

News Updates

**Oil Surges as Speculation OPEC+ Will Cut Production Intensifies** – Oil extended a rebound from the lowest level in almost a year on speculation that the Organization of Petroleum Exporting Countries and its allies will deepen supply cuts to respond to weakening global demand. West Texas Intermediate topped \$78 a barrel, after flipping to gains on Monday following a report that OPEC+ may consider supply curbs when members meet to assess output policy this weekend. Earlier in the week’s opening session, crude had hit the cheapest since December as rising Covid-19 cases and demonstrations against virus curbs across China hurt commodities. *(Source: Bloomberg)*

**Egypt Currency Flexibility Still in Doubt After Huge Selloff** – Egypt’s newly flexible currency is still too tame for a market that’s bracing for more disruption ahead. Although Egypt has allowed the pound to slide more than almost every other currency in the world this quarter, investors are questioning whether authorities would completely loosen their grip if it comes under more pressure. They may not need to wait long for answers. Among developing peers, Egypt is the economy most vulnerable to a currency crisis over the next 12 months, according to a Nomura Holdings Inc. gauge that’s predicted past selloffs. HSBC Holdings Plc, which previously expected the pound to stabilize around 24 per dollar, now tentatively envisions a move toward 26, which implies a depreciation of around 5.5% from current levels. *(Source: Bloomberg)*

**Fed Stresses More Hikes Coming; Williams Sees Higher Peak** – Federal Reserve policymakers stressed on Monday that they will raise borrowing costs further to curb inflation, with one key official saying that he sees interest rates heading somewhat higher than he had forecast just a couple of months ago. Fed officials have signaled they plan to raise their benchmark rate by 50 basis points at their final meeting of the year on Dec. 13-14, after four successive 75 basis-point hikes. Policymakers could also raise their forecasts for how high rates will eventually go when they update their economic projections during the meeting. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.86	-10.30	KSA	2027	4.44	-10.32
Abu Dhabi	2031	4.09	-14.75	KSA	2032	4.49	-15.89
Abu Dhabi	2050	4.87	-27.87	KSA	2050	5.34	-25.67
Bahrain	2028	6.09	-6.30	Oman	2027	5.83	-6.77
Bahrain	2032	7.11	-9.69	Oman	2032	6.19	-7.34
Bahrain	2051	8.12	-14.20	Oman	2051	7.60	-11.96
Dubai	2029	4.41	-11.38	Qatar	2026	4.19	-9.37
Dubai	2050	5.68	-24.09	Qatar	2030	4.34	-14.90
Kuwait	2027	4.32	-11.43	Qatar	2050	4.89	-26.09

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.32	8.08	0.26	-11.62
S&P MENA Bond and Sukuk Index	5.04	NA	0.15	-13.19
Bloomberg Emerging Markets USD Index	7.70	6.80	0.16	-16.58
Bloomberg Global Aggregate Index	3.56	7.42	-0.11	-16.56

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	29/11/2022	31/12/2021	29/11/2022	31/12/2021	29/11/2022	31/12/2021
KIBOR	4.0000	1.5000	4.2500	1.7500	4.5000	4.4375
SAIBOR	5.4946	0.9057	5.7851	0.9829	6.1185	6.3719
BHIBOR	5.7833	1.5167	6.1083	1.6233	6.3738	6.3250
QATAR	4.9500	1.1250	5.0500	1.2000	5.3000	5.1000
AEIBOR	4.4300	0.3645	4.8812	0.7000	5.1107	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	5.1634	1.60	865.1	KWD	0.3075	0.0000	-1.59	Crude Oil	85.15	16.84
2-Year	4.7807	2.10	407.9	SAR	3.7582	0.0053	-0.06	Gold	1,767.30	-4.15
5-Year	3.9596	2.70	189.1	EUR	1.0383	0.4159	-8.68	Silver	21.54	-8.87
7-Year	3.7862	2.55	156.6	GBP	1.2009	0.4097	-11.26	Copper	367.95	-16.19
10-Year	3.6795	2.40	132.7	JPY	138.6000	0.2525	-16.97	Nat. Gas	7.27	77.75
30-Year	3.3035	2.38	90.8	CNH	7.1712	1.0696	-11.35	Aluminum	2,337.26	-15.53

  

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.46	-0.04	3.23	0.00	NA	NA
5-Year	3.90	-0.12	3.24	0.09	2.08	0.04
10-Year	3.71	-0.19	3.11	-0.03	1.93	-0.02
30-Year	3.74	-0.33	3.36	-0.38	1.80	-0.08

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	29-Nov 2022	31-Dec 2021
Kuwait	40.15	40.53
KSA	57.78	50.97
Abu Dhabi	44.80	43.09
Dubai	95.28	89.58
Qatar	46.05	42.55
Bahrain	235.95	286.32
Oman	160.77	254.42
Iraq	483.83	507.35
Egypt	NA	496.58
Morocco	241.49	85.91
Turkey	532.81	555.46
US	25.15	10.01
UK	22.51	8.91
China	78.87	39.86
Japan	23.06	16.23
Germany	17.88	7.53
France	25.52	17.87