

News Updates

Saudi PMI Reveals Strong Non-Oil Sector Performance, Despite Price Pressures – Saudi Arabia’s economy showed robust expansion in the non-oil private sector in November, driven by strong demand and the sharpest increase in new business inflows, despite cost pressures, an economic tracker showed. However, the Kingdom’s Purchasing Managers’ Index dropped to 57.5 in November from October’s 58.4. This dip is attributed to slower staff and inventory growth rates, coupled with a notable reduction in delivery times, according to the Riyadh Bank Saudi Arabia PMI report, compiled by S&P Global. Despite this decline, Saudi PMI remained well above the neutral threshold of 50.0, signifying a significant improvement in business conditions within the Kingdom’s non-oil private sector economy, the report added. *(Source: Arab News)*

Nearly \$5trln in Debt Highly Exposed to Carbon Transition Risk – Moody’s – Almost \$4.9 trillion in debt from 16 sectors is “highly or very highly” exposed to environmental risk, more than double from 2015 when the Paris Agreement was signed, according to a Moody’s Investors Service report. Rated debt held by 14 sectors with “high or very high” inherent exposure to waste and pollution risk totals \$4.4 trillion, the ratings agency added. Industries such as chemicals, exploring/drilling for oil, mining for minerals/metals, and packaging manufacturing are confronting growing demands to reduce the volume of pollutants and waste their operations generate. *(Source: Zawya)*

Oil Prices Fall on China Concerns, Skepticism on OPEC+ cuts – Oil prices fell in Wednesday Asian morning trading as markets continue to doubt the impact of OPEC+ cuts and take cues from a worsening demand outlook in China. Brent crude futures fell 8 cents, or 0.1%, to \$77.12 a barrel. U.S. WTI crude futures were down 13 cents, or 0.2%, at \$72.19 a barrel. Both benchmarks closed at their lowest level since July 6 in the previous session, with WTI seeing four consecutive days of declines. Voluntary output cuts of about 2.2 million barrels per day (bpd) for the first quarter of 2024 by the Organization of the Petroleum Exporting Countries and allies such as Russia (OPEC+) have failed to support market sentiment, amid skepticism over whether the cuts would be implemented in full. *(Source: Zawya)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.53	-1.12	KSA	2027	4.74	0.51
Abu Dhabi	2031	4.50	-0.15	KSA	2032	4.89	-2.20
Abu Dhabi	2050	5.34	-6.96	KSA	2050	5.85	-6.77
Bahrain	2028	5.96	1.93	Oman	2027	5.27	2.04
Bahrain	2032	6.90	2.53	Oman	2032	5.61	2.81
Bahrain	2051	7.97	2.09	Oman	2051	6.68	6.76
Dubai	2029	4.62	-0.64	Qatar	2026	4.55	0.04
Dubai	2050	5.94	0.41	Qatar	2030	4.50	-3.84
Kuwait	2027	4.58	-3.12	Qatar	2050	5.43	-7.02

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.57	8.08	0.48	2.81
S&P MENA Bond and Sukuk Index	5.33	NA	0.64	1.81
Bloomberg Emerging Markets USD Index	7.47	6.80	0.48	5.70
Bloomberg Global Aggregate Index	3.80	7.42	0.43	2.24

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	06/12/2023	31/12/2022	06/12/2023	31/12/2022	06/12/2023	31/12/2022
KIBOR	4.31	4.00	4.50	4.25	4.75	4.56
SAIBOR	6.38	5.34	6.10	5.60	6.15	5.87
BHIBOR	6.66	6.14	6.65	6.27	6.67	6.55
QATAR	6.13	5.28	6.18	5.42	6.38	5.58
AEIBOR	5.44	4.31	5.57	4.94	5.56	5.04
EURIBOR	3.96	2.13	3.95	2.69	3.79	3.29
LIBOR	5.62	4.77	5.73	5.14	6.04	5.48

USD Swap Rates				Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)	
1-Year	5.04	1.67	2.8	KWD	0.3090	0.0647	Crude Oil	77.19	-4.37
2-Year	4.42	2.80	-0.6	SAR	3.7509	0.0213	Gold	2,038.90	6.14
5-Year	3.87	3.26	3.4	EUR	1.0795	-0.0278	Silver	24.58	-2.42
7-Year	3.82	3.09	5.3	GBP	1.2608	0.0953	Copper	380.40	0.00
10-Year	3.81	2.79	7.2	JPY	147.2900	-0.0883	Nat. Gas	2.69	-47.37
30-Year	3.65	1.87	13.8	CNH	7.1658	0.1089	Aluminum	2,132.00	-13.25

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.61	-0.05	4.47	0.18	3.16	0.06
5-Year	4.17	-0.15	4.04	0.53	2.20	0.28
10-Year	4.19	-0.23	4.02	1.23	2.18	0.81
30-Year	4.32	-0.38	4.56	2.26	2.44	2.69

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	Caa1	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	06-Dec 2023	31-Dec 2022
Kuwait	37.87	39.45
KSA	50.94	60.05
Abu Dhabi	40.46	43.90
Dubai	60.00	74.01
Qatar	42.05	46.55
Bahrain	214.93	224.63
Oman	122.85	185.75
Iraq	436.86	421.67
Egypt	NA	NA
Morocco	126.31	143.12
Turkey	335.30	506.65
US	45.24	22.82
UK	34.01	25.54
China	61.53	71.08
Japan	24.17	23.60
Germany	16.75	17.15
France	23.29	24.94