

## News Updates

**Moody's: GCC banks' outlook is stable amid region's economic recovery and higher oil prices** – Moody's Investors Service The outlook for Gulf Cooperation Council (GCC) banks for the next 12 to 18 months is stable due to the economic recovery in the region and higher oil prices, Moody's Investors Service said in a report published yesterday. "Economic growth in 2022 will reflect a gradual increase in hydrocarbon production and a strong recovery in other segments of the economy," said Ashraf Madani, a Vice President - Senior Analyst at Moody's and the author of the report. "Banks' asset quality will remain high, even as non-performing loans rise slightly as repayment holidays expire." Regulatory measures and large infrastructure projects will support credit growth in 2022. GCC banks hold strong buffers of liquid assets that range between an average of 25% and 30% of their banking assets, and Moody's expects them to remain steady and provide a shield against unexpected shocks. Loan performance will weaken when payment holidays expire, with the impact being heaviest in the UAE and Bahrain, while less pronounced in Qatar and Kuwait. The willingness of GCC governments to support banks in a crisis remains very high, and most have ample capacity to provide support thanks to large sovereign wealth funds. (Source: Moody's)

**Fitch Ratings: Pressured Earnings, Stable Capital at GCC Islamic Banks in 2022** – Fitch Ratings says the 2022 sector outlook for Gulf Cooperation Council (GCC) Islamic banks is neutral, reflecting a modest economic recovery and higher oil prices. Fitch expects continued profitability pressures. Asset quality is not expected to deteriorate sharply following the end of forbearance measures. Capital buffers and liquidity are expected to remain stable and adequate for the risks. Negative Outlooks and Watches are mostly in Kuwait and Qatar. The Rating Watch Negative on all rated Qatari Islamic banks reflects their increasing reliance on external funding and rapid asset growth, which may have moderately weakened the sovereign's ability to support the banking system, if needed. The Negative Outlook on all Kuwaiti Islamic banks reflects the Negative Outlook on the sovereign, in turn driven by near-term liquidity risk given the depletion of liquid assets in the absence of a debt law. (Source: Fitch Ratings)

**Fitch Revises Jordan's Outlook to Stable; Affirms at 'BB-'** – Fitch Ratings has revised the Outlook on Jordan's Long-Term Foreign-Currency Issuer Default Rating (IDR) to Stable from Negative and affirmed the IDR at 'BB-'. The revision of the Outlook reflects Jordan's progress on fiscal consolidation and the post-pandemic economic recovery and Fitch's expectation that continued fiscal and economic reforms will ultimately result in stabilisation and then reduction of government debt/GDP. (Source: Fitch Ratings)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.29	-3.01	KSA	2025	1.51	-2.61
Abu Dhabi	2030	2.01	-4.14	KSA	2030	2.24	-2.45
Abu Dhabi	2050	2.96	-4.09	KSA	2050	3.47	-3.86
Bahrain	2026	4.22	-5.74	Oman	2025	3.38	1.69
Bahrain	2030	5.66	-6.82	Oman	2029	4.81	3.46
Bahrain	2047	7.32	-13.66	Oman	2048	6.61	1.62
Dubai	2029	2.53	-1.55	Qatar	2025	1.38	-3.62
Kuwait	2022	-0.03	-2.25	Qatar	2030	2.15	-5.09
Kuwait	2027	1.63	-4.35	Qatar	2050	3.04	-4.22

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.80	8.08	0.03	0.66
S&P MENA Bond and Sukuk Index	2.39	NA	-0.13	0.19
Bloomberg Emerging Markets USD Index	4.51	6.80	0.26	-1.70
Bloomberg Global Aggregate Index	1.26	7.42	-0.11	-4.46

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	08/12/2021	31/12/2020	08/12/2021	31/12/2020	08/12/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8471	0.8175	0.8971	0.8700	0.9714	0.9413
BHIBOR	1.5167	2.2500	1.6017	2.5333	1.7667	2.6833
QATAR	1.1250	1.1206	1.2000	1.1960	1.3400	1.3636
AEIBOR	0.3669	0.5125	0.5425	0.4908	0.6956	0.6538
EURIBOR	-0.5620	-0.5450	-0.5430	-0.5260	-0.4990	-0.4990
LIBOR	0.1900	0.2384	0.2763	0.2576	0.4655	0.3419

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.4514	-0.11	134.5	KWD	0.3026	0.0000	0.23	Gold	1,790.00	-6.48
2-Year	0.9016	-0.65	355.8	SAR	3.7517	-0.0027	0.01	Silver	22.51	-15.83
5-Year	1.3582	-1.67	215.9	BHD	0.3771	0.0000	0.00	Copper	433.90	23.25
7-Year	1.4632	-1.63	123.5	QAR	3.6416	-0.0082	-0.01	Nat. Gas	3.78	25.68
10-Year	1.5543	-1.51	68.0	OMR	0.3851	0.0000	-0.01	Aluminum	2,640.24	31.52
30-Year	1.6472	-1.88	17.5	AED	3.6731	0.0000	0.00	Crude Oil	75.23	49.00

US Treasuries			UK Gilts			German Bunds		
Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)	
2-Year	0.68	0.03	0.44	0.01		-8.76	0.00	
5-Year	1.24	0.09	0.56	0.01		-0.74	-0.06	
10-Year	1.46	0.16	0.73	0.04		-0.50	-0.14	
30-Year	1.78	0.51	0.80	0.52		-0.13	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	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	8-Dec 2021	31-Dec 2020
Kuwait	43.49	40.69
KSA	51.09	63.77
Abu Dhabi	42.41	36.03
Dubai	86.75	104.06
Qatar	42.12	36.70
Bahrain	293.12	233.58
Oman	260.23	353.60
Iraq	578.01	542.74
Egypt	501.65	330.47
Morocco	89.48	102.56
Turkey	494.36	299.47
US	12.20	11.52
UK	9.16	15.13
China	47.87	26.70
Japan	16.65	14.74
Germany	7.54	9.09
France	18.61	14.42