

## News Updates

**Oman to hike oil production to over 1mln barrels per day** – Oman's general budget for 2022, ratified by His Majesty Sultan Haitham Bin Tarik via a Royal Decree, states that the country will increase its oil production, to more than one million barrels per day (bpd). "In 2022, the Sultanate of Oman will produce 1.05 million barrels daily with a calculated value of \$50 per barrel that is consistent with the principle of precaution in price determination to deal with fluctuations," the Ministry of Finance said in a statement on Saturday. "The value of spending in the budget for 2022 is estimated at OMR 12.13 billion with a budget deficit of OMR 1.55 billion and a revenue of OMR 10.58 billion. The deficit will be financed by domestic and external borrowing of OMR 1.15 billion and OMR 400 million will be withdrawn from the strategic reserves." (Source: Times of Oman)

**Qatar Pushes Gulf Arab Energy Company Borrowing to Record High** – Gulf Arab energy firms borrowed \$30.5 billion in 2021, the highest level in at least 25 years, as the region's national oil companies sought to inject foreign investment into their balance sheets. Qatar Energy led the region in issuing debt, according to Bloomberg calculations. The company sold \$12.5 billion of bonds in July to fund an expansion of its liquefied natural gas output capacity and cement its position as the world's biggest exporter. Energy companies in the United Arab Emirates raised \$7.7 billion in new debt, a four-year high for the country. Saudi Aramco, which dominated the region's energy corporate debt market in the previous two years, was its third-largest borrower in 2021, with \$6.5 billion. (Source: Bloomberg)

**Turkish inflation soars to 36%, highest in Erdogan era** – Turkey's annual inflation rate surged to 36.1% last month, its highest in the 19 years that Tayyip Erdogan has ruled, laying bare the depths of a currency crisis engineered by the president's unorthodox interest rate-cutting policies. In December alone, consumer prices took a rare step into double-digits, rising 13.58%, Turkish Statistical Institute data showed on Monday, eating deeper into the earnings and savings of Turks rattled by the economic turmoil. (Source: Reuters)

**U.S. 10-Year Yield Tops 1.6% in Worst Start to a Year Since 2009** – Treasury yields surged, with 10-year notes recording their worst start to a year in more than a decade, as investors embraced risk despite the pandemic's grip on the economy. Benchmark yields climbed across the curve, led by the 10-year, which jumped as much as 13 basis points and exceeded 1.60% for the first time since the omicron variant emerged in November. That was the 10-year yield's largest first-day increase since 2009, according to data compiled by Bloomberg. The 30-year yield climbed as much as 14 basis points to top 2%, while the two-year yield surpassed 0.80%, to reach its highest level since March 2020. (Source: Bloomberg)

## GCC Sovereign Yields

| Sovereigns | Maturity | Yield % | Price Δ (YTD %) | Sovereigns | Maturity | Yield % | Price Δ (YTD %) |
|------------|----------|---------|-----------------|------------|----------|---------|-----------------|
| Abu Dhabi  | 2025     | 1.24    | -0.11           | KSA        | 2025     | 1.51    | 0.00            |
| Abu Dhabi  | 2030     | 2.00    | -0.20           | KSA        | 2030     | 2.26    | -0.17           |
| Abu Dhabi  | 2050     | 3.05    | -1.91           | KSA        | 2050     | 3.47    | -0.74           |
| Bahrain    | 2026     | 4.23    | -0.22           | Oman       | 2025     | 3.31    | -0.02           |
| Bahrain    | 2030     | 5.67    | -0.38           | Oman       | 2029     | 4.72    | -0.07           |
| Bahrain    | 2047     | 7.42    | -1.13           | Oman       | 2048     | 6.56    | -0.05           |
| Dubai      | 2029     | 2.58    | -0.31           | Qatar      | 2025     | 1.41    | -0.11           |
| Kuwait     | 2022     | -0.96   | 0.06            | Qatar      | 2030     | 2.12    | -0.31           |
| Kuwait     | 2027     | 1.61    | 0.13            | Qatar      | 2050     | 3.06    | -0.03           |

## Bonds and Sukuk Indices

| Index Name                           | Yield % | Duration (yrs) | 1D Δ (%) | YTD Δ (%) |
|--------------------------------------|---------|----------------|----------|-----------|
| Bloomberg GCC FI Index               | 2.82    | 8.08           | -0.29    | -0.29     |
| S&P MENA Bond and Sukuk Index        | 2.41    | NA             | -0.16    | -0.16     |
| Bloomberg Emerging Markets USD Index | 4.35    | 6.80           | -0.39    | -0.39     |
| Bloomberg Global Aggregate Index     | 1.37    | 7.42           | -0.68    | -0.68     |

