

News Updates

Rising energy prices fuel economic growth in MENA – The global oil and gas market has remained resilient in the face of increased uncertainty due to the ongoing Russia-Ukraine conflict, rising interest rates and a host of other factor. Although oil revenues have shaped oil-producing MENA countries’ economies for the past seventy years, financial markets’ experts and analysts agree that, this time, the recent rise in oil prices will impact local economies in a more sustainable way, as GCC countries will be using their revenues in financing their economic diversification efforts, leading to more self-sufficient nations. According to IEA, global oil demand is set to rise by 2 million bpd this year to 101.9 bpd. The IMF had earlier projected that Gulf economies will receive up to \$1.4 trillion in additional revenues in the next four to five years, as oil prices remain high. *(Source: Khaleej Times)*

Saudi National Debt Management Center closes \$980m sukuk issuance for February – Saudi Arabia’s National Debt Management Center has closed the issuance of SAR 3.65 billion (\$980 million) riyal-denominated sukuk for February 2023, according to an official statement. The statement released by NDMC noted that the sukuk was divided into two tranches, with the first at SAR 3.22 billion, set to mature in 2031. The second tranche for February was SAR 433 million, which will mature in 2037. NDMC noted that the total value of all bids received for February stood at SAR 3.71 billion. *(Source: Arab News)*

Recovery plan ‘helping boost Bahrain’s economy’ – Bahrain’s Economic Recovery Plan has yielded fruitful results thanks to its five priorities and 27 programmes, the Finance and National Economy Ministry has said. This has resulted in Standard and Poor’s Ratings Agency raising its outlook on Bahrain to ‘Positive’ from ‘Stable’ in November last year. The ministry said the Gross Domestic Product witnessed a continuous growth during 2022, supported by the growth of non-oil activities, which witnessed a remarkable recovery within a year of implementation of the plan. The GDP performance from the beginning of 2022 until the third quarter witnessed a 5.5 per cent increase at constant prices compared with the same period of 2021, while the non-oil sector recorded a growth of 7.2pc, the ministry said. *(Source: Gulf Daily News)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.02	-0.01	KSA	2027	4.48	0.00
Abu Dhabi	2031	4.25	-0.26	KSA	2032	4.50	-0.40
Abu Dhabi	2050	4.94	-1.39	KSA	2050	5.49	-2.03
Bahrain	2028	5.90	1.09	Oman	2027	5.52	1.19
Bahrain	2032	6.77	2.79	Oman	2032	5.93	1.15
Bahrain	2051	7.87	2.99	Oman	2051	6.93	3.61
Dubai	2029	4.23	1.57	Qatar	2026	4.23	-0.08
Dubai	2050	5.70	2.89	Qatar	2030	4.40	-0.88
Kuwait	2027	3.92	-1.52	Qatar	2050	4.97	-0.60

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.22	8.08	-0.32	0.63
S&P MENA Bond and Sukuk Index	5.02	NA	-0.30	0.26
Bloomberg Emerging Markets USD Index	7.43	6.80	-0.22	1.10
Bloomberg Global Aggregate Index	3.70	7.42	-0.03	0.83

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	20/02/2023	31/12/2022	20/02/2023	31/12/2022	20/02/2023	31/12/2022
KIBOR	4.2500	4.0000	4.4375	4.2500	4.6875	4.5625
SAIBOR	5.5413	5.3404	5.7000	5.5978	5.8254	5.8697
BHIBOR	6.2983	6.1417	6.4287	6.2675	6.7225	6.5529
QATAR	5.2750	5.2833	5.3750	5.4167	5.5500	5.5833
AEIBOR	4.8375	4.3095	4.7628	4.9399	5.1790	5.0421
EURIBOR	2.6670	2.1320	3.2120	2.6930	3.5720	3.2910
LIBOR	4.9153	4.7673	5.2430	5.1389	5.6429	5.4821

USD Swap Rates			Currencies			Commodities				
Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)			
1-Year	5.4002	0.76	5.5	KWD	0.3062	-0.0490	0.03	Crude Oil	83.38	-2.65
2-Year	4.9320	-3.16	4.8	SAR	3.7509	0.0000	0.22	Gold	1,851.00	0.48
5-Year	4.0940	-0.17	1.8	EUR	1.0686	-0.0842	-0.18	Silver	21.85	-9.74
7-Year	3.9240	-4.28	0.5	GBP	1.2032	-0.0498	-0.43	Copper	410.60	7.64
10-Year	3.8181	-4.34	-0.5	JPY	134.1300	0.0149	-2.24	Nat. Gas	2.20	-46.42
30-Year	3.4644	-5.42	-0.8	CNH	6.8735	0.0087	0.71	Aluminum	2,360.00	-0.51

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)	
2-Year	4.62	0.00	3.74	0.02	2.86	0.01
5-Year	4.03	0.01	3.42	-0.06	2.49	0.12
10-Year	3.81	0.04	3.51	-0.13	2.40	0.30
30-Year	3.87	0.02	3.93	-0.45	2.38	0.85

Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	A1	A+	AA-
KSA	A1	A-u	A
UAE	Aa2	NR	AA-
Abu Dhabi	Aa2	AA	AA
Qatar	Aa3	AA	AA-
Bahrain	B2	B+	B+
Oman	Ba3	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	20-Feb 2023	31-Dec 2022
Kuwait	39.55	39.45
KSA	64.37	60.05
Abu Dhabi	41.34	43.90
Dubai	67.71	74.01
Qatar	44.53	46.55
Bahrain	225.20	224.63
Oman	151.77	185.75
Iraq	388.61	421.67
Egypt	NA	NA
Morocco	147.25	143.12
Turkey	565.26	506.65
US	31.31	22.82
UK	20.75	25.54
China	63.26	71.08
Japan	23.19	23.60
Germany	12.64	17.15
France	19.89	24.94