

## News Updates

**Global Sukuk Issuance to Hit \$170bln in 2024** – S&P Global Ratings' latest report titled “Sukuk Outlook 2024: Cautiously Optimistic”, forecasts global sukuk issuance to reach about \$160 billion-\$170 billion in 2024, from \$168.4 billion at year-end 2023 and \$179.4 billion in 2022. The drop in issuance volumes in 2023, which mainly resulted from tighter liquidity conditions in Saudi Arabia's banking system and Indonesia's lower fiscal deficit, was somewhat compensated by an increase in foreign currency-denominated sukuk issuance. Better visibility on the medium-term trajectory of interest rates, particularly toward the end of 2023, benefited foreign currency-denominated sukuk issuance, which increased by a third in 2023, compared with 2022. (Source: Zawya)

**Economic Uncertainty Expected in 2024, WEF Survey Predicts** – A survey of global chief economists by the World Economic Forum (WEF) predicted the global economy to see a year of downturn and uncertainty, facing headwinds from tough financial conditions, geopolitical tensions, and the rise of artificial intelligence. According to the latest Chief Economists Outlook, more than half (56%) of the leading economists surveyed projected that the global economy would weaken in 2024, while 43% predicted the economy to maintain or gain momentum. A large majority also believes that labor markets (77%) and financial conditions (70%) will improve over the next year. Although the expectations for high inflation have been pared back in all regions, regional growth outlooks vary widely and no region is slated for very strong growth in 2024. (Source: Zawya)

**Egypt's External Debt Edges Lower to \$164.521bln in Q1 FY 2023/2024** – Egypt's external debt burden eased in the first quarter of fiscal year (FY) 2023/24, inching down to \$164.521bln from \$164.727bln at the end of the previous quarter. This welcome decline is driven by a drop in long-term debt, which stood at \$134.252bln in September 2023, down from \$136.577bln in June. Short-term debt, meanwhile, increased slightly to \$30.268bln from \$28.150bln. The government played a key role in reducing external debt, with its liabilities falling to \$82.527bln from \$83.428bln, all of it long-term. The Central Bank of Egypt also saw its debt burden shrink, with its total standing at \$44.376bln at the end of September, compared to \$43.617bln in June. This breakdown includes \$24.563bln in long-term debt and \$19.822bln in short-term debt. Banks' external debt remained largely stable at \$20.905bln, with a slight decrease from \$20.978bln in the previous quarter. The composition of this debt remained steady, with \$15.072bln being long-term and \$5.833bln being short-term. (Source: Zawya)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.29	-0.36	KSA	2027	4.72	-0.81
Abu Dhabi	2031	4.30	-1.01	KSA	2032	4.85	-2.38
Abu Dhabi	2050	5.16	-3.15	KSA	2050	5.69	-4.32
Bahrain	2028	5.97	-1.13	Oman	2027	5.07	-0.23
Bahrain	2032	6.78	-1.56	Oman	2032	5.52	-1.27
Bahrain	2051	7.77	-1.79	Oman	2051	6.46	-1.79
Dubai	2029	4.48	-0.73	Qatar	2026	4.12	-0.32
Dubai	2050	5.78	-1.91	Qatar	2030	4.33	-1.10
Kuwait	2027	4.17	-0.07	Qatar	2050	5.14	-3.97

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.35	8.08	0.00	-1.32
S&P MENA Bond and Sukuk Index	5.12	NA	0.15	-1.28
Bloomberg Emerging Markets USD Index	7.13	6.80	0.00	-0.69
Bloomberg Global Aggregate Index	3.57	7.42	-0.18	-1.20

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	16/01/2024	31/12/2023	16/01/2024	31/12/2023	16/01/2024	31/12/2023
KIBOR	4.31	4.00	4.50	4.25	4.75	4.56
SAIBOR	6.20	5.34	5.96	5.60	5.95	5.87
BHIBOR	6.52	6.14	6.43	6.27	6.39	6.55
QATAR	6.00	5.28	6.10	5.42	6.25	5.58
AEIBOR	5.10	4.31	5.01	4.94	4.94	5.04
EURIBOR	3.93	2.13	3.87	2.69	3.57	3.29
LIBOR	5.58	4.77	5.58	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	4.6848	0.0491	-1.4	KWD	0.3075	0.039	0.0	Crude Oil	78.34
2-Year	4.0433	0.0693	-0.4	SAR	3.7505	0.003	0.0	Gold	2,053.10
5-Year	3.6138	0.0658	2.5	EUR	1.0920	-0.256	0.0	Silver	23.28
7-Year	3.5874	0.0642	3.2	GBP	1.2683	-0.336	0.0	Copper	376.15
10-Year	3.6082	0.0633	4.0	JPY	146.1210	0.296	0.0	Nat. Gas	3.09
30-Year	3.5155	0.0586	6.2	CNH	7.1962	0.209	0.0	Aluminum	2,180.40

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.20	-0.11	4.13	0.00	3.23	-0.04
5-Year	3.89	-0.27	3.66	-0.04	2.15	-0.23
10-Year	4.00	-0.47	3.79	-0.03	2.14	-0.38
30-Year	4.23	-0.95	4.45	-0.42	2.43	-0.76

## 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	16-Jan 2024	31-Dec 2023
Kuwait	42.52	35.96
KSA	59.03	50.21
Abu Dhabi	44.50	39.60
Dubai	65.06	60.36
Qatar	51.82	43.52
Bahrain	215.69	198.10
Oman	118.12	112.12
Iraq	416.28	411.62
Egypt	NA	NA
Morocco	106.22	109.36
Turkey	303.95	279.01
US	43.91	45.19
UK	31.95	33.74
China	62.82	59.80
Japan	20.90	22.74
Germany	13.67	15.61
France	21.45	22.94