

News Updates

Senate passes US debt ceiling deal, averting a US default – The bipartisan measure sped through the Senate by a vote of 63-36, a day after it cleared the US House of Representatives. President Joe Biden has said he will enact the measure into law. His signature on the bill will spare the US from a catastrophic default on its \$31.4tn (£25tn) debt. The country is forecast to overshoot its current debt ceiling on Monday 5 June. A default would limit the government's ability to borrow more money or pay all of its bills. It would also threaten to wreak havoc overseas, affecting prices and mortgage rates in other countries. In Thursday night's session, the bill passed with support from 44 Democrats and 17 Republicans, plus two independents.

(Source: BBC)

Bank Aljazira plans to issue SAR-denominated Sukuk programme – Bank Aljazira intends to offer domestic the SAR-denominated Tier 1 Sukuk issuance programme at a value of up to SAR 5 billion by way of a private placement. The Saudi lender highlighted that the number and value of the Sukuk offering will be determined at a later time in accordance with the market conditions. Subject to the approval of relevant regulatory authorities, the issuance aims to reinforce the bank's capital base and anchor its financial as well as strategic needs. During the first quarter (Q1) of 2023, the listed bank recorded net profits worth SAR 204 million, down 45.59% from SAR 374.90 million in Q1-22. (Source: Mubasher)

Fitch holds US rating on negative watch despite debt deal – Ratings agency Fitch said Friday that it is keeping the United States' "AAA" credit rating on negative watch, despite a bipartisan agreement on raising the debt limit to avert a catastrophic default. The decision came a day after US senators voted to suspend the federal debt limit, capping weeks of fraught negotiations to eliminate the threat of a disastrous credit default just four days ahead of a deadline set by the Treasury. While the resolution of the debt ceiling impasse means the US government will be able to meet its obligations, Fitch Ratings said it maintains a "Rating Watch Negative" on the United States. This comes "as we consider the full implications of the most recent brinkmanship episode and the outlook for medium-term fiscal and debt trajectories," Fitch added in a statement. (Source: Zawya)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.12	-0.12	KSA	2027	4.28	1.20
Abu Dhabi	2031	4.07	1.73	KSA	2032	4.52	-0.20
Abu Dhabi	2050	4.93	-1.29	KSA	2050	5.46	-1.61
Bahrain	2028	6.08	0.74	Oman	2027	5.68	0.70
Bahrain	2032	7.08	0.80	Oman	2032	5.93	0.92
Bahrain	2051	8.25	-1.40	Oman	2051	7.14	0.99
Dubai	2029	4.24	1.40	Qatar	2026	4.25	0.32
Dubai	2050	6.03	-1.24	Qatar	2030	4.10	-0.08
Kuwait	2027	4.02	-1.76	Qatar	2050	4.97	-0.52

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.25	8.08	0.11	2.18
S&P MENA Bond and Sukuk Index	4.94	NA	0.03	2.18
Bloomberg Emerging Markets USD Index	7.51	6.80	0.04	1.95
Bloomberg Global Aggregate Index	3.69	7.42	-0.25	1.63

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	04/06/2023	31/12/2022	04/06/2023	31/12/2022	04/06/2023	31/12/2022
KIBOR	4.2500	4.0000	4.4375	4.2500	4.6875	4.5625
SAIBOR	5.9187	5.3404	5.8240	5.5978	5.8213	5.8697
BHIBOR	6.5507	6.1417	6.5283	6.2675	6.5312	6.5529
QATAR	5.8500	5.2833	5.9000	5.4167	6.0000	5.5833
AEIBOR	5.3122	4.3095	5.3948	4.9399	5.3378	5.0421
EURIBOR	3.4900	2.1320	3.7280	2.6930	3.8750	3.2910
LIBOR	5.4963	4.7673	5.6234	5.1389	5.6573	5.4821

USD Swap Rates				Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD
1-Year	5.4060	10.20	5.6	KWD	0.3074	0.0000	-0.34	Crude Oil	76.13
2-Year	4.6891	16.26	-0.4	SAR	3.7508	-0.0027	0.21	Gold	1,969.60
5-Year	3.9276	15.12	-2.4	EUR	1.0713	-0.5018	0.03	Silver	23.75
7-Year	3.8027	13.43	-2.6	GBP	1.2466	-0.5828	3.06	Copper	372.75
10-Year	3.7476	11.66	-2.3	JPY	140.0800	-0.8005	-6.29	Nat. Gas	2.17
30-Year	3.5046	8.48	0.4	CNH	7.1138	-0.0731	-2.64	Aluminum	2,242.21

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.50	-0.29	4.33	-0.10	2.90	-0.13
5-Year	3.84	-0.65	4.09	-0.22	2.36	-0.38
10-Year	3.69	-0.76	4.15	-0.29	2.27	-0.51
30-Year	3.89	-1.24	4.47	-0.30	2.48	-0.64

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	4-Jun 2023	31-Dec 2022
Kuwait	33.59	39.45
KSA	61.39	60.05
Abu Dhabi	37.59	43.90
Dubai	78.70	74.01
Qatar	38.07	46.55
Bahrain	259.21	224.63
Oman	150.06	185.75
Iraq	399.07	421.67
Egypt	NA	NA
Morocco	137.14	143.12
Turkey	546.62	506.65
US	32.69	22.82
UK	24.14	25.54
China	62.63	71.08
Japan	17.22	23.60
Germany	12.22	17.15
France	23.47	24.94