

News Updates

JPMorgan slashes EM corporate debt issuance forecast by a third – Investment bank JPMorgan slashed its forecast for developing world corporate debt issuance by a third on Monday, the latest sign of the economic pressures poorer countries are now facing. The amount of bonds emerging market companies and governments have been able to sell this year has plunged as surging global borrowing costs have left many either unwilling or unable to tap the international markets. "The primary market remains subdued with little signs of pick-up, compelling us to revise down our 2022 (EM corporate) issuance forecast once more to \$260 billion from \$400 billion," JPMorgan analysts said. "We do not anticipate a strong rebound in issuance in the foreseeable future," they added, saying that a \$260 billion total would be the lowest amount issued by EM firms in a year since 2015. *(Source: Reuters)*

Turkey's Odd Bond Yields Show a Market Warped by Erdogan – Turkish debt markets are becoming increasingly disconnected from economic reality as the government's lira and dollar bonds trade at nearly the same yields. The central bank just delivered a shock rate cut demanded by President Recep Tayyip Erdogan while pushing lenders to buy more lira bonds, reducing borrowing costs. As a result, the yield on lira-denominated notes due in November 2030 dropped as much as 13 basis points below the rate on the sovereign's similar-maturity dollar bonds last week. In March, local yields were roughly 1,800 basis points higher. The lira bond rally comes despite upward pressure on inflation and expectations the lira will weaken further. It also counters the trend with the junk-rated sovereign's dollar debt, which has sold off this year amid risks to global and local economic growth prospects. *(Source: Bloomberg)*

U.S. yields jump after CPI surprises to upside in August – U.S. Treasury yields surged and a recession warning - the yield curve inversion - widened on Tuesday after monthly U.S consumer prices unexpectedly rose in August, signaling to the market that the Federal Reserve will crack down further on inflation. The yield on two-year Treasury notes, which typically reflects interest rate expectations, spiked to an almost 15-year high of 3.794%. The jump significantly widened the yield curve gap with the benchmark 10-year Treasury note. The consumer price index rose 0.1% last month after being unchanged in July, while the CPI edged up 8.3% in the 12 months through August. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.67	-9.52	KSA	2027	3.65	-8.06
Abu Dhabi	2031	3.96	-14.10	KSA	2032	4.03	-13.00
Abu Dhabi	2050	4.68	-25.55	KSA	2050	5.18	-23.91
Bahrain	2028	6.21	-7.11	Oman	2027	5.77	-6.53
Bahrain	2032	7.71	-13.70	Oman	2032	6.39	-8.48
Bahrain	2051	8.61	-18.94	Oman	2051	7.65	-12.42
Dubai	2029	3.95	-8.99	Qatar	2026	3.68	-7.98
Dubai	2050	5.85	-24.36	Qatar	2030	4.02	-12.85
Kuwait	2027	3.54	-8.64	Qatar	2050	4.71	-24.00

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.86	8.08	-0.47	-10.83
S&P MENA Bond and Sukuk Index	4.45	NA	-0.14	-11.41
Bloomberg Emerging Markets USD Index	7.20	6.80	-0.55	-16.39
Bloomberg Global Aggregate Index	3.29	7.42	-0.86	-16.96

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	14/09/2022	31/12/2021	14/09/2022	31/12/2021	14/09/2022	31/12/2021
KIBOR	2.6250	1.5000	2.8750	1.7500	3.1875	2.0000
SAIBOR	3.3562	0.9057	3.7834	0.9829	4.2280	1.0600
BHIBOR	4.1511	1.5167	4.4800	1.6233	5.1189	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	3.0286	0.3645	3.6312	0.7000	3.6780	0.7396
EURIBOR	0.9880	-0.5730	1.4940	-0.5460	2.0750	-0.4980
LIBOR	3.2701	0.2144	3.8064	0.3451	4.2456	0.5888

USD Swap Rates			Currencies			Commodities				
Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)			
1-Year	4.2650	4.96	697.2	KWD	0.3080	0.0974	-1.75	Crude Oil	92.73	25.60
2-Year	4.1326	3.20	339.0	SAR	3.7595	0.0000	-0.09	Gold	1,714.30	-6.88
5-Year	3.6520	2.06	166.7	EUR	0.9996	0.2508	-12.09	Silver	19.32	-17.91
7-Year	3.5459	2.04	140.3	GBP	1.1523	0.2610	-14.85	Copper	354.10	-19.70
10-Year	3.4897	1.75	120.7	JPY	143.6900	0.6264	-19.91	Nat. Gas	8.41	128.67
30-Year	3.1912	1.78	84.3	CNH	6.9650	0.2599	-8.73	Aluminum	2,301.25	-17.52

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	3.76	0.00	3.05	-0.14	NA	NA
5-Year	3.59	-0.06	3.08	-0.46	1.28	0.00
10-Year	3.42	-0.09	3.17	-0.79	1.56	0.00
30-Year	3.50	-0.20	3.48	-0.53	1.76	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	14-Sep 2022	31-Dec 2021
Kuwait	49.00	40.53
KSA	46.42	50.97
Abu Dhabi	45.16	43.09
Dubai	108.65	89.58
Qatar	44.46	42.55
Bahrain	287.54	286.32
Oman	237.62	254.42
Iraq	762.09	507.35
Egypt	NA	496.58
Morocco	240.70	85.91
Turkey	702.84	555.46
US	19.62	10.01
UK	25.19	8.91
China	71.11	39.86
Japan	19.26	16.23
Germany	15.60	7.53
France	22.01	17.87