

News Updates

**IMF says Saudi Arabia growth to slow to 2.1% in 2023 on oil production cuts** – The International Monetary Fund (IMF) expects growth in Saudi Arabia to slow to 2.1% in 2023 on the back of OPEC+ production cuts announced in April, it said in a statement on Wednesday, lower than its latest forecast released in May. The Fund had forecast Saudi GDP growth at 3.1% last month. The Saudi economy grew 8.7% last year, as high oil prices boosted revenue and led to the kingdom's first budget surplus in almost 10 years. On Sunday, Saudi Arabia's energy ministry announced the country would make a further voluntary cut of 1 million barrels per day to its oil output in July, but the impact on prices has been muted as global worries and an uncertain demand outlook weigh. The IMF said that while April's cuts would reduce overall growth to 2.1%, non-oil growth is expected to remain robust. *(Source: Reuters)*

**Commercial Bank of Dubai set to raise \$500 million with debut green bonds** – Commercial Bank of Dubai is set to raise \$500 million through a debut sale of green bonds, its first foray into the international debt markets since 2020 that got \$1.4 billion in orders, a bank document showed on Wednesday. The five-year bonds will be used to finance projects eligible under CBD's Sustainable Financing Framework issued in March, which could include green buildings, renewable energy, clean transportation access to education or pollution prevention and control. The spread on CBD's bonds was set at 140 basis points (bps) over U.S. Treasuries, tightened from initial guidance of 175 bps, a document from one of the arranging banks showed. *(Source: Reuters)*

**Global Yields Climb as Traders Lean Toward Fed Hike by July** – Amid a slide in global bonds, the Treasury market briefly restored the full pricing of Federal Reserve tightening by July, which traders expect to be the last interest-rate hike in 2023. The latest shift in expectations for Fed policy came amid a surge in Treasury yields across the curve. Selling picked up after the Bank of Canada cited stubborn inflation pressures for delivering a quarter-point hike Wednesday and extended into Asia markets Thursday, where short-dated Australian yields hit their highest in more than a decade. The rate on swap contracts linked to the Fed's July gathering climbed to a peak of 5.33% on Wednesday, or 25 basis points above the current effective fed funds rate of 5.08%, before easing back late in New York. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.21	-0.44	KSA	2027	3.36	4.52
Abu Dhabi	2031	4.18	0.97	KSA	2032	4.63	-1.01
Abu Dhabi	2050	4.99	-2.09	KSA	2050	5.52	-2.42
Bahrain	2028	6.11	0.65	Oman	2027	5.76	0.45
Bahrain	2032	7.04	1.10	Oman	2032	5.94	0.84
Bahrain	2051	8.24	-1.21	Oman	2051	7.13	1.10
Dubai	2029	4.26	1.25	Qatar	2026	4.27	0.18
Dubai	2050	5.99	-1.06	Qatar	2030	4.19	-0.62
Kuwait	2027	4.10	-2.01	Qatar	2050	5.02	-1.18

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.30	8.08	-0.09	1.95
S&P MENA Bond and Sukuk Index	5.03	NA	-0.10	1.70
Bloomberg Emerging Markets USD Index	7.52	6.80	-0.13	2.17
Bloomberg Global Aggregate Index	3.76	7.42	-0.24	1.17

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	08/06/2023	31/12/2022	08/06/2023	31/12/2022	08/06/2023	31/12/2022
KIBOR	4.1875	4.0000	4.4375	4.2500	4.6250	4.5625
SAIBOR	5.9010	5.3404	5.8622	5.5978	5.8547	5.8697
BHIBOR	6.5425	6.1417	6.5283	6.2675	6.5312	6.5529
QATAR	5.9250	5.2833	6.0000	5.4167	6.1250	5.5833
AEIBOR	5.3690	4.3095	5.4529	4.9399	5.5214	5.0421
EURIBOR	3.4760	2.1320	3.7150	2.6930	3.9140	3.2910
LIBOR	5.5133	4.7673	5.6446	5.1389	5.7441	5.4821

USD Swap Rates

	Yield %	USD Swap Rates		Currencies			Commodities			
		1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	5.4353	0.63	6.2	KWD	0.3073	0.0325	-0.31	Crude Oil	76.74	-8.24
2-Year	4.7516	0.06	0.9	SAR	3.7506	0.0000	0.22	Gold	1,960.80	4.65
5-Year	3.9938	-0.56	-0.7	EUR	1.0714	0.1309	0.07	Silver	23.67	-2.95
7-Year	3.8654	-0.76	-1.0	GBP	1.2456	0.1447	3.09	Copper	374.25	-1.93
10-Year	3.8031	-1.11	-0.9	JPY	139.7900	0.2432	-6.20	Nat. Gas	2.32	-44.31
30-Year	3.5320	-1.10	1.2	CNH	7.1484	-0.0056	-3.16	Aluminum	2,184.25	-9.20

US Treasuries

	US Treasuries		UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.56	0.00	4.55	-0.16	3.03	0.00
5-Year	3.93	0.04	4.25	-0.31	2.49	0.00
10-Year	3.79	0.10	4.25	-0.33	2.41	0.00
30-Year	3.94	0.19	4.49	-0.43	2.60	0.00

Sovereign Ratings

	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

	8-Jun 2023	31-Dec 2022
5Yr CDS		
Kuwait	31.46	39.45
KSA	58.45	60.05
Abu Dhabi	35.09	43.90
Dubai	76.40	74.01
Qatar	35.14	46.55
Bahrain	250.06	224.63
Oman	143.67	185.75
Iraq	400.01	421.67
Egypt	NA	NA
Morocco	135.52	143.12
Turkey	478.45	506.65
US	33.43	22.82
UK	23.94	25.54
China	62.14	71.08
Japan	16.71	23.60
Germany	12.57	17.15
France	24.10	24.94