

News Updates

S&P expects Saudi Arabia’s GDP to grow at highest rate in 10 years –

S&P Global Ratings agency expected the Kingdom's GDP to grow to its highest rate in ten years to 7.5% in 2022 with an expected financial surplus in the state budget of about 6.3%. The agency updated its outlook for Saudi Arabia on Friday to positive as the country's recovery from the pandemic is accelerating. The agency described the inflation rates in the Kingdom as relatively low in comparison to its counterparts and that those rates would be under control in view of the government subsidizing of fuel and food prices in addition to tying the local currency with the relatively-strong US dollar. *(Source: Saudi Gazette)*

Saudi dairy giant Almarai closes \$426m sukuk issuance –

Saudi-based dairy giant Almarai has completed the issuance of a SAR 1.6 billion (\$426 million) sukuk, as of Sep. 16. The sukuk, which offered a floating rate coupon, was offered to professional investors in the Kingdom for a period of seven years. Earlier, the dairy giant reported a first half net profit of SAR 940.8 million, up 8% from SAR 868 million the previous year. *(Source: Arab News)*

Federal Reserve to keep interest rates above 4% beyond 2023, economists predict –

The US central bank will lift its benchmark policy rate above 4% and hold it there beyond 2023 in its bid to stamp out high inflation, according to the majority of leading academic economists polled by the Financial Times. The latest survey suggests the Federal Reserve is a long way from ending its campaign to tighten monetary policy. The Federal Open Market Committee has already raised interest rates this year at the fastest pace since 1981 and is expected to implement a third consecutive 0.75 percentage point rate rise on Wednesday. That move would hoist the target range, which was hovering near zero as recently as March, to between 3% and 3.25%. Nearly 70% of the 44 economists surveyed between September 13 and 15 believe the fed funds rate of this tightening cycle will peak between 4% and 5%, with 20% of the view that it will need to pass that level. *(Source: Financial Times)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.80	-10.07	KSA	2027	3.96	-9.00
Abu Dhabi	2031	4.04	-14.67	KSA	2032	4.16	-13.91
Abu Dhabi	2050	4.72	-26.09	KSA	2050	5.24	-24.57
Bahrain	2028	6.32	-7.56	Oman	2027	5.98	-7.30
Bahrain	2032	7.69	-13.58	Oman	2032	6.50	-9.30
Bahrain	2051	8.63	-19.00	Oman	2051	7.82	-14.14
Dubai	2029	3.98	-9.16	Qatar	2026	3.93	-8.67
Dubai	2050	5.87	-24.53	Qatar	2030	4.10	-13.25
Kuwait	2027	3.77	-9.46	Qatar	2050	4.76	-24.56

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.97	8.08	-0.21	-11.30
S&P MENA Bond and Sukuk Index	4.59	NA	-0.29	-12.14
Bloomberg Emerging Markets USD Index	7.37	6.80	-0.40	-17.05
Bloomberg Global Aggregate Index	3.35	7.42	-0.11	-17.29

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	19/09/2022	31/12/2021	19/09/2022	31/12/2021	19/09/2022	31/12/2021
KIBOR	2.6250	1.5000	2.9375	1.7500	3.2500	2.0000
SAIBOR	3.4725	0.9057	4.0036	0.9829	4.4476	1.0600
BHIBOR	4.2527	1.5167	4.5417	1.6233	5.2083	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	3.2890	0.3645	3.4923	0.7000	3.8850	0.7396
EURIBOR	1.0630	-0.5730	1.6720	-0.5460	2.2630	-0.4980
LIBOR	3.5653	0.2144	4.1233	0.3451	4.6721	0.5888

USD Swap Rates			Currencies			Commodities				
Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)			
1-Year	4.3806	-1.78	718.8	KWD	0.3086	-0.2107	-1.96	Crude Oil	91.99	24.60
2-Year	4.2502	-2.88	351.5	SAR	3.7586	-0.0053	-0.06	Gold	1,677.20	-8.89
5-Year	3.7242	0.83	171.9	EUR	0.9996	-0.2097	-12.09	Silver	19.48	-17.25
7-Year	3.5970	-1.24	143.7	GBP	1.1403	-0.1576	-15.74	Copper	352.55	-20.05
10-Year	3.5245	-0.11	122.9	JPY	143.1600	-0.1676	-19.61	Nat. Gas	7.62	107.40
30-Year	3.2130	3.95	85.6	CNH	7.0135	-0.1925	-9.36	Aluminum	2,268.75	-18.68

US Treasuries		UK Gilts		German Bunds		
Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)	
2-Year	3.87	0.01	3.09	0.01	NA	NA
5-Year	3.63	0.01	3.10	0.00	1.41	0.01
10-Year	3.45	0.02	3.13	0.24	1.61	0.07
30-Year	3.51	0.04	3.44	0.36	1.73	-0.09

	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	19-Sep 2022	31-Dec 2021
Kuwait	48.01	40.53
KSA	46.68	50.97
Abu Dhabi	46.19	43.09
Dubai	108.04	89.58
Qatar	45.69	42.55
Bahrain	286.16	286.32
Oman	235.90	254.42
Iraq	748.83	507.35
Egypt	NA	496.58
Morocco	240.70	85.91
Turkey	740.68	555.46
US	19.39	10.01
UK	26.67	8.91
China	73.32	39.86
Japan	19.18	16.23
Germany	15.45	7.53
France	22.22	17.87