

## News Updates

**Gulf States Push Yemen Peace Talks With \$3 Billion Pledge** – Gulf states pledged \$3 billion to Yemen after the country's president handed over powers to a transitional council, the latest effort by Saudi Arabia and its allies to disentangle themselves from a conflict that has hit their vital oil facilities. Yemen's President Abd Rabbuh Mansur Hadi, who headed the internationally-recognized government, delegated his powers to the transitional council after firing his deputy, state-controlled Saba news agency reported. Saudi Arabia "urges the presidential council to start negotiations with the Houthis, under the supervision of the United Nations, to reach a final and comprehensive political solution which includes a transitional period that will move Yemen to peace and development," according to the Saudi Press Agency. *(Source: Bloomberg)*

**Fed Lays Out Plan to Prune Balance Sheet by \$1.1 Trillion a Year** – Federal Reserve officials laid out a long-awaited plan to shrink their balance sheet by more than \$1 trillion a year while raising interest rates "expeditiously" to counter the hottest inflation in four decades. The roadmap for reducing the assets they bought during the pandemic was spelled out on Wednesday in minutes of their March meeting, when officials raised rates by a quarter point. They debated going bigger but chose caution in light of the uncertainty caused by Russia's invasion of Ukraine, the record of their discussion showed. In addition, "many" who attended the March 15-16 Federal Open Market Committee meeting viewed one or more half-point increases as possibly appropriate going forward if price pressures fail to moderate. Analysts saw this as evidence that officials now fear that they should have acted sooner against inflation and are now in a hurry to get their main rate -- currently in a target range of 0.25% to 0.5% -- up to neutral, the theoretical level that neither speeds up the economy or slows it down. *(Source: Bloomberg)*

**Commodities Could Soar 40% as Investors Pivot, JPMorgan Predicts** – Commodities could surge by as much 40% -- taking them far into record territory -- should investors boost their allocation to raw materials at a time of rising inflation, according to JPMorgan Chase & Co. While allocations appear to be above historical averages on commodities, they are not very overweight, according to strategists led by Nikolaos Panigirtzoglou. That suggests scope for gains in raw materials, they said. Commodities soared to a record last month as Russia's invasion of Ukraine roiled markets, boosting the prices of everything from oil to wheat. That's helped to spur already elevated global inflation and a tougher response from the Federal Reserve, prompting investors to weigh reshuffling the weighting of assets between stocks, bonds and raw materials in their portfolios. "In the current juncture, where the need for inflation hedges is more elevated, it is conceivable to see longer-term commodity allocations eventually rising above 1% of total financial assets globally, surpassing the previous highs," the JPMorgan strategists wrote in an April 6 note. All else being equal, that "would imply another 30% to 40% upside for commodities from here," they said. *(Source: Bloomberg)*

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.75	-5.42	KSA	2027	2.81	-4.64
Abu Dhabi	2031	2.87	-7.00	KSA	2032	3.17	-6.72
Abu Dhabi	2050	3.68	-12.06	KSA	2050	4.21	-11.78
Bahrain	2028	4.81	-0.99	Oman	2027	4.54	-1.71
Bahrain	2032	5.88	-1.15	Oman	2032	5.35	-0.84
Bahrain	2051	7.00	-1.82	Oman	2051	6.62	-0.63
Dubai	2029	3.34	-5.32	Qatar	2026	2.81	-4.76
Dubai	2050	4.67	-9.12	Qatar	2030	3.16	-6.83
Kuwait	2027	2.77	-5.39	Qatar	2050	3.76	-11.26

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.82	8.08	-0.34	-5.57
S&P MENA Bond and Sukuk Index	3.49	NA	-0.35	-6.22
Bloomberg Emerging Markets USD Index	5.72	6.80	-0.35	-9.90
Bloomberg Global Aggregate Index	2.30	7.42	-0.44	-7.77

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	07/04/2022	31/12/2021	07/04/2022	31/12/2021	07/04/2022	31/12/2021
KIBOR	1.6875	1.5000	1.9375	1.7500	2.1875	2.0000
SAIBOR	2.4817	0.9057	2.4128	0.9829	2.7512	1.0600
BHIBOR	1.9133	1.5167	2.1633	1.6233	2.8133	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	1.0374	0.3645	1.7400	0.7000	2.2443	0.7396
EURIBOR	-0.4670	-0.5730	-0.3750	-0.5460	-0.0930	-0.4980
LIBOR	0.9666	0.2144	1.4749	0.3451	2.2279	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.0549	-2.00	284.1	KWD	0.3047	0.0492	-0.71	Gold	1,928.80	5.20
2-Year	2.6742	-2.79	184.1	SAR	3.7508	0.0053	0.13	Silver	24.45	4.55
5-Year	2.6855	-4.60	96.1	BHD	0.3771	0.0053	-0.01	Copper	472.55	6.11
7-Year	2.6356	-4.46	78.6	QAR	3.6414	0.0055	0.01	Nat. Gas	6.16	74.61
10-Year	2.6023	-4.05	64.6	OMR	0.3850	0.0078	-0.06	Aluminum	3,422.51	21.95
30-Year	2.3914	-2.91	38.1	AED	3.6730	0.0082	0.00	Crude Oil	102.60	34.31

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.43	0.09	1.41	0.05	NA	NA
5-Year	2.63	0.23	1.47	0.12	0.05	0.08
10-Year	2.56	0.34	1.67	0.29	0.49	0.21
30-Year	2.60	0.59	1.80	0.32	0.74	0.26

## 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	BB-	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	07-Apr 2022	31-Dec 2021
Kuwait	49.30	40.53
KSA	49.88	50.97
Abu Dhabi	48.25	43.09
Dubai	91.63	89.58
Qatar	48.90	42.55
Bahrain	285.13	286.32
Oman	222.63	254.42
Iraq	317.89	507.35
Egypt	529.53	496.58
Morocco	98.61	85.91
Turkey	586.51	555.46
US	15.78	10.01
UK	12.33	8.91
China	61.71	39.86
Japan	16.49	16.23
Germany	12.45	7.53
France	27.43	17.87