

News Updates

**Saudi Arabia's 2022 GDP set for fastest pace of growth in 11 years –**

Saudi Arabia's economy expanded robustly in 2022 and is expected to reach a full year GDP growth rate of 8.9%, the highest reading since 2011, Riyadh Capital said in a new report. “The primary growth driver has been the oil sector which we forecast to expand by 15.7% in 2022, the strongest yearly growth rate since 2003,” said Hans Peter Huber, Chief Investment Officer. Saudi Arabia’s non-oil economy which has been in firm expansion mode with a full year growth projection of 5.2% in 2022, is expected to grow 4.3% next year. The support of growth-oriented fiscal policy with a focus on increased investment spending will spur growth next year, Huber said. *(Source: Zawya)*

**Credit Suisse pitches covered bond programme to international investors – memo –**

Credit Suisse has mandated banks to introduce international investors to its covered bond programme and an inaugural, euro-denominated, short-dated covered bond transaction may follow, according to a memo seen by Reuters on Tuesday. Credit Suisse has mandated Commerzbank, Credit Suisse, Danske Bank, DZ BANK, Helaba, ING and Natixis to arrange a series of virtual investor meetings, the memo said. The bonds are expected to be rated AAA by Fitch, according to the memo. *(Source: Reuters)*

**Recession may force Fed rate cut in 2023, sending Treasury yields lower - BofA –**

Benchmark U.S. Treasury 10-year yields will fall next year as the Federal Reserve slows monetary tightening and eventually cuts interest rates to stimulate a dwindling economy, according to a forecast from Bank of America (BofA). BofA believes the U.S. economy will enter a recession around the middle of next year, pushing the Fed to cut rates at the end of 2023 and sending yields - which move inversely to prices - lower across the curve, said Mark Cabana, head of U.S. Rates Strategy at BofA, in a media presentation. Ten-year Treasury yields are set to decline from 4% in the first quarter next year to 3.25% by year end, Cabana said. They recently stood at 3.73% and hit about 4.3% this year, their highest since 2007. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.87	-10.36	KSA	2027	4.39	-10.22
Abu Dhabi	2031	4.12	-14.89	KSA	2032	4.49	-15.91
Abu Dhabi	2050	4.91	-28.25	KSA	2050	5.37	-25.99
Bahrain	2028	6.10	-6.34	Oman	2027	5.89	-6.97
Bahrain	2032	7.09	-9.59	Oman	2032	6.21	-7.43
Bahrain	2051	8.13	-14.34	Oman	2051	7.55	-11.51
Dubai	2029	4.44	-11.55	Qatar	2026	4.22	-9.43
Dubai	2050	5.70	-24.40	Qatar	2030	4.32	-14.82
Kuwait	2027	4.32	-11.45	Qatar	2050	4.90	-26.26

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.32	8.08	0.06	-11.56
S&P MENA Bond and Sukuk Index	5.02	NA	0.17	-13.04
Bloomberg Emerging Markets USD Index	7.67	6.80	0.21	-16.41
Bloomberg Global Aggregate Index	3.57	7.42	-0.16	-16.69

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	30/11/2022	31/12/2021	30/11/2022	31/12/2021	30/11/2022	31/12/2021
KIBOR	4.0000	1.5000	4.2500	1.7500	4.5000	4.4375
SAIBOR	5.4452	0.9057	5.7805	0.9829	6.1050	6.3719
BHIBOR	5.7888	1.5167	6.1083	1.6233	6.3669	6.3250
QATAR	4.9500	1.1250	5.0500	1.2000	5.3000	5.1000
AEIBOR	4.2719	0.3645	4.8709	0.7000	5.0916	5.1212
EURIBOR	1.9540	-0.5730	2.4360	-0.5460	2.8920	2.8110
LIBOR	4.7349	0.2144	5.2104	0.3451	5.5721	5.4513

USD Swap Rates			Currencies			Commodities				
Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)			
1-Year	5.1664	-0.70	865.7	KWD	0.3076	-0.0488	-1.64	Crude Oil	83.98	15.23
2-Year	4.7807	-1.18	407.9	SAR	3.7589	-0.0080	-0.07	Gold	1,767.80	-4.13
5-Year	3.9517	-1.73	188.6	EUR	1.0359	0.2807	-8.89	Silver	21.47	-9.16
7-Year	3.7896	-1.60	156.8	GBP	1.1990	0.3096	-11.40	Copper	364.90	-16.89
10-Year	3.6973	-1.45	133.9	JPY	138.5700	0.0433	-16.95	Nat. Gas	7.13	74.38
30-Year	3.3495	-0.91	93.5	CNH	7.1425	-0.0182	-10.99	Aluminum	2,354.49	-14.91

  

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.46	0.03	3.17	0.07	NA	NA
5-Year	3.90	0.11	3.18	0.20	2.03	0.14
10-Year	3.73	0.16	3.09	0.22	1.86	0.45
30-Year	3.79	0.29	3.35	0.06	1.74	1.07

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-Nov 2022	31-Dec 2021
Kuwait	40.13	40.53
KSA	58.37	50.97
Abu Dhabi	45.15	43.09
Dubai	86.07	89.58
Qatar	45.99	42.55
Bahrain	228.29	286.32
Oman	159.99	254.42
Iraq	483.83	507.35
Egypt	NA	496.58
Morocco	240.71	85.91
Turkey	527.88	555.46
US	25.80	10.01
UK	23.37	8.91
China	77.67	39.86
Japan	22.74	16.23
Germany	17.70	7.53
France	25.41	17.87