

**News Update**

**GCC financial market authorities approve fund passporting framework**

In a new move to enhance integration between the Gulf financial markets, the financial market authorities in the Gulf Cooperation Council (GCC) have adopted a regulatory framework for fund passporting. They also approved passporting regulations for member states during the 29th meeting of the GCC Committee of Heads of Financial Market Authorities. The regulations are scheduled to take effect in early 2025 in the Gulf states that have completed the legislative procedures. The draft regulations are an important component of a strategy aimed at achieving comprehensive integration between the GCC financial markets. They were developed to promote cooperation among member states and facilitate cross-border investments. They also mark a groundbreaking step towards regulating the registration and promotion of investment fund units, which are the first financial products to be regulated under a unified framework at the GCC level. This demonstrates the commitment of the GCC states to creating a secure and fully integrated financial environment.

**Saudi economic growth to accelerate to 4.7% in 2025: Moody’s**

Saudi Arabia’s economy is set to grow by 1.7 percent this year, before accelerating to 4.7 percent in 2025 and 2026, driven by government-backed projects aimed at diversifying the Kingdom’s economy, according to Moody’s. The credit rating agency’s forecast exceeds previous estimates, including the Saudi government’s own 2024 gross domestic projection of just 0.8 percent. Moody’s outlook surpasses the Kingdom’s pre-budget statement, which had estimated a 4.6 percent growth in 2025. The 2025 forecast aligns with Saudi Arabia’s planned expenditure for the year, set at \$343 billion, underscoring the government’s commitment to economic expansion through Vision 2030.

**Adani dollar bonds tumble after US bribery charges**– Dollar bond prices for Adani companies fell sharply in early Asia trade on Thursday after the Indian conglomerate’s billionaire chairman was indicted in New York over allegations of bribery and fraud. Prices for Adani Port and Special Economic Zone debt maturing in August 2027 fell more than five cents on the dollar, according to LSEG data. Adani Electricity Mumbai debt maturing in February 2030 fell nearly eight cents and dollar bonds issued by Adani Transmission also notched falls larger than five cents to trade just above 80 cents. The price falls were the biggest since February 2023 when short-seller Hindenburg Research published a negative report, questioning the group’s debt levels and use of tax havens.

**GCC Sovereign Yields**

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.53	-0.09	KSA	2027	4.23	2.12
Abu Dhabi	2029	4.66	-1.40	KSA	2029	4.86	-1.86
Abu Dhabi	2031	4.70	-1.51	KSA	2032	4.89	-1.13
Abu Dhabi	2050	5.43	-6.60	KSA	2050	5.84	-5.99
Bahrain	2028	6.00	0.05	Oman	2027	5.51	-1.42
Bahrain	2031	6.45	1.11	Oman	2031	5.46	-1.42
Bahrain	2051	7.56	1.05	Oman	2051	6.42	-1.13
Dubai	2029	4.50	-0.79	Qatar	2028	4.42	-1.37
Dubai	2050	5.96	-4.14	Qatar	2030	4.47	-4.41
Kuwait	2027	4.66	-0.54	Qatar	2050	5.34	-6.43

**Bonds and Sukuk Indices**

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.38	6.53	-0.08	2.55
S&P MENA Bond and Sukuk Index	5.22	6.92	-0.15	1.77
Bloomberg Emerging Markets USD Index	6.59	5.99	0.02	6.78
Bloomberg Global Aggregate Index	3.69	6.52	-0.38	-1.19

**Interbank Rates (%)**

	3 Months		6 Months		12 Months	
	21/11/2024	31/12/2023	21/11/2024	31/12/2023	21/11/2024	31/12/2023
KIBOR	3.94	4.00	4.13	4.25	4.31	4.56
SAIBOR	5.50	5.34	5.42	5.60	5.13	5.87
BHIBOR	5.86	6.14	5.79	6.27	5.61	6.55
QATAR	4.95	5.28	4.78	5.42	4.70	5.58
AEIBOR	4.43	4.31	4.37	4.94	4.32	5.04
EURIBOR	3.01	2.13	2.74	2.69	2.45	3.29
LIBOR	4.85	4.77	4.68	5.14	6.04	5.48
SOFR	4.51	5.33	4.42	5.16	4.26	4.77

	USD Swap Rates			Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	4.30	-0.73	-9.7	KWD	0.3073	-0.0098	0.55	Crude Oil	72.95	-2.33
2-Year	4.10	-0.79	0.9	SAR	3.7545	-0.0053	-0.12	Gold	2,681.90	23.29
5-Year	3.92	-1.01	11.0	EUR	1.0548	0.0379	-4.45	Silver	31.65	25.21
7-Year	3.90	-0.92	12.0	GBP	1.2651	-0.0079	-0.63	Copper	418.70	5.81
10-Year	3.90	-0.69	12.3	JPY	155.1800	0.1740	-9.11	Nat. Gas	3.25	-8.17
30-Year	3.75	-0.79	13.2	CNH	7.2485	0.0386	-1.69	Aluminum	2,625.67	4.98

	US Treasuries		UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
1-Year	4.33	-0.04	4.59	0.00	NA	NA
2-Year	4.31	0.01	4.40	0.01	2.58	0.00
5-Year	4.27	0.04	4.32	-0.01	2.04	0.01
10-Year	4.40	0.08	4.47	-0.21	2.23	-0.09
30-Year	4.59	0.12	4.92	-0.75	2.54	-0.13

**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	BBB-	BB+
Egypt	Caa1	B-	B
Lebanon	C	SD	WD
Jordan	Ba3	BB-	BB-
Turkey	B1	BB-u	BB-
Tunisia	Caa2	NR	CCC+
Morocco	Ba1	BB+	BB+u
US	Aaa	AA+u	AA+u
UK	Aa3	AAu	AA-u
China	A1	A+	A+u

USD 5Yr CDS	21-Nov 2024	31-Dec 2023
Kuwait	55.06	35.96
KSA	58.99	50.21
Abu Dhabi	38.95	39.60
Dubai	57.67	60.36
Qatar	39.12	43.52
Bahrain	181.90	198.10
Oman	90.93	112.12
Iraq	318.81	411.62
Egypt	NA	NA
Morocco	86.82	109.36
Turkey	257.78	279.01
US	30.11	45.19
UK	18.34	33.74
China	62.34	59.80
Japan	19.49	22.74
Germany	9.76	15.61
France	30.67	22.94