

News Updates

Kuwait Ministry of Finance Releases Closing Accounts for the Fiscal Year Ending March 31, 2024 – The Kuwait Ministry of Finance announced the State of Kuwait’s closing accounts for the fiscal year ending March 31, 2024. The State’s accounts recorded KD23.6 billion in revenue, KD25.2 billion in expenditure, and closed with a fiscal deficit of KD1.6 billion. The State of Kuwait’s fiscal year starts on April 1st and ends on March 31st. (By law, the Closing Accounts do not include revenue from the Future Generations Fund (FGF, also known as the Kuwait Sovereign Wealth Fund), which is managed by the Kuwait Investment Authority. All investment gains from FGF activities are reinvested into the FGF as mandated by its governing law.). Total Revenue: KD23.6 billion, down 17.9% from closing 22/23 of which oil revenue was KD21.5 billion, down 19.4% from closing 22/23 and non-oil revenue: KD2.1 billion, up 1.3% from closing 22/23. Total Expenditure was up 12.7% to KD 25.2 billion of which wages and subsidies accounted for 81% of total expenditure.

Moody’s Affirms QIIB’s Rating at A2/Prime-1 with Stable Outlook – Moody’s Ratings has affirmed QIIB rating at (A2/Prime-1) with a stable outlook, confirming that the bank has high liquidity, strong profitability and solid capitalisation. In its report on ratings’ affirmation of QIIB, Moody’s stated: “The bank has a strong profitability underpinned by its well-established Islamic assets with banking privilege, strong liquidity reserves, sound capital and good operational efficiency. Moreover, the stable outlook of the bank rating on the long-term balances our expectations that the bank will maintain its strong profitability”. The agency added: “The bank has a resilient financing profile, supported by a privilege focused on retail, sound liquidity buffers and sound capital, as well the bank’s position is fostered by a highly probable government support when needed.”. Commenting on Moody’s affirmation of QIIB rating at (A2/Prime-1) with stable outlook, QIIB’s chief executive officer Dr. Abdulbasit Ahmad Al Shaibei said: “We are pleased to maintain our high credit ratings. Moody’s affirmation of QIIB at this rating reflects our outstanding performance, strong financial position, and alignment with the prosperity and growth witnessed by Qatar’s economy in various fields. Our financial strength is supported by Qatar’s renowned regional and international economic position”.

Sukuk Issuances to Slow Down in the Summer – Issuance of sukuk worldwide is expected to slow down in the third quarter before picking up later in the year on the back of lower interest rates and oil prices, according to Fitch Ratings. The third-quarter lull will be due to the summer holidays, but the Islamic bond market should see an uptick between October and December, the ratings agency said. The rebound will also be due to diversification push, refinancing goals, budget deficits and government’s development plans. Several GCC countries, in particular, have ongoing funding needs, while the anticipated interest rate cuts could also provide momentum for issuance. There are certain markets, however, that may not show as much activity during the fourth quarter. Qatar and Oman, for example, are deleveraging amid government repayments, while Indonesia and Malaysia are exhibiting fiscal restraint with slower issuances, Fitch noted.

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A number of sources which include Bloomberg, Zawya, and daily newspapers were utilized in the creation of this report.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.54	-0.55	KSA	2027	4.73	0.26
Abu Dhabi	2029	4.55	-1.43	KSA	2029	4.82	-1.75
Abu Dhabi	2031	4.58	-1.56	KSA	2032	4.91	-2.01
Abu Dhabi	2050	5.32	-5.26	KSA	2050	5.77	-5.16
Bahrain	2028	5.80	0.20	Oman	2027	5.29	-0.93
Bahrain	2031	6.37	1.27	Oman	2031	5.41	-1.00
Bahrain	2051	7.61	0.36	Oman	2051	6.40	-0.93
Dubai	2029	4.34	-0.01	Qatar	2028	4.56	-1.78
Dubai	2050	5.89	-3.10	Qatar	2030	4.42	-3.39
Kuwait	2027	4.72	-1.16	Qatar	2050	5.25	-5.26

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.41	6.55	-0.02	1.22
S&P MENA Bond and Sukuk Index	5.21	7.00	0.01	0.68
Bloomberg Emerging Markets USD Index	7.03	5.97	-0.19	3.25
Bloomberg Global Aggregate Index	3.76	6.53	0.06	-1.62

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	25/07/2024	31/12/2023	25/07/2024	31/12/2023	25/07/2024	31/12/2023
KIBOR	4.25	4.00	4.44	4.25	4.69	4.56
SAIBOR	6.19	5.34	5.99	5.60	5.79	5.87
BHIBOR	6.33	6.14	6.30	6.27	6.26	6.55
QATAR	6.00	5.28	6.10	5.42	6.25	5.58
AEIBOR	5.27	4.31	5.08	4.94	5.00	5.04
EURIBOR	3.69	2.13	3.64	2.69	3.51	3.29
LIBOR	5.55	4.77	5.57	5.14	6.04	5.48
SOFR	5.28	5.33	5.14	5.16	4.82	4.77

	USD Swap Rates			Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	4.76	-3.09	0.0	KWD	0.3073	-0.0098	0.55	Crude Oil	81.07	6.85
2-Year	4.23	-4.67	4.2	SAR	3.7515	-0.0053	-0.04	Gold	2,421.10	12.08
5-Year	3.82	-4.61	8.2	EUR	1.0841	0.0000	-1.80	Silver	28.10	13.54
7-Year	3.79	-4.04	8.9	GBP	1.2889	-0.1395	1.24	Copper	405.45	2.85
10-Year	3.80	-3.47	9.4	JPY	152.8000	0.7199	-7.69	Nat. Gas	2.12	-21.25
30-Year	3.70	-1.81	11.6	CNH	7.2543	0.1682	-1.77	Aluminum	2,261.20	-7.84

	US Treasuries		UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
1-Year	4.83	-0.01	4.55	0.02	NA	NA
2-Year	4.39	0.09	3.96	0.06	3.27	0.00
5-Year	4.12	0.19	3.94	0.00	2.41	0.00
10-Year	4.26	0.20	4.15	-0.25	2.33	0.00
30-Year	4.53	0.14	4.67	-0.56	2.65	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	B1	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

	25-Jul 2024	31-Dec 2023
USD 5Yr CDS		
Kuwait	52.06	35.96
KSA	54.41	50.21
Abu Dhabi	36.93	39.60
Dubai	57.48	60.36
Qatar	36.58	43.52
Bahrain	167.25	198.10
Oman	82.42	112.12
Iraq	303.82	411.62
Egypt	NA	NA
Morocco	79.89	109.36
Turkey	259.83	279.01
US	33.50	45.19
UK	20.88	33.74
China	65.76	59.80
Japan	19.06	22.74
Germany	7.39	15.61
France	27.79	22.94