

## News Updates

### Oil rises, heads for best month since Feb 2021 on supply concerns –

Oil rose more than 1% on Monday to near 7-year highs hit in the previous session, while supply concerns and political tensions in Eastern Europe and the Middle East put prices on track for their biggest monthly gain in almost a year. Brent crude rose \$1.07, or 1.2%, to \$91.10 a barrel at 0325 GMT, after adding 69 cents on Friday. The benchmarks recorded their highest levels since October 2014 on Friday, \$91.70 and \$88.84, respectively, and their sixth straight weekly gain. They were headed for about 17% gains this month, the most since February 2021. "Underlying anxiety about global supply shortages, coupled with ongoing geopolitical risks, have caused the market to start the week on a strong note," said Toshitaka Tazawa, an analyst at Fujitomi Securities Co Ltd. "With an expectation that OPEC+ will keep the existing policy of gradual increase of production, oil prices will likely stay on a bullish sentiment this week," he said, predicting Brent to remain above \$90 and WTI to head toward \$90. *(Source: Zawya)*

**Turkish central bank doubles 2022 inflation forecast to 23% –** Turkey's central bank ramped up its year-end annual inflation forecast to 23.2% from a previous 11.8%, but its chief dismissed the notion that a series of unorthodox interest rate cuts have sent inflation soaring and the lira tumbling. The central bank has slashed its policy rate by 500 basis points to 14% since September, setting off a full-blown crisis last month in which the lira touched a record of 18.4 versus the dollar before rebounding sharply. The exchange-rate volatility helped send inflation soaring to 36% in December, and most analysts expect it to approach 50% in coming months before easing to about 27% by the end of the year, according to a Reuters poll. *(Source: Zawya)*

**Bostic Says Fed Could Do Half-Point March Hike If Needed –** The Federal Reserve could opt to raise its benchmark rate by 50 basis points if a more aggressive approach to taming inflation is needed, Raphael Bostic, president of the Fed's Atlanta branch, told the Financial Times in an interview. Bostic stuck to his prediction that three quarter-point increases starting in March is the most likely scenario, though stubbornly high consumer prices may justify a more robust rate rise. The Fed typically increases rates in quarter-point increments. *(Source: Bloomberg)*

## GCC Sovereign Yields

| Sovereigns | Maturity | Yield % | Price Δ (YTD %) | Sovereigns | Maturity | Yield % | Price Δ (YTD %) |
|------------|----------|---------|-----------------|------------|----------|---------|-----------------|
| Abu Dhabi  | 2027     | 2.03    | -1.90           | KSA        | 2027     | 2.23    | -2.14           |
| Abu Dhabi  | 2031     | 2.30    | -2.71           | KSA        | 2032     | 2.70    | -2.88           |
| Abu Dhabi  | 2050     | 3.23    | -4.91           | KSA        | 2050     | 3.72    | -4.73           |
| Bahrain    | 2028     | 4.95    | -1.76           | Oman       | 2027     | 4.54    | -1.55           |
| Bahrain    | 2032     | 6.10    | -2.91           | Oman       | 2032     | 5.58    | -2.45           |
| Bahrain    | 2051     | 7.17    | -3.90           | Oman       | 2051     | 6.90    | -4.12           |
| Dubai      | 2029     | 2.82    | -2.02           | Qatar      | 2026     | 2.03    | -1.72           |
| Kuwait     | 2022     | -0.81   | -0.23           | Qatar      | 2030     | 2.52    | -2.46           |
| Kuwait     | 2027     | 2.02    | -1.96           | Qatar      | 2050     | 3.33    | -4.57           |

## Bonds and Sukuk Indices

| Index Name                           | Yield % | Duration (yrs) | 1D Δ (%) | YTD Δ (%) |
|--------------------------------------|---------|----------------|----------|-----------|
| Bloomberg GCC FI Index               | 3.12    | 8.08           | -0.05    | -2.23     |
| S&P MENA Bond and Sukuk Index        | 2.70    | NA             | 0.16     | -2.25     |
| Bloomberg Emerging Markets USD Index | 4.75    | 6.80           | 0.01     | -2.62     |
| Bloomberg Global Aggregate Index     | 1.53    | 7.42           | 0.02     | -2.02     |

