

News Updates

S&P affirms Bahrain's ratings, maintains positive outlook – S&P Global Ratings affirmed Bahrain's rating and maintained outlook at positive as the government continues to pursue reforms to boost non-oil revenue and the current account surplus looks set to rise. The positive outlook is supported by continued financial sector stability and the potential for wider current account surpluses over the forecast horizon, the agency said in a report issued on Monday. "We also expect the government will continue implementing fiscal reforms to reduce its budget deficit and benefit from additional support from other Gulf Cooperation Council (GCC) sovereigns, if needed," analysts Giulia Filocca and others wrote in the report. However, there remains implementation risk in the cost cutting measures planned over 2023-2024, the agency warned. It affirmed its 'B+/B' long- and short-term foreign and local currency sovereign credit ratings on Bahrain. The outlook remains positive. The transfer and convertibility assessment on Bahrain also remains 'BB-'.

Oil rises on U.S. debt deal, but rate hikes, OPEC+ talks curb enthusiasm – Oil prices rose on Tuesday as the expectations the debt ceiling deal in U.S., the world's biggest oil user, will spur more demand but fears of further interest rate rises and that OPEC+ will leave output quotas unchanged capped gains. Brent crude futures climbed 35 cents, or 0.5%, to \$77.42 a barrel by 0145 GMT after gaining 12 cents on Monday. U.S. West Texas Intermediate (WTI) crude rose 53 cents to \$73.20 a barrel, up 0.7% from Friday's close.

Egypt expects to go ahead with maiden \$500mn Panda bond issuance in Q3 2023 – Egypt's finance ministry expects to go ahead with its maiden \$500mn Chinese Yuan-denominated bond issuance in the third quarter 2023, Finance Minister Mohamed Maait said. The finance ministry is currently finalizing the procedures to bring the bonds to market. The proceeds are set to be used for sustainable development projects, including green transport, renewable energy and energy efficiency, water treatment, Micro, Small and Medium Enterprise financing, and healthcare. These sectors are prioritized under Egypt's Sovereign Sustainable Financing Framework (SSFF). The African Development Bank (AfDB) agreed this month to provide \$345mn in guarantees for the issuance.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.16	-0.26	KSA	2027	4.15	1.66
Abu Dhabi	2031	4.22	0.63	KSA	2032	4.71	-1.61
Abu Dhabi	2050	5.02	-2.61	KSA	2050	5.52	-2.53
Bahrain	2028	6.35	-0.41	Oman	2027	5.79	0.32
Bahrain	2032	7.32	-0.99	Oman	2032	6.03	0.19
Bahrain	2051	8.55	-4.75	Oman	2051	7.25	-0.43
Dubai	2029	4.26	1.34	Qatar	2026	4.19	0.42
Dubai	2050	6.04	-1.61	Qatar	2030	4.24	-0.77
Kuwait	2027	4.40	-3.08	Qatar	2050	5.09	-2.24

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.34	8.08	0.01	1.43
S&P MENA Bond and Sukuk Index	5.04	NA	0.33	1.48
Bloomberg Emerging Markets USD Index	7.68	6.80	0.00	1.02
Bloomberg Global Aggregate Index	3.80	7.42	0.17	0.64

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	30/05/2023	31/12/2022	30/05/2023	31/12/2022	30/05/2023	31/12/2022
KIBOR	4.2500	4.0000	4.4375	4.2500	4.6875	4.5625
SAIBOR	5.8869	5.3404	5.8392	5.5978	5.8037	5.8697
BHIBOR	6.5283	6.1417	6.5217	6.2675	6.5102	6.5529
QATAR	5.9500	5.2833	6.0000	5.4167	6.0833	5.5833
AEIBOR	5.2403	4.3095	5.3960	4.9399	5.3152	5.0421
EURIBOR	3.4620	2.1320	3.7600	2.6930	3.9550	3.2910
LIBOR	5.4757	4.7673	5.5810	5.1389	5.6603	5.4821

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	5.4399	0.99	6.2	KWD	0.3074	-0.0651	-0.34	Crude Oil	76.57	-9.06
2-Year	4.7649	0.95	1.2	SAR	3.7505	0.0027	0.22	Gold	1,955.50	4.37
5-Year	4.0022	-1.38	-0.5	EUR	1.0704	-0.0374	-0.01	Silver	23.16	-5.02
7-Year	3.8640	-2.63	-1.0	GBP	1.2356	0.0000	2.25	Copper	364.40	-4.51
10-Year	3.7933	-4.01	-1.2	JPY	140.4100	0.0356	-6.61	Nat. Gas	2.35	-43.37
30-Year	3.5044	-4.46	0.4	CNH	7.1020	-0.2295	-2.53	Aluminum	2,223.00	-7.59

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.57	-0.01	4.47	0.14	2.97	0.00
5-Year	3.91	0.10	4.26	0.23	2.47	0.00
10-Year	3.76	0.33	4.33	0.29	2.39	0.00
30-Year	3.91	0.86	4.63	0.10	2.56	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	30-May 2023	31-Dec 2022
Kuwait	34.27	39.45
KSA	62.61	60.05
Abu Dhabi	40.03	43.90
Dubai	77.40	74.01
Qatar	41.19	46.55
Bahrain	262.19	224.63
Oman	161.08	185.75
Iraq	372.08	421.67
Egypt	NA	NA
Morocco	137.73	143.12
Turkey	658.62	506.65
US	50.98	22.82
UK	24.59	25.54
China	65.09	71.08
Japan	19.07	23.60
Germany	12.37	17.15
France	25.47	24.94