

News Updates

Qatar Says Timing of First Green Bonds Depends on Market – Qatar's government is planning to issue green bonds, but the timing will depend on market conditions, said Finance Minister Ali Al-Kuwari. "You have to be opportunistic, interest rates are moving against us with the Fed," Al-Kuwari told Bloomberg TV in an interview. "For us, it's really not about the bond itself and the size, it's more about making a statement that Qatar is very much committed for climate change on the finance side." Qatar is in early talks with international banks to potentially raise billions of dollars through green bonds, Bloomberg reported in January. (Source: Bloomberg)

Moody's affirms DEWA's Baa2 ratings following IPO announcement, stable outlook – Moody's Investors Service ("Moody's") has affirmed the ratings of Dubai Electricity and Water Authority PJSC (DEWA) including its Baa2 long-term issuer ratings and baa2 Baseline Credit Assessment following the company's initial public offering announcement. The outlook on all ratings remains stable. The decision to affirm the ratings reflects Moody's view that the business and financial profile of DEWA remain consistent with a Baa2 rating level despite the weakening of the company's financial profile following the introduction of increased leverage and a more consistent, higher dividend payment policy. (Source: Moody's)

Oil drops 2% amid Russia-Ukraine peace talks, China lockdowns – Oil prices ended 2% lower on Tuesday as talks progressed between Russia and Ukraine to end their weeks-long conflict, though Moscow negotiators said a promise to scale down some military operations did not represent a ceasefire. Further weighing on oil futures, new lockdowns in China to curb the spread of the coronavirus prompted concerns that fuel demand could take a hit. Brent crude settled down \$2.25, or 2%, at \$110.23 a barrel, while U.S. West Texas Intermediate (WTI) crude was down \$1.72, or 1.6%, at \$104.24. Both benchmarks fell 7% on Monday and dropped as much as 7% again early on Tuesday before bouncing off session lows. The OPEC+ producer group is expected to stick to its plan for a modest output rise in May despite high prices and calls from the United States and other consumers for more supply. (Source: Reuters)

US yield curve inverts in possible recession signal – A closely watched recession signal flashed red on Tuesday, as investors fretted that the Federal Reserve's efforts to tame inflation will bring about a sharp slowdown in US economic activity. Two-year Treasury note yields rose above those of the 10-year for the first time since August 2019, inverting a portion of the yield curve monitored closely by Wall Street and policymakers. Inversions typically signal malaise about the economy's long-term growth prospects and have preceded every US recession in the past 50 years. Typically, a recession has followed in the two years after an inversion of this measure of the yield curve. Two-year yields, which move with interest rate expectations, rose as high as 2.45 per cent, the highest level since March 2019. The 10-year yield, which moves with inflation and growth expectations, fell as low as 2.38 per cent. (Source: Financial Times)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.59	-4.79	KSA	2027	2.69	-4.17
Abu Dhabi	2031	2.88	-7.09	KSA	2032	3.12	-6.41
Abu Dhabi	2050	3.70	-12.48	KSA	2050	4.24	-12.37
Bahrain	2028	4.83	-0.99	Oman	2027	4.83	-2.97
Bahrain	2032	6.07	-2.62	Oman	2032	5.64	-2.96
Bahrain	2051	7.25	-4.80	Oman	2051	6.89	-4.04
Dubai	2029	3.10	-3.94	Qatar	2026	2.65	-4.37
Kuwait	2022	NA	-0.52	Qatar	2030	3.05	-6.38
Kuwait	2027	2.54	-4.42	Qatar	2050	3.82	-12.27

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.81	8.08	0.22	-5.86
S&P MENA Bond and Sukuk Index	3.49	NA	-0.06	-6.69
Bloomberg Emerging Markets USD Index	5.71	6.80	0.70	-9.80
Bloomberg Global Aggregate Index	2.21	7.42	0.52	-6.80

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	30/03/2022	31/12/2021	30/03/2022	31/12/2021	30/03/2022	31/12/2021
KIBOR	1.6875	1.5000	1.9375	1.7500	2.1875	2.0000
SAIBOR	2.2293	0.9057	2.3534	0.9829	2.5591	1.0600
BHIBOR	1.9133	1.5167	2.1300	1.6233	2.6967	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	1.0025	0.3645	1.4598	0.7000	2.2011	0.7396
EURIBOR	-0.4770	-0.5730	-0.3880	-0.5460	-0.1270	-0.4980
LIBOR	0.9963	0.2144	1.4927	0.3451	2.1989	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	1.9457	-3.72	263.7	KWD	0.3045	0.0000	-0.64	Gold	1,928.40	5.18
2-Year	2.5334	-5.89	169.1	SAR	3.7534	0.0000	0.07	Silver	24.95	6.71
5-Year	2.5072	-6.80	83.1	BHD	0.3771	0.0000	-0.01	Copper	476.45	6.98
7-Year	2.4512	-6.43	66.1	QAR	3.6414	0.0055	0.01	Nat. Gas	5.28	49.65
10-Year	2.4218	-5.76	53.2	OMR	0.3851	0.0052	-0.07	Aluminum	3,428.75	22.17
30-Year	2.2855	-4.51	32.0	AED	3.6730	-0.0027	0.00	Crude Oil	111.12	44.50

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.30	0.12	1.33	0.02	NA	NA
5-Year	2.43	0.33	1.41	-0.03	0.05	-0.16
10-Year	2.34	0.52	1.64	-0.27	0.49	-0.45
30-Year	2.45	0.98	1.79	-0.28	0.69	-1.01

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	CCC
Morocco	Ba1	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	30-Mar 2022	31-Dec 2021
Kuwait	48.96	40.53
KSA	47.77	50.97
Abu Dhabi	46.53	43.09
Dubai	91.81	89.58
Qatar	46.02	42.55
Bahrain	287.25	286.32
Oman	229.25	254.42
Iraq	360.34	507.35
Egypt	542.63	496.58
Morocco	102.18	85.91
Turkey	540.30	555.46
US	14.92	10.01
UK	13.28	8.91
China	57.26	39.86
Japan	16.76	16.23
Germany	13.19	7.53
France	24.36	17.87