MENA Daily Fixed Income Report – 28 December 2023

Kuwait Financial Centre "Markaz"

News Updates

Global Bond 'Carnival' Sets Stage for Best Two Months on Record - The world's debt market is on track to post its biggest two-month gain on record as traders ramp up expectations that central banks everywhere will slash interest rates next year. The Bloomberg Global Aggregate Total Return Index has risen nearly 10% over November and December, its best run in Bloomberg data going back to 1990. Jitters around recession risks are percolating across markets, underscoring the case to own bonds, as traders bet policymakers may have to aggressively cut interest rates next year to bolster growth. Swaps traders are pricing about 150 basis points of rate cuts in the US and UK next year, and about 175 basis points in the Eurozone as investor confidence builds that central banks have won their battle against inflation after embarking on the most aggressive rate-hiking cycles in decades. Such prospects helped draw strong demand for two- and fiveyear Treasuries at auctions this week. Falling yields also drove the greenback lower, in turn boosting returns on foreign-currency debt as the Bloomberg index measures performance on a dollar basis. Yields on 10-year US Treasuries, a global borrowing benchmark, have tumbled around 120 basis points from its October peak to around 3.81% in Asia trading Thursday. Investment-grade corporate bonds globally have also rallied, returning almost 11% since the start of November and set for the best two-month gain on record, based on a Bloomberg index with data going back to 2001. A tightening in spreads has helped credit outperform government debt over that time span. (Source: Bloomberg)

Kuwait's Oil Revenues for 9 Months Surpass 15.8 Billion Dinars, 92% of the Budget – As the conclusion of the fiscal year 2023/2024's ninth month draws near, marking the end of the year 2023, the average price of a barrel of Kuwaiti oil stands at around \$85. This figure surpasses the budgeted estimate of \$70, reflecting a notable increase of \$15. Despite the current year's budget projecting Kuwait's oil production at approximately 2.676 million barrels per day, actual production as of last May witnessed a decrease to about 2.548 million barrels per day. This reduction is attributed to Kuwait voluntarily curtailing its production by approximately 128 thousand barrels per day within the OPEC alliance, a measure taken to support price stability. Kuwait's oil revenues for December are estimated at 1.67 billion dinars. Consequently, Kuwait's oil revenues for the first nine months of the fiscal year are projected to be around 15.8 billion dinars, constituting approximately 92% of the total oil revenues outlined in the budget for the entire fiscal year. (Source: Zawya)

Oil Holds Decline on Signs of Further Build in Crude Stockpiles -Oil steadied after posting the largest drop in two weeks on signs of a US stockpile build coupled with weak technical indicators. West Texas Intermediate held above \$74 a barrel after declining by 1.9% more, with Brent crude near \$80. The American Petroleum Institute reported nationwide inventories rose by 1.8 million barrels with levels at Cushing also expanding. That's feeding into signs supply is topping demand as the year-end approaches. Official prints on US inventories, as well as gauges of output and demand are due later Thursday from the Energy Information Administration. (Source: Bloomberg)

