

News Updates

Banque Saudi Fransi completes dollar-denominated sukuk issuance of \$900m – Banque Saudi Fransi has completed the sale of its dollar-denominated sukuk valued at \$900 million with an annual return of 4.75% under the Trust Certificates Issuance Program, the company said in a bourse filing. The bank said that the sukuk issuance is for five years and is scheduled to take place through a special-purpose entity, with an offer made to qualified Saudi and international investors. The bank appointed seven local and international banks to manage its issuance of dollar-denominated sukuk.

Bahrain's economy up 4.9% in 2022 on fiscal reform, oil: IMF – Bahrain experienced strong growth in 2022, in line with other GCC countries with continued fiscal reform momentum and high oil prices improving the country's fiscal and external balances, according to the International Monetary Fund (IMF) officials. The kingdom's economy grew by 4.9% in 2022, mainly driven by 6.2% growth in non-hydrocarbon GDP while hydrocarbon GDP contracted by 1.4%, stated senior IMF officials after their recent visit to the Gulf country. With the economic recovery well under way, ongoing fiscal reforms, and higher oil prices, the state budget deficit declined significantly, narrowing to 1.7% of GDP in 2022, from 6.8% in 2021, while the overall fiscal deficit declined from 11.6 to 6.1% of GDP, it stated.

Fitch puts US credit rating on negative watch as debt ceiling deadline looms – Ratings agency Fitch on Wednesday put the United States' credit on watch for a possible downgrade, raising the stakes as negotiations over the country's debt ceiling go down to the wire. Fitch put the country's "AAA" rating, its highest rank, on a negative watch in a precursor to a possible downgrade should lawmakers fail to raise the amount that the Treasury can borrow before it runs out of money, the so-called X-date. In 2011 during extended debt ceiling negotiations, S&P downgraded the U.S. credit rating, but Fitch did not. A possible U.S. government rating downgrade could affect the pricing of trillions of dollars of Treasury debt securities.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.12	-0.13	KSA	2027	2.60	7.32
Abu Dhabi	2031	4.09	1.57	KSA	2032	4.55	-0.40
Abu Dhabi	2050	4.99	-2.17	KSA	2050	5.52	-2.43
Bahrain	2028	6.30	-0.20	Oman	2027	5.67	0.75
Bahrain	2032	7.31	-0.85	Oman	2032	5.98	0.59
Bahrain	2051	8.49	-4.03	Oman	2051	7.22	-0.01
Dubai	2029	4.22	1.50	Qatar	2026	4.11	0.60
Dubai	2050	6.01	-1.33	Qatar	2030	4.09	0.01
Kuwait	2027	3.97	-1.58	Qatar	2050	5.01	-1.08

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.26	8.08	0.14	1.85
S&P MENA Bond and Sukuk Index	4.95	NA	0.23	1.80
Bloomberg Emerging Markets USD Index	7.62	6.80	-0.09	1.23
Bloomberg Global Aggregate Index	3.73	7.42	-0.24	1.20

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	25/05/2023	31/12/2022	25/05/2023	31/12/2022	25/05/2023	31/12/2022
KIBOR	4.2500	4.0000	4.4375	4.2500	4.6875	4.5625
SAIBOR	5.8348	5.3404	5.8045	5.5978	5.7677	5.8697
BHIBOR	6.5283	6.1417	6.5217	6.2675	6.4883	6.5529
QATAR	5.9250	5.2833	5.9500	5.4167	6.0000	5.5833
AEIBOR	5.0944	4.3095	5.2041	4.9399	5.1312	5.0421
EURIBOR	3.4220	2.1320	3.7320	2.6930	3.9040	3.2910
LIBOR	5.3959	4.7673	5.5043	5.1389	5.5221	5.4821

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	5.3316	0.84	4.1	KWD	0.3074	-0.0651	-0.34	Crude Oil	78.35	-6.95
2-Year	4.6048	0.69	-2.2	SAR	3.7504	-0.0027	0.22	Gold	1,977.00	5.52
5-Year	3.8934	0.32	-3.2	EUR	1.0737	-0.1302	0.29	Silver	23.16	-5.02
7-Year	3.7950	0.55	-2.8	GBP	1.2344	-0.1779	2.15	Copper	356.50	-6.58
10-Year	3.7642	0.55	-1.9	JPY	139.5700	-0.0716	-6.05	Nat. Gas	2.40	-40.80
30-Year	3.5697	0.05	2.3	CNH	7.0813	-0.2118	-2.25	Aluminum	2,188.18	-9.03

US Treasuries			UK Gilts			German Bunds		
Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)	
2-Year	4.40	-0.04	4.34	-0.42		2.93	0.00	
5-Year	3.79	-0.04	4.12	-0.63		2.48	0.00	
10-Year	3.75	-0.02	4.21	-0.41		2.43	0.00	
30-Year	3.99	0.02	4.54	-0.15		2.62	0.00	

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	B3	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	25-May 2023	31-Dec 2022
Kuwait	35.51	39.45
KSA	63.33	60.05
Abu Dhabi	40.67	43.90
Dubai	75.61	74.01
Qatar	40.66	46.55
Bahrain	258.95	224.63
Oman	159.47	185.75
Iraq	381.05	421.67
Egypt	NA	NA
Morocco	139.71	143.12
Turkey	664.58	506.65
US	60.69	22.82
UK	24.64	25.54
China	67.75	71.08
Japan	18.32	23.60
Germany	12.00	17.15
France	25.21	24.94