## Interbank Rates (%)

|         | 3 Months   |            | 6 Months   |            | 12 Months  |            |
|---------|------------|------------|------------|------------|------------|------------|
|         | 31/01/2022 | 31/12/2021 | 31/01/2022 | 31/12/2021 | 31/01/2022 | 31/12/2021 |
| KIBOR   | 1.5000     | 1.5000     | 1.7500     | 1.7500     | 2.0000     | 2.0000     |
| SAIBOR  | 0.9929     | 0.9057     | 1.0917     | 0.9829     | 1.2400     | 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  | 0.4542     | 0.3645     | 0.7836     | 0.7000     | 0.9559     | 0.7396     |
| EURIBOR | -0.5500    | -0.5730    | -0.5190    | -0.5460    | -0.4590    | -0.4980    |
| LIBOR   | 0.3166     | 0.2144     | 0.5344     | 0.3451     | 0.9479     | 0.5888     |

| USD Swap Rates |         |            |           | Currencies |        |            |           | Commodities |          |           |
|----------------|---------|------------|-----------|------------|--------|------------|-----------|-------------|----------|-----------|
|                | Yield % | 1D Δ (bps) | YTD Δ (%) |            | USD    | 1D Δ (bps) | YTD Δ (%) |             | USD      | YTD Δ (%) |
| 1-Year         | 0.8928  | 3.70       | 66.9      | KWD        | 0.3031 | -0.0990    | -0.17     | Gold        | 1,787.30 | -2.39     |
| 2-Year         | 1.3535  | 3.89       | 43.8      | SAR        | 3.7522 | 0.0027     | 0.09      | Silver      | 22.29    | -4.55     |
| 5-Year         | 1.7171  | 3.11       | 25.4      | BHD        | 0.3770 | 0.0000     | 0.01      | Copper      | 431.35   | -3.36     |
| 7-Year         | 1.7950  | 2.46       | 21.6      | QAR        | 3.6416 | -0.0082    | 0.00      | Nat. Gas    | 5.00     | 40.43     |
| 10-Year        | 1.8616  | 1.93       | 17.7      | OMR        | 0.3850 | -0.0026    | -0.06     | Aluminum    | 3,103.50 | 10.64     |
| 30-Year        | 1.9239  | 1.43       | 11.1      | AED        | 3.6730 | 0.0000     | 0.00      | Crude Oil   | 91.03    | 17.04     |

| US Treasuries |          |       | UK Gilts |          |  | German Bunds |          |  |
|---------------|----------|-------|----------|----------|--|--------------|----------|--|
| Yield %       | 1D Δ (%) |       | Yield %  | 1D Δ (%) |  | Yield %      | 1D Δ (%) |  |
| 2-Year        | 1.20     | -0.06 | 0.96     | -0.01    |  | NA           | NA       |  |
| 5-Year        | 1.64     | -0.12 | 1.07     | -0.01    |  | -0.58        | -0.03    |  |
| 10-Year       | 1.79     | -0.15 | 1.24     | -0.12    |  | -0.21        | -0.12    |  |
| 30-Year       | 2.09     | -0.25 | 1.37     | -0.40    |  | 0.20         | -0.27    |  |

## 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 | 31-Jan 2022 | 31-Dec 2021 |
|-------------|-------------|-------------|
| Kuwait      | 47.00       | 40.53       |
| KSA         | 52.14       | 50.97       |
| Abu Dhabi   | 50.73       | 43.09       |
| Dubai       | 92.25       | 89.58       |
| Qatar       | 50.15       | 42.55       |
| Bahrain     | 298.83      | 286.32      |
| Oman        | 258.49      | 254.42      |
| Iraq        | 456.10      | 507.35      |
| Egypt       | 545.67      | 496.58      |
| Morocco     | 92.48       | 85.91       |
| Turkey      | 533.58      | 555.46      |
| US          | 10.22       | 10.01       |
| UK          | 9.01        | 8.91        |
| China       | 49.21       | 39.86       |
| Japan       | 16.53       | 16.23       |
| Germany     | 6.20        | 7.53        |
| France      | 16.33       | 17.87       |