overeig	ns	Maturit	y ۱	'ield %	Price ∆ (YTD %)	Sovere	igns Ma	aturity	Yield %	Price ∆ (YTD %)
Abu Dha	bi	2027		4.18	0.17	KSA	1 2	2027	4.46	1.52
Abu Dha	bi	2031		4.14	2.47	KSA	1 2	2032	4.50	0.69
Abu Dha	bi	2050		4.94	-1.18	KSA	2 ۱	2050	5.39	-0.48
Bahrain		2028		5.70	3.04	Oma	in 2	2027	5.00	2.91
Bahrain		2032		6.62	4.57	Oma	in 2	2032	5.35	4.48
Bahrain		2051		7.71	5.18	Oma	in 2	2051	6.36	11.13
Dubai		2029		4.36	0.49	Qata	ar 2	2026	4.31	0.72
Dubai		2050		5.63	5.08	Qata	ar 2	2030	4.14	-2.18
(uwait		2027		4.19	-1.90	Qata	ar 2	2050	4.89	0.87
Bonds an	d Sukuk I	ndices								
ndex Na					Yield	% Du	ration (yrs)	,	. ,	YTD ∆ (%)
Bloomberg GCC FI Index					5.20		8.08	0.23		5.99
	IA Bond a				4.97		NA	0.22		5.16
Bloomberg Emerging Markets USD Index					7.03		6.80	0.34		9.12
Bloomberg Global Aggregate Index					3.48		7.42	0.69)	6.03
nterban	k Rates (%		Nonths			6 Month	5		12 Month	IS
	28/1	2/2023	31/	12/2022	28/12/20	23 31	/12/2022	28/12/2	023 31	/12/2022
IBOR		4.31		4.00	4.50		4.25	4.75		4.56
AIBOR		5.26		5.34	6.08		5.60	6.04		5.87
BHIBOR		5.51		6.14	6.48		6.27	6.49)	6.55
		5 35		5.28	6.25		5.42	6.50)	5.58
QATAR		5.25								5.04
QATAR AEIBOR		5.42		4.31	5.32		4.94	5.32		5.04
EIBOR		5.42		-			4.94			
				4.31 2.13 4.77	5.32 3.90 5.62			5.32 3.58 6.04	;	3.29 5.48
EIBOR	-	5.42 3.93	tes	2.13	3.90	ıcies	4.94 2.69	3.58 6.04	;	3.29
EIBOR	-	5.42 3.93 5.61	tes YTD Δ (%)	2.13	3.90 5.62	i cies 1D Δ (bps)	4.94 2.69	3.58 6.04		3.29
EIBOR	USD	5.42 3.93 5.61 Swap Rat 1D Δ	$YTD\Delta$	2.13	3.90 5.62 Curren	1D 🛆	4.94 2.69 5.14 ΥΤD Δ	3.58 6.04	mmodities USD	3.29 5.48 YTD Δ
AEIBOR URIBOR IBOR	USD S Yield %	5.42 3.93 5.61 Swap Rat 1D Δ (bps)	YTD ∆ (%)	2.13 4.77	3.90 5.62 Curren USD	1D ∆ (bps)	4.94 2.69 5.14 ΥΤD Δ (%)	3.58 6.04 Cor	mmodities USD	3.29 5.48 YTD Δ (%) -1.20
L-Year	USD S Yield % 4.77	5.42 3.93 5.61 5.61 1D Δ (bps) 1.08	YTD ∆ (%) -2.6	2.13 4.77 KWD	3.90 5.62 Curren USD 0.3090	1D ∆ (bps) 0.06	4.94 2.69 5.14 YTD Δ (%) -0.87	3.58 6.04 Cor Crude Oil	mmodities USD 79.75	3.29 5.48 YTD Δ (%) -1.20
AEIBOR EURIBOR IBOR IBOR I-Year 2-Year	USD 9 Yield % 4.77 4.09	5.42 3.93 5.61 1D Δ (bps) 1.08 1.46	YTD Δ (%) -2.6 -8.0	2.13 4.77 KWD SAR	3.90 5.62 Curren USD 0.3090 3.7507	1D Δ (bps) 0.06 0.02	4.94 2.69 5.14 ΥΤD Δ (%) -0.87 0.22	3.58 6.04 Cor Crude Oil Gold	mmodities USD 79.75 2,096.90	3.29 5.48 YTD Δ (%) -1.20 9.16
EIBOR URIBOR IBOR IBOR -Year -Year	USD 9 Yield % 4.77 4.09 3.51	5.42 3.93 5.61 Swap Rat 1D Δ (bps) 1.08 1.46 1.47	YTD ∆ (%) -2.6 -8.0 -6.3	2.13 4.77 KWD SAR EUR	3.90 5.62 Curren USD 0.3090 3.7507 1.1111	1D Δ (bps) 0.06 0.02 0.05	4.94 2.69 5.14 ΥΤD Δ (%) -0.87 0.22 3.78	3.58 6.04 Cor Crude Oil Gold Silver	mmodities USD 79.75 2,096.90 24.70 395.60	3.29 5.48 YTD ∆ (%) -1.20 9.16 -1.95 4.00
AEIBOR URIBOR IBOR I-Year 2-Year -Year -Year	USD 9 Yield % 4.77 4.09 3.51 3.44	5.42 3.93 5.61 Swap Rat 1D Δ (bps) 1.08 1.46 1.47 1.38	YTD Δ (%) -2.6 -8.0 -6.3 -5.1	2.13 4.77 KWD SAR EUR GBP	3.90 5.62 Curren USD 0.3090 3.7507 1.1111 1.2808	1D Δ (bps) 0.06 0.02 0.05 0.07	4.94 2.69 5.14 ΥΤD Δ (%) -0.87 0.22 3.78 5.99	3.58 6.04 Cor Crude Oil Gold Silver Copper	mmodities USD 79.75 2,096.90 24.70 395.60 2.45	3.29 5.48 YTD ∆ (%) -1.20 9.16 -1.95 4.00 -50.38
