

News Updates

Treasuries Rally with Fed not as Hawkish as Feared – Bonds rallied after Jerome Powell downplayed the possibility of interest-rate hikes and the Federal Reserve said it will shrink its balance sheet at a slower pace to ease strains in money markets. Treasuries climbed across the curve, with two-year yields dropping below 5%. Swap traders boosted bets on policy easing in 2024. At one point, markets were headed for their biggest cross-asset surge on a Fed day this year. Moves abated toward the close, with the S&P 500 turning lower as chipmakers plunged in the final hour of trading. The yen soared, fueling speculation Japan could be intervening to support the currency. Officials unanimously decided Wednesday to leave the target range for the benchmark federal funds rate at 5.25% to 5.5%, where it’s been since July. Powell noted it’s unlikely the Fed’s next move would be to raise rates, saying officials would need to see persuasive evidence that policy is not tight enough to bring inflation back toward the central bank’s 2% target. *(Source: Bloomberg)*

Kuwait International Bank issued international bonds in the amount of USD 300 mln – Kuwait International Bank issued international bonds in the amount of USD 300 million. The issues were sold at the price of 100% at par with the yield of 6.625%. The bookrunners of the placement were Abu Dhabi Islamic Bank, Kuwait International Bank, Bank of Sharjah, Citigroup, Dubai Islamic Bank, Emirates NBD Bank, First Abu Dhabi Bank, KAMCO, Mashreqbank, SMBC Nikko Capital, and Standard Chartered Bank. *(Source: Bloomberg)*

Abu Dhabi Developmental issued international bonds in the amount of USD 1250 mln maturing in 2034 – Abu Dhabi Developmental issued international bonds with the coupon rate of 5.5% in the amount of USD 1250 million maturing in 2034. The issues were sold at the price of 99.507% at par. The bookrunners of the placement were Credit Agricole CIB, Standard Chartered Bank, HSBC, Goldman Sachs, Citigroup, and First Abu Dhabi Bank. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	5.09	-2.54	KSA	2027	5.26	-1.67
Abu Dhabi	2029	5.03	-4.16	KSA	2029	5.24	-3.64
Abu Dhabi	2031	5.07	-5.08	KSA	2032	5.35	-5.24
Abu Dhabi	2050	5.67	-10.08	KSA	2050	6.04	-8.71
Bahrain	2028	6.34	-1.89	Oman	2027	5.96	-2.66
Bahrain	2031	6.92	-2.04	Oman	2031	6.02	-4.14
Bahrain	2051	7.98	-4.06	Oman	2051	6.81	-5.89
Dubai	2029	4.62	-1.22	Qatar	2028	4.98	-3.17
Dubai	2050	6.16	-7.04	Qatar	2030	4.92	-4.97
Kuwait	2027	5.13	-2.45	Qatar	2050	5.62	-10.31

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.80	6.55	-0.10	-2.65
S&P MENA Bond and Sukuk Index	5.65	7.04	-0.09	-3.10
Bloomberg Emerging Markets USD Index	7.43	5.93	0.02	-0.12
Bloomberg Global Aggregate Index	4.03	6.56	0.09	-4.47

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	02/05/2024	31/12/2023	02/05/2024	31/12/2023	02/05/2024	31/12/2023
KIBOR	4.31	4.00	4.50	4.25	4.69	4.56
SAIBOR	6.22	5.34	6.12	5.60	5.88	5.87
BHIBOR	6.33	6.14	6.34	6.27	6.39	6.55
QATAR	6.00	5.28	6.10	5.42	6.25	5.58
AEIBOR	5.27	4.31	5.22	4.94	5.52	5.04
EURIBOR	3.83	2.13	3.80	2.69	3.70	3.29
LIBOR	5.59	4.77	5.74	5.14	6.04	5.48
SOFR	5.33	5.33	5.33	5.16	5.26	4.77

	USD Swap Rates			Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	5.23	-0.94	10.0	KWD	0.3073	-0.0098	0.55	Crude Oil	83.96	9.85
2-Year	4.88	-1.35	20.1	SAR	3.7508	0.0000	-0.02	Gold	2,324.90	10.12
5-Year	4.40	-2.06	24.7	EUR	1.0718	0.0560	-2.91	Silver	26.78	9.09
7-Year	4.30	-1.96	23.7	GBP	1.2536	0.0639	-1.54	Copper	455.80	16.07
10-Year	4.25	-1.71	22.2	JPY	155.7300	-0.7385	-9.43	Nat. Gas	1.95	-22.43
30-Year	3.98	-1.14	20.1	CNH	7.2355	-0.0166	-1.51	Aluminum	2,547.86	5.62

	US Treasuries		UK Giltis		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
1-Year	5.17	-0.03	4.74	0.02	NA	NA
2-Year	4.95	0.03	4.49	0.00	3.58	0.00
5-Year	4.63	0.09	4.26	-0.04	2.72	0.00
10-Year	4.61	0.13	4.36	-0.16	2.53	0.00
30-Year	4.74	0.17	4.80	-0.25	2.68	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	02-May 2024	31-Dec 2023
Kuwait	51.95	35.96
KSA	54.05	50.21
Abu Dhabi	43.29	39.60
Dubai	67.54	60.36
Qatar	43.44	43.52
Bahrain	184.51	198.10
Oman	99.26	112.12
Iraq	364.55	411.62
Egypt	NA	NA
Morocco	86.71	109.36
Turkey	299.14	279.01
US	40.21	45.19
UK	23.55	33.74
China	67.27	59.80
Japan	23.27	22.74
Germany	8.23	15.61
France	22.66	22.94