

News Updates

ECB’s June Rate Cut Not Necessarily Followed by Others – Euro zone inflation could still prove stubborn so a European Central Bank rate cut in June will not necessarily be followed by further policy easing, Bundesbank President Joachim Nagel said on Wednesday. The ECB has essentially promised a rate cut at its next policy meeting on June 6 but policymakers are still debating the rate path beyond that and signals from the U.S Federal Reserve that its own easing could be delayed clouds the outlook further. Nagel offered a nod to the rate cut in June, which has not been challenged by any policymaker and has been described by some as a “fait accompli” but said he remained worried about price growth. "Such a step would not necessarily be followed by a series of rate cuts," Nagel said in a speech in Berlin. "Given the current uncertainty, we cannot pre-commit to a particular rate path." *(Source: Reuters)*

GCC Oil Companies Can Maintain Solid Credit Metrics in Net-Zero Journey – National oil companies in Gulf Cooperation Council countries could absorb the additional investments needed to transition toward net-zero while maintaining robust credit metrics, said S&P Global. In its latest report, the credit rating agency noted that NOCs in the GCC face similar energy transition risks as their global counterparts, but their strong financial positions will help mitigate these impacts. *(Source: Arab News)*

Gold Edges Down as Middle East Worries Ebb – Gold prices edged lower on Wednesday, as fears of an escalation in the Middle East conflict eased, while investors waited for crucial U.S. economic data that could shed more light on the timing of interest rate cuts. Spot gold was down 0.1% at \$2,320.19 per ounce, having hit its lowest since April 5 in the previous session. Bullion's March to April rally drove it up by nearly \$400 to an all-time high of \$2,431.29 on April 12. U.S. gold futures were down 0.4% at \$2,333.80 per ounce. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	5.04	-2.38	KSA	2027	5.24	-1.67
Abu Dhabi	2029	4.97	-3.92	KSA	2029	5.21	-3.54
Abu Dhabi	2031	4.99	-4.66	KSA	2032	5.33	-5.20
Abu Dhabi	2050	5.65	-9.90	KSA	2050	6.04	-8.78
Bahrain	2028	6.35	-1.95	Oman	2027	5.88	-2.38
Bahrain	2031	6.85	-1.57	Oman	2031	6.00	-4.03
Bahrain	2051	8.00	-4.24	Oman	2051	6.78	-5.46
Dubai	2029	4.64	-1.41	Qatar	2028	4.88	-2.90
Dubai	2050	6.12	-7.10	Qatar	2030	4.86	-4.65
Kuwait	2027	5.05	-2.24	Qatar	2050	5.59	-10.02

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.77	6.37	-0.19	-2.52
S&P MENA Bond and Sukuk Index	5.61	7.03	-0.19	-2.97
Bloomberg Emerging Markets USD Index	7.40	5.84	-0.28	-0.15
Bloomberg Global Aggregate Index	4.02	6.50	-0.31	-4.37

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	25/04/2024	31/12/2023	25/04/2024	31/12/2023	25/04/2024	31/12/2023
KIBOR	4.31	4.00	4.50	4.25	4.69	4.56
SAIBOR	6.21	5.34	6.12	5.60	5.93	5.87
BHIBOR	6.33	6.14	6.34	6.27	6.38	6.55
QATAR	6.00	5.28	6.10	5.42	6.25	5.58
AEIBOR	5.12	4.31	5.22	4.94	5.44	5.04
EURIBOR	3.88	2.13	3.84	2.69	3.72	3.29
LIBOR	5.59	4.77	5.73	5.14	6.04	5.48
SOFR	5.32	5.33	5.29	5.16	5.19	4.77

	USD Swap Rates			Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	5.19	0.09	9.2	KWD	0.3073	-0.0098	0.55	Crude Oil	88.19	15.07
2-Year	4.86	0.33	19.4	SAR	3.7509	0.0000	-0.02	Gold	2,328.60	10.29
5-Year	4.41	0.42	25.1	EUR	1.0709	0.0935	-2.99	Silver	27.45	11.80
7-Year	4.33	0.37	24.4	GBP	1.2469	0.0401	-2.06	Copper	448.85	14.30
10-Year	4.27	0.38	23.0	JPY	155.7300	-0.2376	-9.43	Nat. Gas	1.64	-30.57
30-Year	4.01	0.75	21.1	CNH	7.2692	0.0550	-1.97	Aluminum	2,585.22	7.17

	US Treasuries		UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
1-Year	5.13	-0.03	4.71	-0.08	NA	NA
2-Year	4.93	-0.01	4.44	-0.14	3.56	0.00
5-Year	4.65	-0.02	4.22	-0.37	2.66	0.00
10-Year	4.65	-0.02	4.33	-0.74	2.53	0.00
30-Year	4.78	-0.09	4.80	-1.25	2.72	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	Aa2	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	25-Apr 2024	31-Dec 2023
Kuwait	52.06	35.96
KSA	55.55	50.21
Abu Dhabi	44.76	39.60
Dubai	66.51	60.36
Qatar	45.43	43.52
Bahrain	188.22	198.10
Oman	102.51	112.12
Iraq	401.14	411.62
Egypt	NA	NA
Morocco	87.62	109.36
Turkey	310.01	279.01
US	38.93	45.19
UK	25.44	33.74
China	71.09	59.80
Japan	21.84	22.74
Germany	9.14	15.61
France	22.87	22.94