

## News Updates

**Kuwait inflation hits decade high as food prices soar by 7.2%** – Inflation in Kuwait has reached a decade high as food prices, consumer price index and housing service prices rose in the state. Markaz subsidiary Marmore said inflation in the food and beverage sector was 7.2 percent year on year in December 2021, with prices rising continuously since May 2020 due to supply chain disruption, now likely to be further compounded by conflict in Ukraine, a major global wheat supplier, following the Russian invasion. But food prices are the major factor that are driving inflation, with labour shortage also contributing to the increases, the report said. "It is worth noting that the outlook for food prices remains unfavorable," Marmore said. "Among the GCC countries, Kuwait and Saudi Arabia experienced inflation in food prices from the start of 2020 on the back of a rise in international food prices, however, the remaining GCC countries mostly experienced flat food prices." (Source: Zawya)

**Fitch: War in Ukraine Heightens Egypt's External Vulnerabilities** – Egypt will suffer reduced tourism inflows, higher food prices and greater financing challenges as a result of Russia's invasion of Ukraine, says Fitch Ratings. The crisis aggravates Egypt's vulnerability to outflows of non-resident investment from its local-currency bond market. (Source: Fitch Ratings)

**Ukraine War Adds to Tunisia's Economic Woes as It Seeks IMF Help** – Tunisia will need more financing for its budget as the war in Ukraine sends commodity and energy prices soaring, the central bank said, announcing it had left its benchmark interest rate unchanged. The regulator's board called for "extreme caution" and the "adoption of a proactive approach" to offset the conflict's impact, Banque de Tunisie said in a statement following an emergency meeting late on Monday. Without such measures, Tunisia may see "a worsening of the balance of current operations' deficit and exacerbation of inflationary pressure over the forthcoming period," it said. (Source: Bloomberg)

**Oil price benchmarks fall below \$100, first time in weeks** – Oil prices tumbled more than 6% on Tuesday to their lowest in almost three weeks, as Russia suggested it would allow a revival of the Iran nuclear deal to go forward and as traders worried growing pandemic lockdowns in China could dent demand. Both Brent and U.S. crude futures benchmarks settled below \$100 per barrel for the first time since late February. Since reaching 14-year highs on March 7, Brent has slid nearly \$40 and WTI more than \$30. Trading has been extremely volatile since Russia invaded Ukraine more than two weeks ago. During the session, Brent futures plummeted \$6.99, or 6.5%, to settle at \$99.91 a barrel. U.S. West Texas Intermediate (WTI) crude fell \$6.57, or 6.4%, to settle at \$96.44 a barrel. Brent fell as low as \$97.44 and WTI hit \$93.53, their lowest since Feb. 25. (Source: Reuters)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.20	-2.81	KSA	2027	2.48	-3.22
Abu Dhabi	2031	2.55	-4.60	KSA	2032	2.93	-4.82
Abu Dhabi	2050	3.53	-9.92	KSA	2050	4.16	-11.46
Bahrain	2028	5.04	-2.04	Oman	2027	4.73	-2.46
Bahrain	2032	6.22	-3.73	Oman	2032	5.65	-2.99
Bahrain	2051	7.41	-6.80	Oman	2051	6.86	-3.68
Dubai	2029	3.00	-3.33	Qatar	2026	3.09	-6.04
Kuwait	2022	-21.94	-0.53	Qatar	2030	2.73	-4.52
Kuwait	2027	2.27	-3.26	Qatar	2050	3.66	-10.08

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.55	8.08	-0.30	-4.62
S&P MENA Bond and Sukuk Index	3.16	NA	-0.36	-4.87
Bloomberg Emerging Markets USD Index	5.82	6.80	-0.24	-11.01
Bloomberg Global Aggregate Index	2.01	7.42	-0.05	-6.04

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	16/03/2022	31/12/2021	16/03/2022	31/12/2021	16/03/2022	31/12/2021
KIBOR	1.5000	1.5000	1.7500	1.7500	2.0625	2.0000
SAIBOR	1.9002	0.9057	1.9725	0.9829	2.2145	1.0600
BHIBOR	1.6000	1.5167	1.9033	1.6233	2.4000	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	0.8551	0.3645	1.2084	0.7000	1.6375	0.7396
EURIBOR	-0.5000	-0.5730	-0.4130	-0.5460	-0.2580	-0.4980
LIBOR	0.8847	0.2144	1.1750	0.3451	1.6569	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	1.6023	0.37	199.5	KWD	0.3041	0.0493	-0.49	Gold	1,918.90	4.80
2-Year	2.0758	-0.57	120.5	SAR	3.7526	-0.0107	0.09	Silver	25.00	6.92
5-Year	2.1866	-0.88	59.7	BHD	0.3770	0.0027	0.01	Copper	452.80	1.67
7-Year	2.2024	-0.59	49.2	QAR	3.6420	0.0055	0.01	Nat. Gas	4.62	31.65
10-Year	2.2385	-0.33	41.6	OMR	0.3850	0.0000	-0.06	Aluminum	3,266.00	16.37
30-Year	2.2387	-0.44	29.3	AED	3.6730	0.0054	0.00	Crude Oil	101.11	31.48

US Treasuries			UK Gilt		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	1.84	0.03	1.35	0.05	NA	NA
5-Year	2.10	0.05	1.34	0.08	-0.34	0.19
10-Year	2.14	0.03	1.57	0.19	0.14	0.35
30-Year	2.48	0.08	1.74	0.24	0.49	0.47

	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	B-
Morocco	Ba1	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	16-Mar 2022	31-Dec 2021
Kuwait	53.08	40.53
KSA	48.79	50.97
Abu Dhabi	48.51	43.09
Dubai	97.06	89.58
Qatar	47.94	42.55
Bahrain	286.33	286.32
Oman	239.72	254.42
Iraq	402.07	507.35
Egypt	707.00	496.58
Morocco	95.63	85.91
Turkey	609.08	555.46
US	15.00	10.01
UK	14.27	8.91
China	69.59	39.86
Japan	17.08	16.23
Germany	14.84	7.53
France	23.57	17.87