

News Updates

Saudi National Bank to issue dollar denominated sukuk – Saudi National Bank, the kingdom's largest banking group, has announced plans to issue US dollar-denominated senior unsecured Islamic bonds (or sukuk) under its international sukuk program. The amount and terms of offer of the sukuk will be determined later subject to the market conditions, the bank said in a statement on the Saudi stock exchange on Monday. The proposed issuance, the proceeds of which will be utilized for general corporate purposes, is expected to be through a special purpose vehicle and will be open to eligible investors in the kingdom and internationally, it added. The bank has mandated Citigroup Global Markets Ltd., Emirates NBD Bank PJSC, Goldman Sachs International, HSBC Bank plc, Mizuho International plc and SNB Capital Company as joint lead managers & bookrunners to the proposed offering. *(Source: Zawya)*

Moody's, S&P rate Abu Dhabi Sweihan's proposed \$728m bonds stable – S&P Global Ratings and Moody's Investors Service have rated Abu Dhabi-based solar energy firm Sweihan PV Power Co.'s (SPPC) proposed bonds stable. SPPC, a UAE-based limited-purpose entity that owns, operates, and maintains the Noor photovoltaic (PV) power plant in Abu Dhabi, plans to sell \$728 million of fixed-rate senior secured bonds due 2049. The proceeds of the bonds will be used to refinance existing debt, pay transaction expenses, fund the debt service reserve account and make a distribution to shareholders. S&P Global Ratings has assigned its preliminary 'BBB+' rating to the proposed notes, indicating they are investment grade. The stable outlook reflects the expectation of steady cash flows supported by the project's power purchase agreement (PPA) that eliminates market and price risk exposure, and the proven technology of the asset. Similarly, Moody's has a Baa1 rating on SPPC, indicating medium-grade and subject to moderate credit risk. According to the rating agency this reflects the robustness of the PPA arrangement and the proven technology of the project. *(Source: Zawya)*

Powell Makes Case for Fed Curbing Inflation While Doing No Harm – Federal Reserve Chair Jerome Powell sought to reassure lawmakers and investors on Tuesday that the central bank can pull off the tricky task of bringing down four-decade high inflation without damaging the U.S. economy. In a congressional confirmation hearing, Powell said the Fed was on course to begin raising interest rates from near zero and reducing its \$8.8 trillion balance sheet. But he portrayed those steps as a move away from an ultra-expansionary emergency policy put in place to fight the pandemic, not as a shift to a restrictive stance aimed at cooling off an over-heating economy. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.44	-0.81	KSA	2025	1.84	-1.21
Abu Dhabi	2030	2.20	-1.71	KSA	2030	2.55	-2.41
Abu Dhabi	2050	3.18	-4.08	KSA	2050	3.67	-3.91
Bahrain	2026	4.41	-0.84	Oman	2025	3.50	-0.66
Bahrain	2030	5.85	-1.54	Oman	2029	5.06	-2.18
Bahrain	2047	7.52	-2.39	Oman	2048	6.86	-3.74
Dubai	2029	2.67	-1.04	Qatar	2025	1.63	-0.83
Kuwait	2022	-0.51	-0.09	Qatar	2030	2.28	-1.50
Kuwait	2027	1.78	-0.70	Qatar	2050	3.28	-3.74

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.98	8.08	0.10	-1.57
S&P MENA Bond and Sukuk Index	2.57	NA	0.09	-1.67
Bloomberg Emerging Markets USD Index	4.55	6.80	0.06	-1.71
Bloomberg Global Aggregate Index	1.46	7.42	0.10	-1.13

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	12/01/2022	30/12/2021	12/01/2022	30/12/2021	12/01/2022	30/12/2021
KIBOR	1.5000	1.5000	1.7500	1.7500	2.0000	2.0000
SAIBOR	0.9186	0.9057	1.0114	0.9829	1.1043	1.0600
BHIBOR	1.5167	1.5167	1.6233	1.6233	1.7667	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3000	1.3250
AEIBOR	0.3900	0.3645	0.6330	0.7000	0.8448	0.7396
EURIBOR	-0.5700	-0.5730	-0.5310	-0.5460	-0.4890	-0.4980
LIBOR	0.2383	0.2144	0.3830	0.3451	0.6769	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.6351	0.76	18.7	KWD	0.3026	0.0000	-0.02	Gold	1,818.00	-0.58
2-Year	1.0930	0.46	16.1	SAR	3.7538	0.0000	0.06	Silver	22.79	-2.43
5-Year	1.5947	0.05	16.4	BHD	0.3771	-0.0080	-0.01	Copper	446.05	-0.07
7-Year	1.7108	-0.04	15.9	QAR	3.6416	-0.0082	0.00	Nat. Gas	4.22	13.14
10-Year	1.8041	-0.14	14.1	OMR	0.3850	0.0000	0.00	Aluminum	2,961.25	5.65
30-Year	1.9058	0.51	10.1	AED	3.6731	-0.0082	-0.01	Crude Oil	83.61	7.50

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.89	-0.01	0.82	0.00	NA	NA
5-Year	1.50	0.02	0.99	0.04	-0.56	-0.04
10-Year	1.73	0.02	1.17	0.17	-0.21	-0.11
30-Year	2.09	0.11	1.30	-0.41	0.26	-0.31

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	12-Jan 2022	31-Dec 2021
Kuwait	45.96	40.53
KSA	48.55	50.97
Abu Dhabi	45.41	43.09
Dubai	88.81	89.58
Qatar	44.75	42.55
Bahrain	282.22	286.32
Oman	245.03	254.42
Iraq	472.91	507.35
Egypt	510.57	496.58
Morocco	89.33	85.91
Turkey	569.80	555.46
US	10.18	10.01
UK	9.16	8.91
China	41.80	39.86
Japan	16.10	16.23
Germany	7.52	7.53
France	17.74	17.87