

News Updates

OPEC+ Makes Modest Supply Hike as Russia Turmoil Lifts Price – OPEC and its allies agreed another modest revival in supplies for April at a low-key meeting that was overshadowed by the market turmoil unleashed by Russia's invasion of Ukraine. The 23-nation coalition led by Saudi Arabia ratified an increase of 400,000 barrels a day on Wednesday, continuing the gradual restoration of output halted during the pandemic, according to a statement. OPEC members including Iraq, Nigeria and others, have failed to reach their quotas, for reasons ranging from a lack of investment to internal strife. That supply shortfall had been a major driver of the rise in global oil prices, before Russia's attack on Ukraine lifted prices into triple-digit territory. (Source: Bloomberg)

OPEC Fund Sets Stage to Join Bond Market Issuers' Club – The global bond market is about to get a new member: The OPEC Fund for International Development. The multilateral development bank is kicking off investor meetings this week to discuss becoming a bond issuer. The non-deal roadshow is starting in the Middle East, then moving to Asia and Europe before ending in early April in the U.S. While the talks come as oil prices extend a rally above \$100 a barrel on energy security fears, the pandemic curbed demand for fuel last year and hit revenues for member states of the Organization of the Petroleum Exporting Countries. Even Saudi Arabia's giant state-owned oil company has turned to raising money from bonds. It's not clear yet what the OPEC Fund would spend any proceeds on, having been set up in 1976 to provide financing to non-member developing countries. It's preparing documentation for both short and medium-term debt programs, as well as a framework aligned with sustainable development goals, according to its investor factsheet. (Source: Bloomberg)

Fed's Powell backs quarter point March rate hike; open to bigger moves later – Federal Reserve Chair Jerome Powell, balancing high U.S. inflation against the complex new risks of a European land war, said Wednesday the central bank would begin "carefully" raising interest rates at its upcoming March meeting but be ready to move more aggressively if inflation does not cool as quickly as expected. Powell called the Russian invasion of Ukraine "a game changer" that could have unpredictable consequences. Powell said he will back a quarter point rate increase when the Fed meets March 15-16, effectively putting to rest debate over starting a post-pandemic round of rate hikes with a larger than usual half-point increase. But the Fed chief said he was ready if needed to use larger or more frequent rate moves if inflation does not slow, and may over time need to push rates to restrictive levels above 2.5% - slowing economic growth rather than simply stimulating it less robustly. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.00	-1.64	KSA	2027	2.12	-1.78
Abu Dhabi	2031	2.33	-2.84	KSA	2032	2.64	-2.41
Abu Dhabi	2050	3.29	-5.96	KSA	2050	3.90	-7.49
Bahrain	2028	5.10	-2.43	Oman	2027	4.76	-2.56
Bahrain	2032	6.24	-3.90	Oman	2032	5.71	-3.38
Bahrain	2051	7.36	-6.14	Oman	2051	7.10	-6.38
Dubai	2029	2.80	-2.05	Qatar	2026	2.01	-1.89
Kuwait	2022	-7.73	-0.31	Qatar	2030	2.64	-3.45
Kuwait	2027	2.15	-2.61	Qatar	2050	3.39	-5.59

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.34	8.08	-0.01	-3.02
S&P MENA Bond and Sukuk Index	2.94	NA	-0.02	-3.20
Bloomberg Emerging Markets USD Index	5.80	6.80	-0.87	-8.09
Bloomberg Global Aggregate Index	1.76	7.42	-0.93	-3.58

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	03/03/2022	31/12/2021	03/03/2022	31/12/2021	03/03/2022	31/12/2021
KIBOR	1.5000	1.5000	1.7500	1.7500	2.0625	2.0000
SAIBOR	1.6085	0.9057	1.5190	0.9829	1.8277	1.0600
BHIBOR	1.6000	1.5167	1.9033	1.6233	2.4000	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	0.6275	0.3645	0.9775	0.7000	1.3613	0.7396
EURIBOR	-0.5340	-0.5730	-0.4960	-0.5460	-0.3630	-0.4980
LIBOR	0.5109	0.2144	0.7639	0.3451	1.1767	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	1.1768	-2.41	120.0	KWD	0.3033	-0.0330	-0.23	Gold	1,926.40	5.21
2-Year	1.6201	-3.36	72.1	SAR	3.7524	-0.0027	0.09	Silver	25.36	8.46
5-Year	1.8024	-2.88	31.6	BHD	0.3770	-0.0027	0.00	Copper	474.20	6.48
7-Year	1.8633	-2.74	26.3	QAR	3.6416	-0.0082	0.00	Nat. Gas	4.87	38.89
10-Year	1.9400	-2.46	22.7	OMR	0.3850	-0.0026	-0.07	Aluminum	3,582.00	27.56
30-Year	2.0117	-1.03	16.2	AED	3.6731	0.0000	-0.01	Crude Oil	117.15	52.34
US Treasuries				UK Gilts				German Bunds		
	Yield %	1D Δ (%)			Yield %	1D Δ (%)			Yield %	1D Δ (%)
2-Year	1.47	0.09			1.05	-0.55			NA	NA
5-Year	1.72	0.16			1.00	-1.18			-0.54	-0.41
10-Year	1.85	0.23			1.25	-1.47			-0.16	-0.86
30-Year	2.24	0.25			1.47	-2.79			0.28	-1.65

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	B+	BB-
Egypt	B2	B	B+
Lebanon	C	SD	RD
Jordan	B1	B+	BB-
Turkey	B2	B+u	B+
Tunisia	Caa1	NR	B-
Morocco	Ba1	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	03-Mar 2022	31-Dec 2021
Kuwait	53.62	40.53
KSA	52.87	50.97
Abu Dhabi	54.14	43.09
Dubai	97.76	89.58
Qatar	53.60	42.55
Bahrain	301.99	286.32
Oman	248.27	254.42
Iraq	422.08	507.35
Egypt	535.52	496.58
Morocco	93.98	85.91
Turkey	595.39	555.46
US	12.95	10.01
UK	10.75	8.91
China	57.26	39.86
Japan	16.52	16.23
Germany	9.68	7.53
France	22.68	17.87