

News Updates

Fitch: Kuwait's financial, external budgets powerful – Fitch said downgrading of Kuwait's long-term rating from AA to AA- is the result of the ongoing impasse in political decision-making process and structural challenges related to the massive dependence on oil, the generous welfare state and a large government sector, reports Al-Rai daily. The agency added there is crystal-clear absence of any serious financial adjustment to the recent oil price shocks, while the prospects for reforms are still weak, despite some positive political developments within the framework of the national dialogue. As for the public debt law, Fitch feels the law will be agreed upon this year, although some uncertainty lingers on and even without a public debt law, sources say, the government will still be able to meet its financing obligations. (Source: Arab Times)

Fitch rates Kuwait Investment Company 'BB' – Fitch Ratings has assigned Kuwait Investment Company K.S.C.P. (KIC) a Long-Term Issuer Default Rating (IDR) of 'BB'. The Outlook on the IDR is Stable. KIC is an investment company, established in 1961 and majority-owned by the Kuwait Investment Authority (KIA), Kuwait's sovereign wealth fund. It manages investment portfolios on behalf of KIA, government agencies and financial institutions which at end-2021 totaled around KWD2 billion, as well as holding investments on its own balance sheet of around KWD200 million. KIC's IDR is based on its Standalone Credit Profile (SCP) of 'b+', which is then notched up twice to reflect the likelihood of support for KIC from KIA. Fitch sees strong credit linkage between KIA and Kuwait (AA-/Stable). (Source: Zawya)

Moody's affirms the ratings of Saudi Telecom and Saudi Electricity, withdraws BCAs – Two Saudi companies have had their A1 ratings reaffirmed by Moody's Investors Service in a boost for the Kingdom's economic strength. The ratings agency said the rating given to Saudi Telecom Co. (STC) reflected its solid financial profile, while Saudi Electricity Co's grading reflects the company's continued strategic importance to the Kingdom's Public Investment Fund, and the government in general. The PIF fully owns SEC, while it owns 64 percent of STC. Moody's has withdrawn stc's a1 baseline credit assessment, as it is no longer classifying the companies as Government-Related Issuers, or GRIs. This comes after Moody's assignment of ratings to the PIF at A1 stable. (Source: Arab News)

Oil climbs on pressure from Ukraine conflict, tight market – Oil prices jumped \$2 on Monday as Ukrainian forces dug in against heavy Russian attacks, while major oil producers reported they are struggling to produce their allotted quotas under a supply agreement. Brent crude futures climbed \$1.96, or 1.8%, to \$109.89 a barrel at 0039 GMT, adding to a 1.2% rise last Friday. U.S. West Texas Intermediate (WTI) crude futures rose \$2.09, or 2%, to \$106.79, extending a 1.7% jump last Friday. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.23	-2.98	KSA	2027	2.40	-2.84
Abu Dhabi	2031	2.57	-4.69	KSA	2032	2.92	-4.73
Abu Dhabi	2050	3.54	-9.99	KSA	2050	4.18	-11.55
Bahrain	2028	4.90	-1.40	Oman	2027	4.71	-2.40
Bahrain	2032	6.07	-2.58	Oman	2032	5.63	-2.91
Bahrain	2051	7.30	-5.40	Oman	2051	6.85	-3.61
Dubai	2029	2.99	-3.22	Qatar	2026	2.31	-2.99
Kuwait	2022	-32.74	-0.50	Qatar	2030	2.76	-4.59
Kuwait	2027	2.21	-2.96	Qatar	2050	3.69	-10.38

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.58	8.08	0.04	-4.73
S&P MENA Bond and Sukuk Index	3.22	NA	0.04	-5.22
Bloomberg Emerging Markets USD Index	5.65	6.80	0.29	-9.76
Bloomberg Global Aggregate Index	1.99	7.42	-0.01	-5.53

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	21/03/2022	31/12/2021	21/03/2022	31/12/2021	21/03/2022	31/12/2021
KIBOR	1.6250	1.5000	1.8750	1.7500	2.1875	2.0000
SAIBOR	2.1933	0.9057	2.1597	0.9829	2.3637	1.0600
BHIBOR	1.8000	1.5167	1.9533	1.6233	2.4333	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	1.0125	0.3645	1.2550	0.7000	1.8050	0.7396
EURIBOR	-0.4870	-0.5730	-0.3930	-0.5460	-0.2070	-0.4980
LIBOR	0.9340	0.2144	1.2876	0.3451	1.7864	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	1.6768	3.93	213.4	KWD	0.3039	0.0494	-0.44	Gold	1,931.70	5.36
2-Year	2.2179	1.71	135.6	SAR	3.7515	0.0053	0.10	Silver	25.20	7.78
5-Year	2.2416	0.14	63.7	BHD	0.3770	0.0000	0.00	Copper	466.45	4.74
7-Year	2.2421	0.46	51.9	QAR	3.6414	0.0055	0.01	Nat. Gas	4.94	40.72
10-Year	2.2629	-1.37	43.1	OMR	0.3850	0.0000	-0.06	Aluminum	3,375.50	20.27
30-Year	2.2530	-2.18	30.1	AED	3.6730	0.0000	-0.01	Crude Oil	111.06	44.42

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	1.94	0.01	1.19	0.18	NA	NA
5-Year	2.14	0.00	1.23	0.41	-0.27	0.01
10-Year	2.15	0.02	1.49	0.71	0.19	0.11
30-Year	2.42	0.06	1.74	0.89	0.51	-0.08

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	21-Mar 2022	31-Dec 2021
Kuwait	50.45	40.53
KSA	46.77	50.97
Abu Dhabi	46.03	43.09
Dubai	91.65	89.58
Qatar	46.39	42.55
Bahrain	281.65	286.32
Oman	233.67	254.42
Iraq	370.63	507.35
Egypt	567.53	496.58
Morocco	96.42	85.91
Turkey	579.59	555.46
US	13.74	10.01
UK	12.40	8.91
China	57.62	39.86
Japan	16.38	16.23
Germany	13.49	7.53
France	21.57	17.87