

## News Updates

**UAE, Saudi to Lead GCC Non-oil GDP Growth** – The UAE and Saudi Arabia will lead the growth of the non-oil sector in the short-term as the GCC region in general remains strong, driven by higher domestic demand, increased gross capital inflows, and reform implementation, the International Monetary Fund said in its latest report. The UAE posted a robust non-oil growth of 5.9% in the first-half of 2023, driven by strong domestic demand, while Saudi Arabia’s H1 2023 non-hydrocarbon GDP (non-oil private and government activities) growth averaged around 4.5%, the IMF said in its report titled “Economic Prospects and Policy Priorities for the GCC Countries.” *(Source: Zawya)*

**Egypt Eyes Issuing Bonds Denominated in Gulf Currencies Soon** – Egypt is studying issuing bonds denominated in Gulf currencies in the coming period, Asharq Business reported, citing the Egyptian Minister of Finance Mohamed Maait. However, this step requires coordination with advisors and lawyers, which is challenging, Maait noted. On a related note, Maait pointed out that securing affordable financing currently is not an easy task, given the country’s strict monetary policy and credit rating. *(Source: Zawya)*

**UAE’s Islamic Finance Sector Assets Surge to \$230.24bln** – The UAE has been taking impressive strides to reinforce its position as the global hub of Islamic finance industry with its Shariah-compliant banking sector currently accounting for 23% of total banking assets of the country, equivalent to Dh845 billion. The central bank governor said the Islamic finance sector is key to the UAE’s sustainable growth and its achievement of sustainable development goals, in keeping with the vision of the country’s leadership. Islamic windows, in addition to the takaful market and sukuk issuances, account for 25% of total Islamic banking assets in the UAE, equivalent to Dh214 billion. Driven by favorable dynamics in the GCC and a few other core markets, the size of the global Islamic finance industry is poised to cross the \$3 trillion mark this year, growing by around 10% after expanding at a similar pace in 2022, according to S&P Global Ratings. According to the ICD-Refinitiv Islamic Finance Development Indicator report, the global Islamic finance industry is poised to rise to \$6.0 trillion by 2026. *(Source: Zawya)*

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.19	0.12	KSA	2027	4.45	1.56
Abu Dhabi	2031	4.12	2.59	KSA	2032	4.50	0.65
Abu Dhabi	2050	4.97	-1.58	KSA	2050	5.41	-0.72
Bahrain	2028	5.71	2.98	Oman	2027	5.03	2.86
Bahrain	2032	6.65	4.29	Oman	2032	5.38	4.35
Bahrain	2051	7.72	5.05	Oman	2051	6.36	11.18
Dubai	2029	4.36	0.49	Qatar	2026	4.27	0.70
Dubai	2050	5.63	4.96	Qatar	2030	4.14	-2.25
Kuwait	2027	4.12	-1.71	Qatar	2050	4.92	0.51

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.22	8.08	0.11	5.65
S&P MENA Bond and Sukuk Index	5.00	NA	0.12	4.73
Bloomberg Emerging Markets USD Index	7.07	6.80	0.25	8.71
Bloomberg Global Aggregate Index	3.55	7.42	0.34	5.07

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	21/12/2023	31/12/2022	21/12/2023	31/12/2022	21/12/2023	31/12/2022
KIBOR	4.31	4.00	4.50	4.25	4.75	4.56
SAIBOR	6.30	5.34	6.12	5.60	6.09	5.87
BHIBOR	6.52	6.14	6.51	6.27	6.51	6.55
QATAR	6.00	5.28	6.10	5.42	6.25	5.58
AEIBOR	5.38	4.31	5.41	4.94	5.43	5.04
EURIBOR	3.92	2.13	3.92	2.69	3.64	3.29
LIBOR	5.64	4.77	5.68	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	4.8254	1.86	-1.5	KWD	0.3090	0.0647	-0.87	Crude Oil	79.33	-1.72
2-Year	4.1576	2.59	-6.5	SAR	3.7515	0.0000	0.19	Gold	2,048.60	6.65
5-Year	3.5726	1.83	-4.6	EUR	1.0952	0.0914	2.31	Silver	24.59	-2.36
7-Year	3.4943	1.52	-3.6	GBP	1.2646	0.0475	4.65	Copper	389.65	2.43
10-Year	3.4708	1.27	-2.4	JPY	142.8500	0.5040	-8.21	Nat. Gas	2.43	-52.42
30-Year	3.2935	0.45	2.6	CNH	7.1472	0.0518	-3.15	Aluminum	2,207.76	-10.47

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.37	-0.06	4.06	0.31	3.11	0.04
5-Year	3.86	-0.08	3.49	0.69	1.98	0.17
10-Year	3.86	-0.09	3.52	0.95	1.92	0.36
30-Year	3.99	-0.06	4.06	1.36	2.15	1.11

## 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	21-Dec 2023	31-Dec 2022
Kuwait	35.98	39.45
KSA	50.40	60.05
Abu Dhabi	39.64	43.90
Dubai	59.67	74.01
Qatar	42.76	46.55
Bahrain	198.84	224.63
Oman	113.25	185.75
Iraq	401.49	421.67
Egypt	NA	NA
Morocco	112.97	143.12
Turkey	280.02	506.65
US	45.82	22.82
UK	34.36	25.54
China	59.02	71.08
Japan	23.31	23.60
Germany	15.72	17.15
France	22.58	24.94