

News Updates

Saudi construction firm Azmeel's creditors approve \$2bn debt restructuring – Creditors of Saudi Arabia's Azmeel Contracting Co, one of the kingdom's five biggest builders, have approved the restructuring of a 7.73 billion riyal (\$2.06 billion) debt pile mainly through an issuance of perpetual Islamic bonds, its chief restructuring officer said on Friday. Saudi Arabia's construction sector has faced myriad problems in recent years, with many firms falling casualty amid late payments from the government, rising costs and swings in oil prices that impact state-backed infrastructure projects. About 88% of Azmeel's creditors, including 90% of banks and 75% of trade creditors, voted in favour of the restructuring plan, which will give them the option to sell their exposure in the secondary market should they choose to do so. *(Source: Reuters)*

CI: Qatar's Sovereign Ratings Affirmed with a Stable Outlook – Capital Intelligence Ratings announced that it has affirmed the Long-Term Foreign Currency Rating and Long-Term Local Currency Rating of Qatar at 'AA-'. The sovereign's Short-Term Foreign Currency Rating and Short-Term Local Currency Rating have been affirmed at 'A1+'. The Outlook for the ratings remains Stable. The ratings are supported by Qatar's strong external position, with significant current account surpluses and substantial government assets under the management of the sovereign wealth fund, the Qatar Investment Authority. The ratings are also supported by the sovereign's very large hydrocarbon reserves, high fiscal strength, and low domestic political risk. The ratings are constrained by the government's large contingent liabilities, the economy's limited diversification, and substantial geopolitical risks. *(Source: Capital Intelligence)*

Egypt Holds Interest Rate While Accelerated Fed Tightening Looms – Egypt left one of the world's top inflation-adjusted interest rates unchanged, even as the U.S. Federal Reserve began the countdown to an expected burst of monetary tightening. The central bank held the benchmark deposit rate at 8.25% and the lending rate at 9.25%, the Monetary Policy Committee said Thursday in a statement. Fed Chairman Jerome Powell hasn't ruled out U.S. rate hikes at every meeting for the rest of 2022, leading what potentially could be the biggest and fastest tightening of global monetary policy in years to tame surging inflation. The Bank of England raised interest rates a quarter point earlier Thursday. *(Source: Bloomberg)*

S&P Expects Turkey Inflation to Exceed 50% for Most of 2022 – Turkey's overall macroeconomic trajectory remains highly uncertain amid a lack of clarity on the direction of its economic policy, S&P Global Ratings says in Macroeconomic Update report. S&P says external conditions are changing, suggesting that inflation could rise even higher. The agency expects annual inflation to exceed 50% for most of this year. S&P raises forecast for annual average inflation to 49.5% in 2022 and 14.5% in 2023. The rating agency maintains projection for 2022 baseline GDP growth at 3.7%, sees both upside and downside risks to estimate. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.00	-1.76	KSA	2027	2.22	-2.12
Abu Dhabi	2031	2.36	-3.12	KSA	2032	2.70	-2.94
Abu Dhabi	2050	3.31	-6.20	KSA	2050	3.77	-5.51
Bahrain	2028	4.83	-1.12	Oman	2027	4.62	-1.94
Bahrain	2032	5.99	-2.09	Oman	2032	5.70	-3.30
Bahrain	2051	7.10	-3.02	Oman	2051	6.95	-4.60
Dubai	2029	2.87	-2.36	Qatar	2026	3.37	-7.00
Kuwait	2022	-0.38	-0.32	Qatar	2030	2.68	-3.29
Kuwait	2027	2.06	-2.14	Qatar	2050	3.40	-5.94

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.18	8.08	-0.40	-2.54
S&P MENA Bond and Sukuk Index	2.78	NA	-0.41	-2.69
Bloomberg Emerging Markets USD Index	4.78	6.80	-0.50	-3.08
Bloomberg Global Aggregate Index	1.69	7.42	-0.53	-2.38

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	06/02/2022	31/12/2021	06/02/2022	31/12/2021	06/02/2022	31/12/2021
KIBOR	1.5000	1.5000	1.7500	1.7500	2.0000	2.0000
SAIBOR	1.0137	0.9057	1.1429	0.9829	1.3157	1.0600
BHIBOR	1.5667	1.5167	1.6500	1.6233	1.7833	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	0.4613	0.3645	0.7295	0.7000	1.0225	0.7396
EURIBOR	-0.5480	-0.5730	-0.4730	-0.5460	-0.3460	-0.4980
LIBOR	0.3390	0.2144	0.5554	0.3451	0.9990	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.9983	10.47	86.6	KWD	0.3025	0.0331	0.02	Gold	1,807.80	-1.27
2-Year	1.4809	11.53	57.3	SAR	3.7518	0.0000	0.10	Silver	22.48	-3.76
5-Year	1.8438	9.86	34.6	BHD	0.3770	-0.0027	0.01	Copper	448.75	0.54
7-Year	1.9170	9.22	29.9	QAR	3.6416	-0.0082	0.00	Nat. Gas	4.57	28.54
10-Year	1.9784	8.42	25.1	OMR	0.3850	0.0078	-0.05	Aluminum	3,097.50	10.43
30-Year	2.0262	5.40	17.0	AED	3.6730	0.0000	-0.01	Crude Oil	93.27	20.58

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	1.31	-0.22	1.25	-0.22	NA	NA
5-Year	1.77	-0.46	1.30	-0.39	-0.24	-0.27
10-Year	1.91	-0.66	1.41	-0.35	0.08	-0.58
30-Year	2.21	-1.19	1.48	-0.51	0.31	-0.57

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	BB-
Tunisia	Caa1	NR	B-
Morocco	Ba1	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	06-Feb 2022	31-Dec 2021
Kuwait	50.52	40.53
KSA	53.10	50.97
Abu Dhabi	51.25	43.09
Dubai	94.25	89.58
Qatar	50.65	42.55
Bahrain	284.50	286.32
Oman	228.83	254.42
Iraq	423.39	507.35
Egypt	533.10	496.58
Morocco	91.44	85.91
Turkey	542.56	555.46
US	10.42	10.01
UK	8.54	8.91
China	49.83	39.86
Japan	15.96	16.23
Germany	6.00	7.53
France	16.54	17.87