

News Updates

Moody’s Ratings Affirm Bahrain’s B2 Ratings, Maintains Stable Outlook

Moody’s Ratings (Moody’s) has today affirmed the Government of Bahrain’s B2 long-term issuer and senior unsecured ratings. The outlook remains stable. The affirmation of the B2 ratings reflects Bahrain’s very weak and deteriorating debt burden and debt affordability metrics, and its elevated government liquidity and external vulnerability risks, which Moody’s expects to remain the key features of the government’s credit profile in the foreseeable future. These challenges are mitigated by a demonstrated commitment of financial, economic and political support from the governments of Saudi Arabia (A1 positive), Kuwait (A1 stable) and Abu Dhabi (Aa2 stable), which the agency expects to continue to limit downside credit risks for Bahrain despite the government’s lack of progress in addressing its structurally large fiscal deficits, including off-budget spending, and the resulting inability to durably arrest its rising debt burden. Moody’s estimates that Bahrain’s government debt reached more than 130% of GDP at the end of 2023 and will likely increase further in the coming years. *(Source: Bloomberg)*

Moody’s Upgrades Jordan’s Credit Rating to Ba3 With Stable Outlook

– Sovereign credit rating agency Moody’s Ratings upgraded the Kingdom’s long-term local and foreign currency issuer ratings to Ba3 from B1, affirming the country’s efficient and competent fiscal and monetary policies, announced Minister of Finance Mohammad Al-Ississ on Thursday. During a press briefing at the ministry’s headquarters, Al-Ississ emphasized that the upgrade is a testament to the stability and resilience of the Jordanian economy, reflecting the robustness of its fiscal policies and the success of its structural economic reforms. The minister also said, “This is the first sovereign credit upgrade for Jordan in 21 years. It is an international acknowledgement of Jordan’s ambitious reform agenda, which has significantly boosted our economic growth.” *(Source: Jordan Times)*

Oil Steadies as Traders Look to OPEC Report and Inflation Data

Oil held a gain before the release of an OPEC market outlook, with traders looking for signs on whether supply curbs will be extended, as well as US inflation data that will shape expectations for monetary policy. Brent traded above \$83 a barrel after rising 0.7% on Monday, with West Texas Intermediate near \$79. With evidence of refinery run cuts and narrowing time spreads pointing to a slightly softer market, the cartel’s monthly deep dive comes about two weeks before members meet to decide on policy. In the US, meanwhile, producer price data later Tuesday, followed by a consumer print the following day, will yield clues on whether the Federal Reserve has the leeway to reduce interest rates later in year, or expectations for cuts to be pushed to 2025. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.88	-1.83	KSA	2027	5.09	-1.12
Abu Dhabi	2029	4.83	-3.14	KSA	2029	5.01	-2.65
Abu Dhabi	2031	4.86	-3.76	KSA	2032	5.09	-3.52
Abu Dhabi	2050	5.44	-7.00	KSA	2050	5.82	-6.03
Bahrain	2028	6.15	-1.22	Oman	2027	5.71	-2.01
Bahrain	2031	6.63	-0.34	Oman	2031	5.77	-2.81
Bahrain	2051	7.78	-1.73	Oman	2051	6.64	-3.85
Dubai	2029	4.56	-0.96	Qatar	2028	4.79	-2.58
Dubai	2050	6.04	-5.42	Qatar	2030	4.73	-4.21
Kuwait	2027	4.90	-1.83	Qatar	2050	5.40	-7.46

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.63	6.62	0.12	-1.20
S&P MENA Bond and Sukuk Index	5.45	7.11	0.11	-1.58
Bloomberg Emerging Markets USD Index	7.24	5.97	0.11	1.29
Bloomberg Global Aggregate Index	3.93	6.54	0.15	-3.28

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	14/05/2024	31/12/2023	14/05/2024	31/12/2023	14/05/2024	31/12/2023
KIBOR	4.25	4.00	4.50	4.25	4.69	4.56
SAIBOR	6.25	5.34	6.12	5.60	5.94	5.87
BHIBOR	6.32	6.14	6.33	6.27	6.36	6.55
QATAR	6.00	5.28	6.10	5.42	6.25	5.58
AEIBOR	5.40	4.31	5.23	4.94	5.41	5.04
EURIBOR	3.82	2.13	3.79	2.69	3.63	3.29
LIBOR	5.58	4.77	5.71	5.14	6.04	5.48
SOFR	5.32	5.33	5.29	5.16	5.15	4.77

	USD Swap Rates			Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	5.16	-0.61	8.6	KWD	0.3073	-0.0098	0.55	Crude Oil	83.49	9.24
2-Year	4.77	-1.16	17.2	SAR	3.7507	0.0027	-0.01	Gold	2,348.60	11.24
5-Year	4.27	-0.47	20.9	EUR	1.0786	-0.0371	-2.29	Silver	28.69	16.87
7-Year	4.17	-0.28	19.9	GBP	1.2556	-0.0318	-1.38	Copper	479.20	22.03
10-Year	4.12	-0.15	18.6	JPY	156.4200	-0.1215	-9.83	Nat. Gas	2.37	-5.99
30-Year	3.88	0.03	16.9	CNH	7.2430	-0.0428	-1.62	Aluminum	2,514.35	3.72

	US Treasuries		UK Giltis		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
1-Year	5.15	-0.02	4.62	-0.01	NA	NA
2-Year	4.85	0.02	4.31	-0.02	3.54	0.00
5-Year	4.50	0.03	4.05	-0.06	2.64	0.00
10-Year	4.48	0.02	4.17	-0.07	2.45	0.00
30-Year	4.63	0.03	4.66	-0.21	2.64	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	Ba3	B+	BB-
Turkey	B3	B+u	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

	14-May 2024	31-Dec 2023
USD 5Yr CDS		
Kuwait	51.99	35.96
KSA	49.21	50.21
Abu Dhabi	36.53	39.60
Dubai	57.80	60.36
Qatar	36.88	43.52
Bahrain	167.62	198.10
Oman	89.12	112.12
Iraq	350.73	411.62
Egypt	NA	NA
Morocco	84.50	109.36
Turkey	272.67	279.01
US	39.93	45.19
UK	23.86	33.74
China	60.99	59.80
Japan	22.43	22.74
Germany	8.25	15.61
France	21.89	22.94