

News Updates

Goldman Sachs Projects Two Fed Rate Cuts Next Year with First in Q3

– Goldman Sachs now projects two interest rate cuts by the U.S. Federal Reserve next year, advancing its expectation for the first cut to the third quarter, citing cooling inflation. The brokerage had earlier predicted the Fed to begin cutting rates next December. Two cuts would imply a Federal Funds Rate of 4.875% by the end of 2024, compared to its previous forecast of 5.13%. While data on Friday showed a stronger-than-expected U.S. labor market, traders bet that the Fed will still proceed with interest-rate cuts next year amid declining prices. They expect the first cut to occur in March. *(Source: Reuters)*

Green Bonds and Sukuk Issuances in UAE Reach \$4.08bln – The Securities and Commodities Authority (SCA) disclosed that the total value of green and sustainability-linked bonds and Sukuk registered with the authority reached approximately AED15.45 billion during the first 11 months of 2023. Speaking to the Emirates News Agency (WAM) during COP28, Mohamed Ali Al Shorafa, Chairman of the SCA Board, lauded the UAE for its commitment to sustainability approach, aligning with the vision of the late founding father, Sheikh Zayed bin Sultan Al Nahyan, and the directives of the wise leadership. In this regard, Al Shorafa highlighted the authority's decision to regulate the issuance of green and sustainability-linked bonds and Sukuk. *(Source: Zawya)*

Gold Flat as Traders Seek Direction from US Inflation Data – Gold prices steadied on Tuesday after hitting a three-week low in the previous session as investor's awaited key U.S. inflation data and major central bank policy meetings for clues on interest rates. Spot gold was flat at \$1,982.19 per ounce, after hitting its lowest level since Nov. 20 on Monday. U.S. gold futures rose 0.2% to \$1,997.50. "The Fed may not be so aggressive with rate cuts that are in line with current dovish market expectations. So that has resulted in some profit-taking and short-term players taking a speculative bet on gold," said Kelvin Wong, a senior market analyst for Asia Pacific at OANDA. *(Source: Zawya)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.51	-1.01	KSA	2027	4.75	0.51
Abu Dhabi	2031	4.47	0.11	KSA	2032	4.85	-1.86
Abu Dhabi	2050	5.26	-5.98	KSA	2050	5.79	-5.89
Bahrain	2028	5.99	1.98	Oman	2027	5.28	2.02
Bahrain	2032	6.88	2.63	Oman	2032	5.57	3.03
Bahrain	2051	7.94	2.39	Oman	2051	6.69	6.55
Dubai	2029	4.49	-0.07	Qatar	2026	4.55	0.05
Dubai	2050	5.87	1.35	Qatar	2030	4.48	-3.77
Kuwait	2027	4.50	-2.85	Qatar	2050	5.29	-4.98

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.56	8.08	-0.04	3.15
S&P MENA Bond and Sukuk Index	5.34	NA	-0.05	2.13
Bloomberg Emerging Markets USD Index	7.48	6.80	-0.04	5.84
Bloomberg Global Aggregate Index	3.85	7.42	-0.27	1.88

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	12/12/2023	31/12/2022	12/12/2023	31/12/2022	12/12/2023	31/12/2022
KIBOR	4.31	4.00	4.56	4.25	4.75	4.56
SAIBOR	6.33	5.34	6.19	5.60	6.14	5.87
BHIBOR	6.66	6.14	6.65	6.27	6.68	6.55
QATAR	6.00	5.28	6.10	5.42	6.25	5.58
AEIBOR	5.55	4.31	5.54	4.94	5.55	5.04
EURIBOR	3.95	2.13	3.94	2.69	3.73	3.29
LIBOR	5.63	4.77	5.72	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	5.0910	-1.70	3.9	KWD	0.3090	0.0647	-0.87	Crude Oil	76.53	-5.19
2-Year	4.5017	-1.64	1.3	SAR	3.7510	0.0000	0.21	Gold	2,001.40	4.19
5-Year	3.9324	-1.94	5.0	EUR	1.0767	0.0186	0.58	Silver	23.21	-7.86
7-Year	3.8553	-2.07	6.4	GBP	1.2581	0.1991	4.11	Copper	379.20	-0.32
10-Year	3.8275	-2.29	7.6	JPY	145.5300	0.4329	-9.90	Nat. Gas	2.42	-52.69
30-Year	3.6180	-2.92	12.8	CNH	7.1884	0.0849	-3.70	Aluminum	2,075.75	-15.53

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.70	0.03	4.58	-0.04	3.31	-0.02
5-Year	4.22	0.10	4.13	-0.15	2.26	-0.01
10-Year	4.21	0.18	4.07	-0.26	2.21	0.04
30-Year	4.30	0.48	4.54	-0.32	2.45	0.17

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	Ba1	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	12-Dec 2023	31-Dec 2022
Kuwait	37.87	39.45
KSA	51.95	60.05
Abu Dhabi	41.30	43.90
Dubai	60.29	74.01
Qatar	42.86	46.55
Bahrain	214.77	224.63
Oman	123.89	185.75
Iraq	437.96	421.67
Egypt	NA	NA
Morocco	126.81	143.12
Turkey	326.54	506.65
US	45.67	22.82
UK	33.83	25.54
China	61.15	71.08
Japan	24.32	23.60
Germany	15.16	17.15
France	21.34	24.94