically tight.” The Wall Street bank predicts Brent will average \$100 a barrel in the last three months of the year. That’s above yesterday’s price of around \$85, but below its prior forecast of \$125. The benchmark will probably average \$108 in 2023, according to the analysts. They previously predicted \$125. Oil prices soared to more than \$120 a barrel in the wake of Russia’s invasion of Ukraine in February. They’ve slumped 30% since early June as central banks turn more hawkish and as coronavirus lockdowns in China crimp demand in the world’s biggest crude importer. *(Source: Bloomberg)*

Morocco Hikes Rate for First Time in 14 Years on Inflation – Morocco raised its key interest rate for the first time since 2008, becoming the latest African nation to reverse years of gradual monetary easing in a bid to tackle inflation that’s at its highest in decades. Tuesday’s hike of 50 basis points to 2% came after the Bank al-Maghrib held the rate for eight consecutive quarterly policy meetings. The outcome was one of the regulator’s most unpredictable decisions in several years, with two of the kingdom’s major financial institutions at odds over whether it would shift the benchmark from a record low. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.44	-12.64	KSA	2027	4.50	-11.00
Abu Dhabi	2031	4.55	-17.83	KSA	2032	4.74	-17.79
Abu Dhabi	2050	5.04	-29.75	KSA	2050	5.58	-28.16
Bahrain	2028	6.75	-9.36	Oman	2027	6.72	-10.02
Bahrain	2032	8.20	-16.73	Oman	2032	7.18	-13.57
Bahrain	2051	9.06	-22.79	Oman	2051	8.45	-20.05
Dubai	2029	4.21	-10.39	Qatar	2026	4.42	-10.28
Dubai	2050	6.12	-27.89	Qatar	2030	4.60	-15.76
Kuwait	2027	4.34	-11.62	Qatar	2050	5.11	-28.58

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.44	8.08	-0.55	-13.75
S&P MENA Bond and Sukuk Index	5.03	NA	-0.70	-14.47
Bloomberg Emerging Markets USD Index	8.04	6.80	-0.77	-20.06
Bloomberg Global Aggregate Index	3.79	7.42	-0.67	-20.84

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	28/09/2022	31/12/2021	28/09/2022	31/12/2021	28/09/2022	31/12/2021
KIBOR	2.9375	1.5000	3.2500	1.7500	3.5625	2.0000
SAIBOR	3.9813	0.9057	4.5111	0.9829	4.9634	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	3.5096	0.3645	4.0625	0.7000	4.3200	0.7396
EURIBOR	1.1680	-0.5730	1.8030	-0.5460	2.5630	-0.4980
LIBOR	3.6409	0.2144	4.2459	0.3451	4.9050	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	4.5885	2.83	757.7	KWD	0.3085	0.0324	-1.94	Crude Oil	85.26	15.48
2-Year	4.5942	2.73	388.1	SAR	3.7640	-0.0425	-0.20	Gold	1,631.10	-11.40
5-Year	4.2260	3.79	208.6	EUR	0.9550	-0.4690	-16.02	Silver	18.14	-22.92
7-Year	4.0936	4.25	177.4	GBP	1.0650	-0.7826	-21.31	Copper	326.00	-26.07
10-Year	3.9760	4.65	151.5	JPY	144.6800	0.0829	-20.46	Nat. Gas	6.71	82.59
30-Year	3.3951	3.39	96.1	CNH	7.2329	-0.7369	-12.11	Aluminum	2,106.50	-24.28

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.29	-0.01	4.56	-0.17	NA	NA
5-Year	4.22	-0.13	4.67	-0.58	1.85	0.00
10-Year	3.98	-0.27	4.50	-2.04	2.13	0.00
30-Year	3.85	-0.38	4.97	-4.24	2.07	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	28-Sep 2022	31-Dec 2021
Kuwait	52.47	40.53
KSA	57.84	50.97
Abu Dhabi	48.30	43.09
Dubai	116.97	89.58
Qatar	56.18	42.55
Bahrain	299.61	286.32
Oman	259.60	254.42
Iraq	805.46	507.35
Egypt	NA	496.58
Morocco	264.23	85.91
Turkey	798.71	555.46
US	24.04	10.01
UK	42.74	8.91
China	104.50	39.86
Japan	24.57	16.23
Germany	19.08	7.53
France	29.66	17.87