EIBOR URIBOR IBOR -Year -Year -Year -Year 0-Year	USD 9 Yield % 4.77 4.09 3.51 3.44 3.43	5.42 3.93 5.61 1D Δ (bps) 1.08 1.46 1.47 1.38 1.19 0.02	YTD Δ (%) -2.6 -8.0 -6.3 -5.1 -3.7	2.13 4.77 KWD SAR EUR GBP JPY CNH	3.90 5.62 Curren USD 0.3090 3.7507 1.1111 1.2808 141.2000	1D Δ (bps) 0.06 0.02 0.05 0.07 0.45	4.94 2.69 5.14 ΥΤD Δ (%) -0.87 0.22 3.78 5.99 -7.13 -2.77	3.58 6.04 Cor Crude Oil Gold Silver Copper Nat. Gas	mmodities USD 79.75 2,096.90 24.70 395.60 2.45	3.29 5.48 YTD Δ (%) -1.20 9.16 -1.95 4.00 -50.38 -4.52
EIBOR URIBOR IBOR -Year -Year -Year -Year 0-Year	USD 9 Yield % 4.77 4.09 3.51 3.44 3.43	5.42 3.93 5.61 1D Δ (bps) 1.08 1.46 1.47 1.38 1.19 0.02	YTD Δ (%) -2.6 -8.0 -6.3 -5.1 -3.7 1.7 S Treasu	2.13 4.77 KWD SAR EUR GBP JPY CNH	3.90 5.62 Curren USD 0.3090 3.7507 1.1111 1.2808 141.2000	1D Δ (bps) 0.06 0.02 0.05 0.07 0.45 0.47 UK Gil	4.94 2.69 5.14 ΥΤD Δ (%) -0.87 0.22 3.78 5.99 -7.13 -2.77	3.58 6.04 Con Crude Oil Gold Silver Copper Nat. Gas Aluminun	mmodities USD 79.75 2,096.90 24.70 395.60 2.45 1 2,354.50 German BL	3.29 5.48 YTD ∆ (%) -1.20 9.16 -1.95 4.00 -50.38 -4.52
EIBOR URIBOR IBOR -Year -Year -Year -Year 0-Year	USD 9 Yield % 4.77 4.09 3.51 3.44 3.43	5.42 3.93 5.61 Swap Rat 1D Δ (bps) 1.08 1.46 1.47 1.38 1.19 0.02	YTD Δ (%) -2.6 -8.0 -6.3 -5.1 -3.7 1.7 S Treasu	2.13 4.77 KWD SAR EUR GBP JPY CNH ries	3.90 5.62 Curren USD 0.3090 3.7507 1.1111 1.2808 141.2000 7.1193	1D Δ (bps) 0.06 0.02 0.05 0.07 0.45 0.47 UK Gil %	4.94 2.69 5.14 YTD Δ (%) -0.87 0.22 3.78 5.99 -7.13 -2.77 ts	3.58 6.04 Con Crude Oil Gold Silver Copper Nat. Gas Aluminum	mmodities USD 79.75 2,096.90 24.70 395.60 2.45 1 2,354.50 German BL	3.29 5.48 YTD Δ (%) -1.20 9.16 -1.95 4.00 -50.38 -4.52 unds
AEIBOR URIBOR IBOR I-Year 2-Year 3-Year 0-Year 30-Year	USD 9 Yield % 4.77 4.09 3.51 3.44 3.43	5.42 3.93 5.61 Swap Rat 1D Δ (bps) 1.08 1.46 1.47 1.38 1.19 0.02 Yield %	YTD Δ (%) -2.6 -8.0 -6.3 -5.1 -3.7 1.7 S Treasu	2.13 4.77 KWD SAR EUR GBP JPY CNH ries 1D Δ (%)	3.90 5.62 Curren USD 0.3090 3.7507 1.1111 1.2808 141.2000 7.1193 Yield	1D Δ (bps) 0.06 0.02 0.05 0.07 0.45 0.47 UK Gil 1% 3	4.94 2.69 5.14 YTD Δ (%) -0.87 0.22 3.78 5.99 -7.13 -2.77 ts 1D Δ (%)	3.58 6.04 Cou Crude Oil Gold Silver Nat. Gas Aluminum Yiel 3.	mmodities USD 79.75 2,096.90 24.70 395.60 2.45 1 2,354.50 German Bu d %	3.29 5.48 YTD Δ (%) -1.20 9.16 -1.95 4.00 -50.38 -4.52 unds 1D Δ (%)
AEIBOR URIBOR IBOR IBOR I-Year I-Year IO-Year IO-Year IO-Year	USD 9 Yield % 4.77 4.09 3.51 3.44 3.43	5.42 3.93 5.61 Swap Rat 1D Δ (bps) 1.08 1.46 1.47 1.38 1.19 0.02 Yield % 4.27	YTD Δ (%) -2.6 -8.0 -6.3 -5.1 -3.7 1.7 S Treasu	2.13 4.77 KWD SAR EUR GBP JPY CNH ries 1D Δ (%) -0.04	3.90 5.62 Curren USD 0.3090 3.7507 1.1111 1.2808 141.2000 7.1193 Yield 3.9	1D Δ (bps) 0.06 0.02 0.05 0.07 0.45 0.47 UK Gil % 3 8	4.94 2.69 5.14 YTD Δ (%) -0.87 0.22 3.78 5.99 -7.13 -2.77 ts 1D Δ (%) 0.13	3.58 6.04 Con Crude Oil Gold Silver Copper Nat. Gas Aluminum Yiel 3.	mmodities USD 79.75 2,096.90 24.70 395.60 2.45 1 2,354.50 German Bu d % 06	3.29 5.48 YTD Δ (%) -1.20 9.16 -1.95 4.00 -50.38 -4.52 inds 1D Δ (%) 0.03



