

## News Updates

**Moody's changes Gulf Insurance Group's outlook to positive –** Moody's Investors Service ("Moody's") has affirmed the A3 insurance financial strength rating (IFSR) of Gulf Insurance Group K.S.C.P. (GIG), the operating holding company of a Kuwait-based group with operations across the Middle East and North Africa (MENA) region, and changed the outlook to positive from negative. The rating agency has also affirmed the A3 IFSR of GIG's main subsidiary in Kuwait 'Gulf Insurance and Reinsurance Company K.S.C.' (GIRI) and changed the outlook to positive from stable, while it affirmed the Ba2 IFSR of its subsidiary in Egypt 'GIG Insurance - Egypt (S.A.E.)' (GIG Insurance - Egypt) with stable outlook. The rating action follows the closing of the acquisition of AXA's operation in the Gulf Cooperation Countries (GCC) of Saudi Arabia, United Arab Emirates, Qatar, Oman and Bahrain. The transaction was first announced on 30 November 2020 and was completed on 6 September 2021 for a consideration of approximately \$475 million, after obtaining all regulatory approvals. (Source: Moody's)

**Egypt seeks to settle \$5.17bn external debts in H1 2022: CBE –** Egypt is aiming at settling short-term external debts worth \$5 billion in the first half (H1) of 2022, Amwal Al Ghad reported, citing a report released by the Central Bank of Egypt (CBE). The total external debt being repaid by Egypt amounts to around \$13.772 billion, the CBE revealed in the report. The short-term debts due in January 2022 are valued at around \$162.93 million, while the debts due in February 2022 are valued at about \$3.377 billion, according to the report. Meanwhile, the short-term debts due in March 2022 amount to \$360.3 million, and the debts due in April are valued at about \$57.77 million, the CBE said. The report also mentioned that the value of Egypt's short-term debts due in June 2022 exceeds \$1.138 billion. It is worth noting that Egypt's external debts rose to nearly \$137.859 billion at the end of June 2021, up by \$14.369 billion from \$123.49 billion at the end of June 2020. (Source: Arab Finance)

**S&P Publishes Emerging Markets Economic Outlook For Q1 2022 –** S&P Global Ratings (S&P) lowered its 2022 real GDP growth forecast for emerging markets (EMs; excluding China and India) by 0.1 percentage point (ppt) to 3.5%, largely reflecting a 0.5 ppt downward revision to Latin America's growth, discussed in their report published yesterday, "Economic Outlook Emerging Markets Q1 2022: Recovery Isn't Yet Complete While COVID-19 And Inflation Risks Remain Front And Center." Their forecasts for 2023 and 2024 remain broadly unchanged, averaging 3.1%. S&P states most economies in EMs should grow at above-trend rate in 2022, given that recovery from the COVID-related downturn isn't yet complete, and some sectors continue to operate below capacity. Risks to their growth outlook are squarely on the downside and include a delayed exit from the pandemic, a deeper slowdown in China, and bumpy transition from recovery-related ultra-accommodative policies to generally tighter steady-state expansion policies. (Source: S&P Global Ratings)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.30	-3.05	KSA	2025	1.53	-2.58
Abu Dhabi	2030	2.06	-4.44	KSA	2030	2.34	-3.24
Abu Dhabi	2050	3.00	-4.88	KSA	2050	3.53	-4.73
Bahrain	2026	4.22	-5.72	Oman	2025	3.72	0.72
Bahrain	2030	5.85	-7.90	Oman	2029	5.26	0.65
Bahrain	2047	7.45	-15.04	Oman	2048	7.02	-3.29
Dubai	2029	2.60	-1.85	Qatar	2025	1.38	-3.60
Kuwait	2022	-0.30	-2.15	Qatar	2030	2.21	-5.40
Kuwait	2027	1.66	-4.48	Qatar	2050	3.17	-6.16

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.84	8.08	0.23	0.04
S&P MENA Bond and Sukuk Index	2.44	NA	0.08	-0.37
Bloomberg Emerging Markets USD Index	4.56	6.80	0.13	-2.60
Bloomberg Global Aggregate Index	1.24	7.42	0.22	-4.57

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	01/12/2021	31/12/2020	01/12/2021	31/12/2020	01/12/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8457	0.8175	0.8971	0.8700	0.9686	0.9413
BHIBOR	1.5167	2.2500	1.6017	2.5333	1.7667	2.6833
QATAR	1.1700	1.1206	1.2101	1.1960	1.3309	1.3636
AEIBOR	0.3487	0.5125	0.5825	0.4908	0.6575	0.6538
EURIBOR	-0.5700	-0.5450	-0.5360	-0.5260	-0.5040	-0.4990
LIBOR	0.1709	0.2384	0.2460	0.2576	0.4199	0.3419

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.4024	1.54	109.0	KWD	0.3027	0.0000	0.21	Gold	1,780.40	-6.98
2-Year	0.8335	2.92	321.4	SAR	3.7524	-0.0053	-0.01	Silver	22.88	-14.44
5-Year	1.3205	3.52	207.1	BHD	0.3771	0.0053	-0.01	Copper	433.90	23.25
7-Year	1.4467	3.06	121.0	QAR	3.6420	-0.0082	-0.01	Nat. Gas	4.59	52.76
10-Year	1.5495	2.75	67.5	OMR	0.3850	0.0000	0.01	Aluminum	2,640.50	31.53
30-Year	1.6590	2.38	18.3	AED	3.6731	0.0000	0.00	Crude Oil	70.85	40.32
US Treasuries				UK Gilts				German Bunds		
	Yield %	1D Δ (%)			Yield %	1D Δ (%)			Yield %	1D Δ (%)
2-Year	0.59	-0.05			0.46	0.05			-2.08	0.00
5-Year	1.20	-0.17			0.61	0.15			-0.76	-0.03
10-Year	1.47	-0.26			0.81	0.46			-0.50	0.16
30-Year	1.82	-0.56			0.85	2.30			-0.10	2.27

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	1-Dec 2021	31-Dec 2020
Kuwait	48.43	40.69
KSA	53.46	63.77
Abu Dhabi	44.52	36.03
Dubai	89.14	104.06
Qatar	44.54	36.70
Bahrain	286.10	233.58
Oman	269.97	353.60
Iraq	690.29	542.74
Egypt	502.26	330.47
Morocco	91.45	102.56
Turkey	506.98	299.47
US	14.95	11.52
UK	9.23	15.13
China	53.61	26.70
Japan	16.54	14.74
Germany	7.95	9.09
France	18.82	14.42