## Interbank Rates (%)

|         | 3 Months   |            | 6 Months   |            | 12 Months  |            |
|---------|------------|------------|------------|------------|------------|------------|
|         | 04/01/2022 | 30/12/2021 | 04/01/2022 | 30/12/2021 | 04/01/2022 | 30/12/2021 |
| KIBOR   | 1.5000     | 1.5000     | 1.7500     | 1.7500     | 2.0000     | 2.0000     |
| SAIBOR  | 0.9071     | 0.9057     | 0.9886     | 0.9829     | 1.0614     | 1.0600     |
| BHIBOR  | 1.5167     | 1.5167     | 1.6233     | 1.6233     | 1.7667     | 1.7667     |
| QATAR   | 1.1250     | 1.1250     | 1.2000     | 1.2000     | 1.3250     | 1.3250     |
| AEIBOR  | 0.2950     | 0.3645     | 0.6750     | 0.7000     | 0.7150     | 0.7396     |
| EURIBOR | -0.5720    | -0.5730    | -0.5460    | -0.5460    | -0.5010    | -0.4980    |
| LIBOR   | 0.2091     | 0.2144     | 0.3388     | 0.3451     | 0.5831     | 0.5888     |

| USD Swap Rates |         |            |           | Currencies |        |            |           | Commodities |          |           |
|----------------|---------|------------|-----------|------------|--------|------------|-----------|-------------|----------|-----------|
|                | Yield % | 1D Δ (bps) | YTD Δ (%) |            | USD    | 1D Δ (bps) | YTD Δ (%) |             | USD      | YTD Δ (%) |
| 1-Year         | 0.5468  | 0.34       | 2.2       | KWD        | 0.3025 | 0.0331     | 0.00      | Gold        | 1,804.10 | -1.34     |
| 2-Year         | 0.9755  | 1.10       | 3.6       | SAR        | 3.7549 | 0.0320     | 0.03      | Silver      | 22.79    | -2.41     |
| 5-Year         | 1.4530  | 0.47       | 6.1       | BHD        | 0.3770 | 0.0000     | 0.00      | Copper      | 439.85   | -1.46     |
| 7-Year         | 1.5720  | 0.29       | 6.5       | QAR        | 3.6416 | -0.0082    | 0.00      | Nat. Gas    | 3.81     | 2.12      |
| 10-Year        | 1.6848  | 0.05       | 6.6       | OMR        | 0.3850 | -0.0623    | -0.06     | Aluminum    | 2,803.00 | 0.00      |
| 30-Year        | 1.8260  | -0.10      | 5.5       | AED        | 3.6730 | 0.0082     | 0.00      | Crude Oil   | 79.23    | 1.86      |

| US Treasuries |          |       | UK Gilt |          | German Bunds |          |
|---------------|----------|-------|---------|----------|--------------|----------|
| Yield %       | 1D Δ (%) |       | Yield % | 1D Δ (%) | Yield %      | 1D Δ (%) |
| 2-Year        | 0.78     | -0.02 | 0.64    | 0.01     | NA           | NA       |
| 5-Year        | 1.36     | -0.02 | 0.80    | 0.01     | -0.62        | -0.13    |
| 10-Year       | 1.63     | 0.00  | 0.96    | 0.07     | -0.27        | -0.44    |
| 30-Year       | 2.02     | 0.05  | 1.11    | 0.43     | 0.22         | -1.45    |

## 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 | 04-Jan 2022 | 31-Dec 2021 |
|-------------|-------------|-------------|
| Kuwait      | 40.54       | 40.53       |
| KSA         | 49.87       | 50.97       |
| Abu Dhabi   | 42.29       | 43.09       |
| Dubai       | 89.77       | 89.58       |
| Qatar       | 42.27       | 42.55       |
| Bahrain     | 282.63      | 286.32      |
| Oman        | 244.65      | 254.42      |
| Iraq        | 507.31      | 507.35      |
| Egypt       | 487.58      | 496.58      |
| Morocco     | 85.16       | 85.91       |
| Turkey      | 558.56      | 555.46      |
| US          | 11.40       | 10.01       |
| UK          | 8.33        | 8.91        |
| China       | 38.81       | 39.86       |
| Japan       | 16.33       | 16.23       |
| Germany     | 7.63        | 7.53        |
| France      | 17.80       | 17.87       |