

News Updates

Saudi Arabia closes September issuance of sukuk program at \$453m

– Saudi Arabia’s National Debt Management Center (NDMC) has closed the issuance of SAR 1.7 billion (\$453 million) SAR-denominated sukuk in September. With a total amount of bids received reaching SAR 7.3 billion, the sukuk offering was divided into three tranches, NDMC said in a statement. The first tranche has a size of SAR 201 million to mature in 2027, while the second one amounts to SAR 700 million, maturing in 2032. Lastly, the third is sized at SAR 800 million and it will mature in 2037. *(Source: Arab News)*

Dollar’s Surge Shrinks World Debt Pile for First Time Since 2018

– The global mountain of debt in US dollar terms shrunk for the first time since 2018 as the greenback surged and major central banks boosted borrowing costs, according to the Institute of International Finance (IIF). Total debt decreased by about \$5.5 trillion to \$300 trillion in the second quarter, IIF data showed. While most of that drop occurred in developed economies, the US and Canada ended up seeing an uptick in debt levels. The decline was more limited in emerging markets, where the ratio of debt to gross domestic product climbed. The world’s debt-to-GDP ratio rose slightly to 350%, a trend that IIF expects to continue at least through the end of the year amid inflation, growth concerns and tighter monetary policy. The IIF warned that higher food prices are particularly harmful for emerging markets, where 16 of the 35 countries with a major food crisis are already in or at high risk of debt distress. *(Source: Bloomberg)*

Morgan Stanley, UBS Analysts Cut Oil Outlooks on Recession Fears

– Mounting fears of recessions in major economies as well as China’s inability to throw off its virus shackles have oil analysts slashing their price forecasts for the rest of this year. Morgan Stanley and UBS Group AG cut their near-term outlooks for crude by as much as \$15 a barrel amid the deteriorating backdrop, and as Russian oil keeps flowing to Asia and elsewhere. Morgan cut price outlook for the third quarter by \$12 a barrel to \$98 and lowered estimate for fourth quarter by \$5 to \$95. UBS Group AG slashed its year-end forecast for Brent by \$15 a barrel to \$110 on China lockdowns and still-elevated Russian exports. Goldman Sachs expected Brent to rise toward its 2023 forecast of \$125 a barrel in the event of an agreed price-cap on Russian oil exports. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.71	-9.64	KSA	2027	3.78	-8.48
Abu Dhabi	2031	4.00	-14.36	KSA	2032	4.09	-13.41
Abu Dhabi	2050	4.68	-25.53	KSA	2050	5.19	-24.02
Bahrain	2028	6.24	-7.21	Oman	2027	5.86	-6.84
Bahrain	2032	7.74	-13.86	Oman	2032	6.44	-8.79
Bahrain	2051	8.61	-18.86	Oman	2051	7.71	-13.07
Dubai	2029	3.91	-8.82	Qatar	2026	3.73	-8.11
Dubai	2050	5.87	-24.48	Qatar	2030	4.02	-12.86
Kuwait	2027	3.59	-8.81	Qatar	2050	4.72	-24.07

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.89	8.08	-0.17	-10.97
S&P MENA Bond and Sukuk Index	4.46	NA	-0.09	-11.48
Bloomberg Emerging Markets USD Index	7.26	6.80	-0.25	-16.60
Bloomberg Global Aggregate Index	3.30	7.42	0.08	-16.90

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	15/09/2022	31/12/2021	15/09/2022	31/12/2021	15/09/2022	31/12/2021
KIBOR	2.6250	1.5000	2.8750	1.7500	3.1875	2.0000
SAIBOR	3.4088	0.9057	3.7993	0.9829	4.2689	1.0600
BHIBOR	4.1977	1.5167	4.5000	1.6233	5.1750	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	3.0766	0.3645	3.5920	0.7000	3.9086	0.7396
EURIBOR	1.0000	-0.5730	1.5380	-0.5460	2.1020	-0.4980
LIBOR	3.2926	0.2144	3.8369	0.3451	4.2390	0.5888

USD Swap Rates			Currencies			Commodities				
Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)			
1-Year	4.3684	3.50	716.5	KWD	0.3079	0.0974	-1.75	Crude Oil	93.86	27.13
2-Year	4.2354	3.06	350.0	SAR	3.7600	0.0080	-0.10	Gold	1,697.10	-7.81
5-Year	3.7007	2.64	170.2	EUR	0.9963	-0.1803	-12.37	Silver	19.46	-17.34
7-Year	3.5776	2.77	142.4	GBP	1.1514	-0.2253	-14.92	Copper	353.85	-19.75
10-Year	3.5055	2.65	121.7	JPY	143.6200	-0.3691	-19.87	Nat. Gas	9.05	146.19
30-Year	3.1772	2.38	83.5	CNH	6.9767	-0.0502	-8.88	Aluminum	2,259.50	-19.01

US Treasuries		UK Gilts		German Bunds		
Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)	
2-Year	3.82	-0.05	3.02	0.09	NA	NA
5-Year	3.63	-0.11	3.05	0.13	1.31	0.00
10-Year	3.43	-0.21	3.13	0.34	1.56	0.00
30-Year	3.48	-0.37	3.42	0.80	1.72	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	15-Sep 2022	31-Dec 2021
Kuwait	48.01	40.53
KSA	46.20	50.97
Abu Dhabi	45.35	43.09
Dubai	108.02	89.58
Qatar	44.46	42.55
Bahrain	286.05	286.32
Oman	236.98	254.42
Iraq	770.15	507.35
Egypt	NA	496.58
Morocco	240.79	85.91
Turkey	699.17	555.46
US	19.68	10.01
UK	25.34	8.91
China	69.68	39.86
Japan	18.98	16.23
Germany	15.61	7.53
France	22.10	17.87