

News Updates

Kuwait expects surplus budget – Positive indicators still dominate the performance of the state’s general budget despite the decline in oil prices from more than \$120 per barrel to the level of \$92 per barrel. It is 37.5% more than the break-even price in the 2022/2023 budget, reports Al-Anba daily. Statistics revealed that the total oil revenues achieved by Kuwait from last April to this October was about 19.4 billion dinars, while the average volume of state expenditures during the same period was about 13.65 billion dinars, which means that Kuwait achieved a budget surplus during the first 7 months. *(Source: Arab Times)*

Alrajhi Bank offers Tier 1 Sukuk denominated in Saudi Riyals for public subscription – Alrajhi bank announced the launch of its Tier 1 Sukuk denominated in Saudi Riyals on Sunday, October 30th, 2022. On the back of the bank's successful previous private issuance in January 2022, and the significant turnout by investors at that time, Alrajhi Bank decided to make this a public subscription. Due to this, it will be listed on the Saudi Stock Exchange, and hence investors will be able to actively trade and invest in the Sukuk. *(Source: Saudi Gazette)*

ECB's next rate move likely between 50 and 75 bps, Knot says – The European Central Bank (ECB) could hike its interest rates by 75 basis points again at its next policy meeting in December, ECB governing council member Klaas Knot said on Sunday. The central bank for the 19 countries that share the euro raised the interest rate it pays on bank deposits by 75 basis points last week, taking it 1.5%, its highest level since 2009. "We will take a significant interest step again in December," Knot said, adding that it was likely that the next raise would be between 50 and 75 basis points. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.58	-13.14	KSA	2027	4.85	-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	7.09	-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	4.50	-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	
	31/10/2022	31/12/2021	31/10/2022	31/12/2021	31/10/2022	31/12/2021
KIBOR	3.2500	1.5000	3.6250	1.7500	3.9375	2.0000
SAIBOR	5.8896	0.9057	5.9019	0.9829	6.3462	1.0600
BHIBOR	5.1984	1.5167	5.5833	1.6233	6.2167	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			Currencies			Commodities				
Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)			
1-Year	5.0382	2.20	841.7	KWD	0.3100	0.1129	-2.40	Crude Oil	95.03	29.56
2-Year	4.8222	2.39	412.3	SAR	3.7574	0.0160	-0.05	Gold	1,647.80	-10.49
5-Year	4.2780	2.60	212.4	EUR	0.9957	-0.0903	-12.44	Silver	19.18	-18.50
7-Year	4.1449	1.92	180.9	GBP	1.1598	-0.1550	-14.30	Copper	341.25	-22.61
10-Year	4.0628	1.23	157.0	JPY	147.8500	-0.1623	-22.16	Nat. Gas	6.02	51.04
30-Year	3.6667	-1.09	111.8	CNH	7.2880	-0.2799	-12.77	Aluminum	2,205.25	-20.50

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)	
2-Year	4.44	-0.04	3.14	-0.18	NA	NA
5-Year	4.21	-0.11	3.54	-0.42	1.86	-0.27
10-Year	4.02	-0.06	3.47	-0.66	1.99	-0.94
30-Year	4.13	0.21	3.55	-0.67	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	31-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	119.92	39.86
Japan	29.79	16.23
Germany	24.89	7.53
France	30.09	17.87