

News Updates

Kuwait's Comfortable Fiscal Surpluses in 2024 and 2025 – Swiss bank UBS maintained a stable credit outlook for Kuwait's government finances, as its financial reserves and external financial position balance the risks associated with its economy's dependence on oil, as well as the tensions that delayed economic and financial reforms. The bank indicated in a recent report on the Kuwaiti economy that the International Monetary Fund's estimates of the oil parity price in Kuwait at \$ 64 per barrel, mean that the Kuwaiti government has comfortable fiscal surpluses between 2024 and 2025, explaining that the country's public debt is very low at 3.0% of GDP, which reflects Kuwait's strong financial position. Kuwait's oil surpluses also support the country's external financial position. *(Source: Al Qabas)*

Saudi Arabia's Public Debt Forecast to Reach 26% of GDP in 2024 – Saudi Arabia's public debt is forecast to reach 1.103 trillion riyals (\$294.09 billion), or 25.9% of gross domestic product (GDP) in 2024, according to figures released by the finance ministry on Wednesday, up from an estimated 1.024 trillion riyals in 2023. Economic growth in the G20 member and the Arab world's biggest economy, is forecast to rebound to 4.4% next year from an estimated 0.03% in 2023, the finance ministry said. *(Source: Zawya)*

Qatar Central Bank ups Gold Reserves by 1 Tonne in October – Qatar Central Bank has increased its gold reserves by one tonne amid apex banks worldwide adding 42 tonnes October 2023, according to the World Gold Council (WGC). The global net purchases are 41.0% lower than September's total of 72 tonnes, but still 23.0% above the January-September monthly average of 34 tonnes. The People's Bank of China remained the largest purchaser, adding 23 tonnes of gold to its reserves – the 12th consecutive monthly addition. This brings its year-to-date net purchases to 204 tonnes, lifting its reported gold reserves to 2,215 tonnes. The Central Bank of Turkey also made a significant addition by buying 19 tonnes to increase its official gold reserves to 498 tonnes. On a year-to-date basis, the central bank remains a net seller (44 tonnes) due to its heavy net sales between March and May. *(Source: Zawya)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.45	-0.87	KSA	2027	4.71	0.71
Abu Dhabi	2031	4.39	0.64	KSA	2032	4.78	-1.42
Abu Dhabi	2050	5.25	-5.66	KSA	2050	5.76	-5.47
Bahrain	2028	5.94	1.99	Oman	2027	5.23	2.17
Bahrain	2032	6.86	2.81	Oman	2032	5.60	2.84
Bahrain	2051	7.96	2.22	Oman	2051	6.66	7.07
Dubai	2029	4.47	0.04	Qatar	2026	4.39	0.15
Dubai	2050	5.87	1.34	Qatar	2030	4.43	-3.53
Kuwait	2027	4.53	-2.99	Qatar	2050	5.32	-5.38

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.52	8.08	0.46	3.28
S&P MENA Bond and Sukuk Index	5.29	NA	0.47	2.28
Bloomberg Emerging Markets USD Index	7.42	6.80	0.43	6.15
Bloomberg Global Aggregate Index	3.78	7.42	0.24	2.48

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	07/12/2023	31/12/2022	07/12/2023	31/12/2022	07/12/2023	31/12/2022
KIBOR	4.31	4.00	4.50	4.25	4.75	4.56
SAIBOR	6.38	5.34	6.16	5.60	6.15	5.87
BHIBOR	6.66	6.14	6.64	6.27	6.67	6.55
QATAR	6.25	5.28	6.25	5.42	6.50	5.58
AEIBOR	5.47	4.31	5.57	4.94	5.52	5.04
EURIBOR	3.96	2.13	3.95	2.69	3.79	3.29
LIBOR	5.64	4.77	5.74	5.14	6.04	5.48

USD Swap Rates				Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD
1-Year	5.0527	1.39	3.1	KWD	0.3090	0.0647	-0.87	Crude Oil	74.70
2-Year	4.4350	2.86	-0.2	SAR	3.7510	0.0000	0.21	Gold	2,043.10
5-Year	3.8675	6.28	3.3	EUR	1.0758	-0.0557	0.50	Silver	24.14
7-Year	3.8014	6.69	4.9	GBP	1.2547	-0.1115	3.83	Copper	375.75
10-Year	3.7895	6.75	6.5	JPY	146.7800	0.3611	-10.67	Nat. Gas	2.55
30-Year	3.6070	5.47	12.4	CNH	7.1701	0.0586	-3.46	Aluminum	2,118.67

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.63	-0.06	4.46	0.03	3.18	-0.02
5-Year	4.16	-0.27	3.99	0.22	2.18	0.07
10-Year	4.17	-0.54	3.94	0.60	2.14	0.35
30-Year	4.27	-1.02	4.44	1.76	2.37	1.44

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	07-Dec 2023	31-Dec 2022
Kuwait	37.98	39.45
KSA	51.01	60.05
Abu Dhabi	40.42	43.90
Dubai	59.86	74.01
Qatar	42.25	46.55
Bahrain	212.83	224.63
Oman	122.35	185.75
Iraq	435.70	421.67
Egypt	NA	NA
Morocco	126.93	143.12
Turkey	330.84	506.65
US	46.00	22.82
UK	33.77	25.54
China	61.59	71.08
Japan	23.95	23.60
Germany	16.50	17.15
France	22.97	24.94