

News Updates

Fitch Revises Qatar's Outlook to Positive; Affirms at 'AA-' – Fitch Ratings has revised the Outlook on Qatar's Long-Term Foreign-Currency Issuer Default Rating (IDR) to Positive from Stable and affirmed the IDR at 'AA-'. The revision of the Outlook reflects Fitch's expectation that debt to GDP will remain in line with or below the 'AA' peer median, while Qatar's external balance sheet will strengthen from an already strong level. The additional LNG export capacity that will be brought online as a result of the North Field expansion will bring down Qatar's already low fiscal breakeven hydrocarbon price. Qatar's 'AA-' ratings are supported by large sovereign net foreign assets, one of the world's highest ratios of GDP per capita and a flexible public finance structure. Rating weaknesses include higher government debt/GDP than oil-dependent highly-rated peers and substantial contingent liabilities, heavy hydrocarbon dependence and below average scores on some measures of governance. *(Source: Fitch Ratings)*

Bahrain GDP grows close to 5% in 2022; fastest pace in almost a decade – Bahrain posted a real gross domestic product growth rate of 4.9% in 2022, the highest economic growth pace since 2013, its Ministry of Finance and National Economy announced in its annual economic report. The report also highlighted that Bahrain is steadily progressing in its economic diversification journey, as its non-oil real GDP witnessed 6.2% growth in 2022, the highest since 2012. The growth of Bahrain's non-oil GDP in 2022 also surpassed the 5% annual target set by its economic recovery plan. Bahrain launched its multi-year five-pillar economic recovery plan in 2021, aiming to enhance the strength of the Kingdom's economy, its long-term competitiveness, and its recovery post-pandemic. *(Source: Arab News)*

Global growth to hit three-decade low: World Bank – The global economy is set for a “lost decade” according to the World Bank as it forecasts that economic growth is set to hit a 30-year low. A report from the organization warns average global domestic product growth will drop to 2.2% a year between 2022 and 2030, down from the 3.5% rate that prevailed in the first decade of this century. According to its latest forecast, the decline for developing economies will be especially steep, with growth shrinking from 6% a year between 2000 and 2010 to 4% a year up until 2030. *(Source: Arab News)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.89	0.64	KSA	2027	2.34	8.32
Abu Dhabi	2031	3.96	2.14	KSA	2032	4.22	1.88
Abu Dhabi	2050	4.82	0.56	KSA	2050	5.36	-0.22
Bahrain	2028	6.00	0.78	Oman	2027	5.58	0.99
Bahrain	2032	6.97	1.41	Oman	2032	6.07	0.10
Bahrain	2051	8.25	-1.44	Oman	2051	7.19	0.39
Dubai	2029	4.39	0.69	Qatar	2026	2.82	2.48
Dubai	2050	5.86	0.75	Qatar	2030	4.10	0.47
Kuwait	2027	3.91	-1.43	Qatar	2050	4.82	1.75

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.18	8.08	-0.11	2.01
S&P MENA Bond and Sukuk Index	4.86	NA	-0.27	2.13
Bloomberg Emerging Markets USD Index	7.50	6.80	-0.12	1.23
Bloomberg Global Aggregate Index	3.56	7.42	0.02	2.79

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	29/03/2023	31/12/2022	29/03/2023	31/12/2022	29/03/2023	31/12/2022
KIBOR	4.2500	4.0000	4.4375	4.2500	4.6875	4.5625
SAIBOR	5.6527	5.3404	5.6558	5.5978	5.5517	5.8697
BHIBOR	6.3016	6.1417	6.3246	6.2675	6.3833	6.5529
QATAR	5.4250	5.2833	5.5500	5.4167	5.7500	5.5833
AEIBOR	4.9347	4.3095	4.9860	4.9399	4.9446	5.0421
EURIBOR	3.0120	2.1320	3.2390	2.6930	3.4690	3.2910
LIBOR	5.1431	4.7673	5.1611	5.1389	5.0611	5.4821

USD Swap Rates				Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD
1-Year	5.0039	-0.90	-2.3	KWD	0.3071	-0.2931	-0.26	Crude Oil	79.06
2-Year	4.3990	-1.52	-6.6	SAR	3.7555	0.0107	0.09	Gold	1,980.70
5-Year	3.7330	-0.60	-7.2	EUR	1.0824	-0.2029	1.10	Silver	23.26
7-Year	3.6090	-0.93	-7.5	GBP	1.2325	-0.1458	1.99	Copper	406.15
10-Year	3.5542	-0.84	-7.4	JPY	131.9000	-0.7582	-0.58	Nat. Gas	2.00
30-Year	3.2960	-0.13	-5.6	CNH	6.8907	-0.1887	0.46	Aluminum	2,355.25

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)		Yield %	Yield %	1D Δ (%)
2-Year	4.08	0.01	3.34	0.00	2.60	-0.02
5-Year	3.67	0.02	3.27	0.00	2.30	-0.11
10-Year	3.56	0.08	3.45	0.00	2.26	-0.20
30-Year	3.76	0.12	3.85	0.00	2.38	-0.28

Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	A1	A+	AA-
KSA	A1	Au	A
UAE	Aa2	NR	AA-
Abu Dhabi	Aa2	AA	AA
Qatar	Aa3	AA	AA-
Bahrain	B2	B+	B+
Oman	Ba3	BB	BB
Egypt	B3	B	B+
Lebanon	C	SD	RDu
Jordan	B1	B+	BB-
Turkey	B3	Bu	B
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 5Yr CDS	29-Mar 2023	31-Dec 2022
Kuwait	48.45	39.45
KSA	64.93	60.05
Abu Dhabi	44.70	43.90
Dubai	78.89	74.01
Qatar	45.83	46.55
Bahrain	247.43	224.63
Oman	162.86	185.75
Iraq	426.13	421.67
Egypt	NA	NA
Morocco	169.27	143.12
Turkey	530.84	506.65
US	43.21	22.82
UK	26.86	25.54
China	79.67	71.08
Japan	24.86	23.60
Germany	14.40	17.15
France	25.39	24.94