

## News Updates

## GCC banks outlook turn stable from negative on higher oil prices -

Banks in the GCC states have seen their outlook turn from negative to stable as higher oil prices are helping economies to rebound, according to Moody's. The outlook for the banking systems of Saudi Arabia, Kuwait, the UAE, Qatar, Oman and Bahrain have seen operating conditions improve after the pandemic, as the jump in oil prices boosts economic activity, the rating agency said in a report. Saudi banks will see increasing profitability and accelerating credit growth from high oil prices, which will boost the economy, while banks in Oman and the UAE will maintain steady profitability and solid capital buffers, Moody's said. The ratings agency said Bahraini banks now have resilient funding, liquidity and capital positions after the coronavirus economic shock, with sustained economic rebound to restore banking profitability close to pre-pandemic levels within 12-18 months. (Source: Zawya)

## Stagflation Risks Flash as CDS Poised to Rise by Most Since 2020 -

Bond markets are pointing to increased concerns about the risk of stagflation, with credit-default swaps in Asia and the U.S. set for their biggest monthly increases since the pandemic rocked markets in 2020. The cost to buy protection for Asia ex-Japan high-grade debt climbed at least 3.5 basis points on Wednesday, according to traders, putting the CDS on track for a 24 basis point jump this month, the biggest increase since March 2020, an iTraxx index shows. A North American gauge is also poised for a similar milestone. More risks are emerging of stagflation. That's particularly noxious for credit because not only can inflation decimate investor returns, but any economic slump increases default risks for weaker borrowers. (Source: Bloomberg)

## Oil Climbs as Russia's Cut to Natural Gas Flows Escalates Crisis -

Oil rose after Russia cut natural gas supplies to Poland and Bulgaria, escalating Europe's energy crisis as the war in Ukraine drags on. West Texas Intermediate traded above \$102 a barrel after gaining 3.2% on Tuesday. European gas prices surged after Russia halted flows to Poland and Bulgaria, making good on a threat to stop supply to countries that refuse President Vladimir Putin's demand to pay for the fuel in rubles. Energy market have been gripped by a tumultuous period of trading since Russia's invasion of Ukraine. (Source: Bloomberg)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.06	-6.89	KSA	2027	3.13	-6.01
Abu Dhabi	2031	3.29	-10.04	KSA	2032	3.55	-9.69
Abu Dhabi	2050	4.07	-17.73	KSA	2050	4.58	-16.75
Bahrain	2028	5.25	-3.09	Oman	2027	4.94	-3.43
Bahrain	2032	6.52	-5.93	Oman	2032	5.85	-4.50
Bahrain	2051	7.52	-7.97	Oman	2051	7.12	-6.72
Dubai	2029	3.68	-7.21	Qatar	2026	3.16	-6.05
Dubai	2050	5.12	-15.39	Qatar	2030	3.48	-8.84
Kuwait	2027	3.06	-6.64	Qatar	2050	4.15	-16.89

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.14	8.08	0.12	-7.93
S&P MENA Bond and Sukuk Index	3.81	NA	0.13	-8.71
Bloomberg Emerging Markets USD Index	6.14	6.80	0.25	-12.27
Bloomberg Global Aggregate Index	2.45	7.42	0.20	-10.13

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	27/04/2022	31/12/2021	27/04/2022	31/12/2021	27/04/2022	31/12/2021
KIBOR	1.6875	1.5000	1.9375	1.7500	2.1875	2.0000
SAIBOR	2.3500	0.9057	2.5472	0.9829	2.8847	1.0600
BHIBOR	2.0100	1.5167	2.3000	1.6233	3.2500	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	1.2910	0.3645	1.9007	0.7000	2.5000	0.7396
EURIBOR	-0.4150	-0.5730	-0.2390	-0.5460	0.1340	-0.4980
LIBOR	1.2249	0.2144	1.8187	0.3451	2.5517	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.3675	3.05	342.5	KWD	0.3062	-0.1143	-1.18	Gold	1,898.40	3.55
2-Year	2.8350	4.80	201.2	SAR	3.7513	0.0053	0.12	Silver	23.56	0.62
5-Year	2.8425	3.52	107.6	BHD	0.3771	-0.0053	0.00	Copper	448.60	0.98
7-Year	2.8163	2.91	90.8	QAR	3.6414	0.0055	0.01	Nat. Gas	6.93	96.60
10-Year	2.8091	2.46	77.7	OMR	0.3850	0.0000	-0.06	Aluminum	3,046.60	8.59
30-Year	2.6200	1.40	51.3	AED	3.6730	0.0000	0.00	Crude Oil	105.66	38.32

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.55	-0.08	1.48	0.01	NA	NA
5-Year	2.76	-0.13	1.57	0.02	0.25	0.04
10-Year	2.74	-0.13	1.79	0.05	0.66	0.11
30-Year	2.84	-0.14	1.90	-0.04	0.91	0.18

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

USD 5Yr CDS	27-Apr 2022	31-Dec 2021
Kuwait	52.30	40.53
KSA	57.66	50.97
Abu Dhabi	56.36	43.09
Dubai	94.11	89.58
Qatar	57.66	42.55
Bahrain	284.85	286.32
Oman	217.11	254.42
Iraq	279.62	507.35
Egypt	701.47	496.58
Morocco	99.01	85.91
Turkey	602.96	555.46
US	15.80	10.01
UK	10.28	8.91
China	79.59	39.86
Japan	17.20	16.23
Germany	11.99	7.53
France	21.36	17.87