

News Updates

US Fed raises interest rates by 0.75% to crush inflation – The US central bank has hiked its benchmark lending rates by 75 basis points for the fourth time in a row, as it fights to bring inflation down to its 2 percent target. “The Committee is strongly committed to returning inflation to its 2 percent objective. The Committee anticipates that ongoing increases in the target range will be appropriate in order to attain a stance of monetary policy that is sufficiently restrictive to return inflation to 2% over time,” the FOMC stated. The pace of price increases in the US remains at multi-decade highs. In September, inflation was recorded at 8.2%. Though the markets have been expecting a rate hike by three quarters of a point in November, investors and strategists expect the Fed to slow its hiking pace in December. *(Source: Zawya)*

GCC central banks raise interest rates following US Fed move – GCC central banks raised key interest rates on Wednesday night after the US Federal Open Market Committee (FOMC) delivered its fourth consecutive 0.75% hike as part of its continuing struggle to tame a runaway inflation. The Central Bank of UAE raised its base rate on overnight deposits by 75 bps to 3.9%. The Saudi Central Bank lifted its repo and reverse repo rates by 75 bps to 4.5% and 4%, respectively. Qatar’s central bank increased its lending rate by 50 bps to 5%; deposit rate and repo rate by 75 bps to 4.5% and 4.75% respectively. The Central Bank of Bahrain raised its key policy rate on its one-week deposit facility by 75 bps to 4.75%. The bank also raised the overnight deposit rate from 3.75% to 4.50%, the four-week deposit rate from 4.75% to 5.50% and the lending rates from 5.25% to 6%. *(Source: Zawya)*

Bank of England readies for biggest rate rise since 1989 – The Bank of England looks on track to raise interest rates by three quarters of a percentage point to 3% later on Thursday, its biggest rate rise since 1989 as it battles the highest inflation in 40 years. The BoE has faced political and financial market turmoil since its last rate rise on Sept. 22, a day before former Prime Minister Liz Truss’s government launched an unfunded 45 billion-pound (\$52 billion) package of tax cuts. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.57	-13.03	KSA	2027	4.86	-12.04
Abu Dhabi	2031	4.78	-19.07	KSA	2032	5.13	-20.16
Abu Dhabi	2050	5.46	-34.16	KSA	2050	6.09	-33.09
Bahrain	2028	6.99	-10.15	Oman	2027	6.37	-8.74
Bahrain	2032	8.19	-16.53	Oman	2032	6.92	-11.97
Bahrain	2051	9.06	-22.79	Oman	2051	8.28	-18.61
Dubai	2029	4.81	-13.27	Qatar	2026	4.77	-11.11
Dubai	2050	6.55	-31.77	Qatar	2030	5.01	-18.04
Kuwait	2027	4.46	-12.01	Qatar	2050	5.47	-32.26

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.84	8.08	-0.01	-15.47
S&P MENA Bond and Sukuk Index	5.49	NA	0.06	-16.78
Bloomberg Emerging Markets USD Index	8.47	6.80	0.01	-21.00
Bloomberg Global Aggregate Index	3.82	7.42	-0.01	-20.30

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	03/11/2022	31/12/2021	03/11/2022	31/12/2021	03/11/2022	31/12/2021
KIBOR	3.3125	1.5000	3.6250	1.7500	3.9375	2.0000
SAIBOR	5.6495	0.9057	5.9169	0.9829	6.3269	1.0600
BHIBOR	5.3258	1.5167	5.6426	1.6233	6.2417	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	4.2641	0.3645	4.6252	0.7000	4.8757	0.7396
EURIBOR	1.7370	-0.5730	2.1680	-0.5460	2.6860	-0.4980
LIBOR	4.4597	0.2144	4.9186	0.3451	5.4454	0.5888

USD Swap Rates			Currencies			Commodities			
Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	5.1712	-0.88	866.6 KWD	0.3097	-0.0969	-2.31	Crude Oil	95.91	31.60
2-Year	5.0143	-0.06	432.7 SAR	3.7595	0.0399	-0.04	Gold	1,639.10	-10.96
5-Year	4.4235	1.93	223.0 EUR	0.9819	0.0000	-13.65	Silver	19.30	-17.99
7-Year	4.2694	1.13	189.3 GBP	1.1398	0.0527	-15.77	Copper	346.20	-21.49
10-Year	4.1610	-0.10	163.2 JPY	147.5100	0.2644	-21.99	Nat. Gas	6.10	53.13
30-Year	3.7033	0.62	113.9 CNH	7.3241	0.2635	-13.20	Aluminum	2,243.95	-19.11

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.62	0.01	2.92	0.22	NA	NA
5-Year	4.31	0.01	3.31	0.58	1.90	0.00
10-Year	4.10	0.02	3.39	0.59	2.02	0.00
30-Year	4.14	0.03	3.56	0.18	2.10	0.00

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	03-Nov 2022	31-Dec 2021
Kuwait	55.68	40.53
KSA	67.74	50.97
Abu Dhabi	57.57	43.09
Dubai	105.68	89.58
Qatar	58.33	42.55
Bahrain	264.33	286.32
Oman	227.65	254.42
Iraq	659.61	507.35
Egypt	NA	496.58
Morocco	290.70	85.91
Turkey	653.99	555.46
US	26.29	10.01
UK	28.40	8.91
China	113.49	39.86
Japan	29.65	16.23
Germany	25.90	7.53
France	29.57	17.87