

News Updates

Investors relieved after US House votes to suspend debt ceiling; focus turns to Senate – Investors gave a muted welcome to the U.S. House of Representatives passing a bill that would suspend the government's borrowing limit and avert default, with market focus now turning to the Senate and the interest rate outlook. The Republican-controlled House voted 314-117 to send the legislation to the Senate, which must enact the measure and get it to President Joe Biden's desk before a Monday deadline, when the federal government is expected to run out of money. "This has gone through with a very big majority, so there's enough bipartisan support that it's very hard to believe this isn't going to be even more of a formality in the Senate," said National Australia Bank head of currency strategy, Ray Attrill. *(Source: Zawya)*

Kuwaiti Mega-Refinery's Final Phase Pushed Back to End of Summer – The start of the third section of Kuwait's Al-Zour refinery was pushed back to the end of the summer after a technical glitch forced the facility to halt last month, the chief executive officer of Kuwait Petroleum Corp. said in an interview. Comprising three mini refineries, Al-Zour is one of the biggest oil-processing facilities being added across the Middle East and, once completed, will add 615,000 barrels a day to Kuwait's refining capacity. The third line was penciled in to be up and running by June. He added the timing change isn't uncommon. "We expect this in the early phases of operation, especially for a world scale refinery of this size." *(Source: Bloomberg)*

Abu Dhabi TAQA-led consortium secures \$620mIn funding for desalination plant – Abu Dhabi National Energy Co. (TAQA), alongside France's ENGIE, have announced the financial closing of the 2.3 billion dirhams (\$620 million) low carbon Mirfa 2 Reverse Osmosis (M2 RO) desalination project. The project is 78% funded through debt financing from both local and international banks, including Abu Dhabi Islamic Bank, BNP Paribas Fortis SA/NV, Sumitomo Mitsui Banking Corporation, The Norinchukin Bank, BNP Paribas and KfW IPEX-Bank GmbH. *(Source: Zawya)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.17	-0.30	KSA	2027	4.35	0.96
Abu Dhabi	2031	4.08	1.65	KSA	2032	4.53	-0.24
Abu Dhabi	2050	4.94	-1.46	KSA	2050	5.48	-1.87
Bahrain	2028	6.18	0.32	Oman	2027	5.80	0.32
Bahrain	2032	7.21	-0.16	Oman	2032	5.98	0.61
Bahrain	2051	8.42	-3.21	Oman	2051	7.19	0.41
Dubai	2029	4.22	1.53	Qatar	2026	4.22	0.45
Dubai	2050	5.98	-1.69	Qatar	2030	4.14	-0.26
Kuwait	2027	4.08	-1.96	Qatar	2050	5.02	-1.11

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.27	8.08	0.16	1.99
S&P MENA Bond and Sukuk Index		NA	0.23	1.96
Bloomberg Emerging Markets USD Index	7.54	6.80	0.12	1.78
Bloomberg Global Aggregate Index	3.66	7.42	0.15	1.44

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	01/06/2023	31/12/2022	01/06/2023	31/12/2022	01/06/2023	31/12/2022
KIBOR	4.2500	4.0000	4.4375	4.2500	4.6875	4.5625
SAIBOR	5.9034	5.3404	5.8310	5.5978	5.8184	5.8697
BHIBOR	6.5417	6.1417	6.5283	6.2675	6.5150	6.5529
QATAR	6.0000	5.2833	6.0000	5.4167	6.0000	5.5833
AEIBOR	5.2233	4.3095	5.3250	4.9399	5.1425	5.0421
EURIBOR	3.4740	2.1320	3.7700	2.6930	3.9650	3.2910
LIBOR	5.4960	4.7673	5.6186	5.1389	5.7303	5.4821

USD Swap Rates				Currencies			Commodities	
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)
1-Year	5.3712	0.82	4.9	KWD	0.3074	-0.0651	Crude Oil	73.07
2-Year	4.6216	1.50	-1.8	SAR	3.7508	-0.0080	Gold	1,981.50
5-Year	3.8647	2.66	-3.9	EUR	1.0688	-0.0187	Silver	23.64
7-Year	3.7520	2.98	-3.9	GBP	1.2435	-0.0482	Copper	368.75
10-Year	3.6976	2.11	-3.6	JPY	139.4600	-0.0860	Nat. Gas	2.26
30-Year	3.4664	0.43	-0.7	CNH	7.1126	0.0970	Aluminum	2,242.50

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.43	-0.05	4.31	0.19	2.82	0.09
5-Year	3.79	-0.14	4.09	0.50	2.29	0.31
10-Year	3.67	-0.16	4.17	0.49	2.24	0.48
30-Year	3.86	-0.05	4.51	1.01	2.46	0.73

Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	A1	A+	AA-
KSA	A1	Au	A+
UAE	Aa2	NR	AA-
Abu Dhabi	Aa2	AA	AA
Qatar	Aa3	AA	AA-
Bahrain	B2	B+	B+
Oman	Ba2	BB	BB
Egypt	B3*-	B	B
Lebanon	C	SD	RDu
Jordan	B1	B+	BB-
Turkey	B3	Bu	B
Tunisia	Caa2	NR	CCC+
Morocco	Ba1	BB+	BB+u
US	Aaa	AA+u	AAAu
UK	Aa3	AAu	AA-u
China	A1	A+	A+u

USD 5Yr CDS	1-Jun 2023	31-Dec 2022
Kuwait	34.39	39.45
KSA	62.69	60.05
Abu Dhabi	39.26	43.90
Dubai	81.96	74.01
Qatar	39.69	46.55
Bahrain	263.94	224.63
Oman	157.15	185.75
Iraq	381.05	421.67
Egypt	NA	NA
Morocco	139.78	143.12
Turkey	593.96	506.65
US	40.94	22.82
UK	25.16	25.54
China	66.73	71.08
Japan	17.53	23.60
Germany	12.84	17.15
France	24.89	24.94