

News Updates

Fitch Affirms the United Arab Emirates at 'AA-'; Outlook Stable –

Fitch Ratings has affirmed the United Arab Emirates' (UAE) Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'AA-' with a Stable Outlook. The 'AA-' rating reflects the UAE's moderate consolidated public debt level, strong net external asset position and high GDP per capita. This benefits from Abu Dhabi's sovereign net foreign assets, which are among the highest of Fitch-rated sovereigns. *(Source: Fitch Ratings)*

ECB raises interest rates again, cuts bank subsidies –

The European Central Bank raised interest rates again on Thursday and put the reduction of its bloated balance sheet on the agenda. The central bank for the 19 countries that use the euro raised its deposit rate by a further 75 basis points to 1.5% - the highest rate since 2009. ECB rates had been negative - below 0% - for eight years until it hiked in July. It also cut a key subsidy to banks - an attempt to force them to repay early trillions of euros' worth of ECB loans - and said detailed discussions on winding down the ECB's huge holdings of mostly government bonds will begin in December. *(Source: Reuters)*

Fed Seen Aggressively Hiking to 5%, Triggering Global Recession –

Federal Reserve officials will maintain their resolutely hawkish stance next week, laying the groundwork for interest rates reaching 5% by March 2023, moves that seem likely to lead to a US and global recession, economists surveyed by Bloomberg said. The Federal Open Market Committee will raise rates by 75 basis points for a fourth consecutive meeting when policymakers announce their decision at 2 p.m. in Washington Wednesday, the survey found. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.58	-13.14	KSA	2027	4.84	-11.97
Abu Dhabi	2031	4.77	-19.07	KSA	2032	5.10	-20.00
Abu Dhabi	2050	5.39	-33.48	KSA	2050	6.07	-32.99
Bahrain	2028	7.08	-10.51	Oman	2027	6.44	-9.08
Bahrain	2032	8.36	-17.52	Oman	2032	7.00	-12.50
Bahrain	2051	9.13	-23.40	Oman	2051	8.29	-18.66
Dubai	2029	4.68	-12.75	Qatar	2026	4.80	-11.22
Dubai	2050	6.45	-30.96	Qatar	2030	4.91	-17.47
Kuwait	2027	4.49	-12.13	Qatar	2050	5.48	-32.43

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.87	8.08	0.07	-15.63
S&P MENA Bond and Sukuk Index	5.52	NA	0.13	-17.00
Bloomberg Emerging Markets USD Index	8.45	6.80	-0.03	-20.99
Bloomberg Global Aggregate Index	3.76	7.42	-0.45	-19.93

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	30/10/2022	31/12/2021	30/10/2022	31/12/2021	30/10/2022	31/12/2021
KIBOR	3.2500	1.5000	3.6250	1.7500	3.9375	2.0000
SAIBOR	5.7839	0.9057	5.8672	0.9829	6.3255	1.0600
BHIBOR	5.2183	1.5167	5.5833	1.6233	6.2238	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	4.1041	0.3645	4.4413	0.7000	4.7401	0.7396
EURIBOR	1.6410	-0.5730	2.0340	-0.5460	2.5670	-0.4980
LIBOR	4.4396	0.2144	4.9309	0.3451	5.3690	0.5888

USD Swap Rates

Yield %	1D Δ (bps)	YTD Δ (%)	
1-Year	5.0162	14.20	837.6
2-Year	4.7983	16.64	409.8
5-Year	4.2520	14.18	210.5
7-Year	4.1257	12.99	179.6
10-Year	4.0505	11.59	156.2
30-Year	3.6776	7.30	112.4

Currencies

USD	1D Δ (bps)	YTD Δ (%)	
KWD	0.3100	0.1129	-2.40
SAR	3.7574	0.0160	-0.05
EUR	0.9969	0.0100	-12.36
GBP	1.1620	0.4323	-14.17
JPY	147.7600	-0.8875	-22.03
CNH	7.2761	-0.2023	-12.52

Commodities

USD	YTD Δ (%)	
Crude Oil	95.77	30.57
Gold	1,644.80	-10.65
Silver	19.15	-18.64
Copper	342.90	-22.24
Nat. Gas	5.68	42.71
Aluminum	2,205.25	-20.50

US Treasuries

Yield %	1D Δ (%)	
2-Year	4.41	-0.26
5-Year	4.18	-0.55
10-Year	4.01	-0.69
30-Year	4.14	-0.81

UK Gilts

Yield %	1D Δ (%)	
2-Year	3.14	-0.18
5-Year	3.54	-0.42
10-Year	3.47	-0.66
30-Year	3.55	-0.67

German Bunds

Yield %	1D Δ (%)	
2-Year	NA	NA
5-Year	1.86	-0.27
10-Year	1.99	-0.94
30-Year	2.07	-1.00

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	30-Oct 2022	31-Dec 2021
Kuwait	58.50	40.53
KSA	67.04	50.97
Abu Dhabi	48.30	43.09
Dubai	112.97	89.58
Qatar	59.07	42.55
Bahrain	269.74	286.32
Oman	233.55	254.42
Iraq	724.23	507.35
Egypt	NA	496.58
Morocco	277.15	85.91
Turkey	659.25	555.46
US	25.91	10.01
UK	26.25	8.91
China	115.57	39.86
Japan	30.09	16.23
Germany	24.89	7.53
France	30.09	17.87