Sovereign Ratings

Moody's S&P Eitch

Moody's	S&P	Fitch		
A1	A+	AA-		
A1	Au	A+		
Aa2	NR	AA-		
Aa2	AA	AA		
Aa3	AA	AA-		
B2	B+	B+		
Ba1	BB+	BB+		
Caa1	B-	B-		
С	SD	RDu		
B1	B+	BB-		
B3	Bu	В		
Caa2	NR	CCC-		
Ba1	BB+	BB+u		
Aaa	AA+u	AAAu		
Aa3	AAu	AA-u		
A1	A+	A+u		
28-Dec	31	-Dec		
2023	2022			
35.96	39	9.45		
50.21	60).05		
39.60	43	43.90		
60.36	74	4.01		
43.52	46	5.55		
198.10	22	4.63		
112.12	18	5.75		
411.62	42	1.67		
NA	I	NA		
109.36	14	3.12		
279.01	50	6.65		
45.19	22	2.82		
33.74	25	5.54		
59.80	7:	1.08		
22.74	23	3.60		
15.61	17	17.15		
	A1 A1 A2 A3 B2 B3 Ca3 B3 Ca3 B3 Ca3 B3 Ca3 B3 Ca3 B3 Ca3 B3 Ca3 B3 Ca3 Ca3 B3 Ca3 B3 Ca3 Ca3 B3 Ca3 Ca3 B3 Ca3 Ca3 B3 Ca3 Ca3 Ca3 Ca3 Ca3 Ca3 Ca3 Ca3 Ca3 Ca	A1 A+ A1 Au Aa2 NR Aa2 AR Aa2 AA Ba1 B+ Caa1 B+ Caa1 B+ B3 Bu Caa2 NR B3 Bu Caa2 NR Ba1 B+ B3 Bu Caa2 NR Ba1 A+u Aa3 AAu Aa3 AAu Aa3 AAu A3 Au A1 A+u A33 Au A1 A+u A33 Au A1 A+u A33 Au A1 A+u A33 Au A33 Au A1 A+u A3.52 Au A109.3 Au A11.62 A2 NA I 109.36 14 279.01 50		

22.94

24.94

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