

## News Updates

### Sovereign sukuk to fall to \$73bln this year; Saudi Arabia leads decline:

**Moody's** – Global sovereign sukuk issuance is expected to drop to \$73 billion this year on the back of narrowed fiscal deficits, Moody's said in a report on Tuesday. The rating agency added that the total sukuk value stood at \$88 billion last year and is anticipated to dip to \$75 billion in 2023. "We expect issuance to fall as government deficits continue to narrow because of higher oil prices, lower coronavirus-related expenditure, and accelerating economic activity in core sukuk-issuing countries," said Senior Analyst, Alexander Perjessy. "Issuance volumes already dropped 22 percent in 2021, with the largest decline from the Gulf Cooperation Council sovereigns, mainly Saudi Arabia," Perjessy noted. Moody's sees the total government deficit of Sukuk-issuing sovereigns in Saudi Arabia, Malaysia, Indonesia, and Turkey dropping to \$92 billion this year, down from \$118 billion in 2021. GCC sovereigns are likely to see a surplus of \$50 billion in 2022, compared to a surplus of \$13 billion last year and a deficit of \$112 billion in 2020, according to the rating agency. (Source: Zawya)

**Oil settles near 2014 high on Russia-Ukraine escalation** – Oil rose to nearly \$100 a barrel on Tuesday, reaching its highest level since 2014 after Moscow ordered troops into two breakaway regions in eastern Ukraine. Benchmark Brent futures pared gains in late trading after Western governments announced sanctions aimed at stopping what they fear is the beginning of a full-scale Russian invasion. Global benchmark Brent crude traded as high as \$99.50 a barrel, its highest since September 2014, before settling at \$96.84 with a \$1.52, or 1.5%, gain. The United States and Britain announced sanctions targeting Russian banks, while the European Union blacklisted more politicians and Germany put the brakes on the \$11 billion Nord Stream 2 gas pipeline project. (Source: Reuters)

**U.S. Treasuries yields rise after Russian move on Ukraine regions** – A strong rally in U.S. Treasuries on Tuesday, driven by an initial bid in safe-haven assets after Russia ordered troops into breakaway parts of eastern Ukraine, reversed as investors took a more cautious approach to assess further developments. Germany froze a new gas pipeline and Britain hit Russian banks with sanctions as the West responded to Russia's recognition of the two Ukrainian regions as independent. The yield on 10-year U.S. Treasury notes rose 2.1 basis points to 1.951%, after an early morning price jump sent yields below 1.85% at one point. The closely watched yield curve measuring the gap between yields on two- and 10-year Treasury notes flattened further and was last at 42.1 basis points. (Source: Reuters)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.14	-2.48	KSA	2027	2.29	-2.50
Abu Dhabi	2031	2.49	-4.17	KSA	2032	2.78	-3.59
Abu Dhabi	2050	3.43	-8.21	KSA	2050	3.96	-8.40
Bahrain	2028	5.05	-2.22	Oman	2027	4.76	-2.54
Bahrain	2032	6.23	-3.86	Oman	2032	5.79	-3.99
Bahrain	2051	7.34	-5.93	Oman	2051	7.03	-5.64
Dubai	2029	2.82	-2.03	Qatar	2026	2.17	-2.47
Kuwait	2022	-1.49	-0.36	Qatar	2030	2.68	-3.81
Kuwait	2027	2.20	-2.79	Qatar	2050	3.52	-7.56

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.36	8.08	0.01	-3.54
S&P MENA Bond and Sukuk Index	2.94	NA	0.10	-3.73
Bloomberg Emerging Markets USD Index	5.08	6.80	-0.39	-4.43
Bloomberg Global Aggregate Index	1.80	7.42	-0.16	-3.18

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	23/02/2022	31/12/2021	23/02/2022	31/12/2021	23/02/2022	31/12/2021
KIBOR	1.5000	1.5000	1.7500	1.7500	2.0000	2.0000
SAIBOR	1.3418	0.9057	1.3871	0.9829	1.7329	1.0600
BHIBOR	1.5667	1.5167	1.6500	1.6233	1.7833	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	0.6089	0.3645	0.9620	0.7000	1.3037	0.7396
EURIBOR	-0.5270	-0.5730	-0.4820	-0.5460	-0.3320	-0.4980
LIBOR	0.4639	0.2144	0.7583	0.3451	1.2577	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	1.2492	-0.21	133.5	KWD	0.3025	0.0331	0.02	Gold	1,897.90	3.65
2-Year	1.7507	0.06	86.0	SAR	3.7522	-0.0027	0.09	Silver	24.15	3.27
5-Year	1.9507	0.03	42.4	BHD	0.3770	0.0000	0.01	Copper	453.45	1.82
7-Year	1.9740	-0.82	33.8	QAR	3.6416	-0.0082	0.00	Nat. Gas	4.54	27.75
10-Year	2.0255	0.00	28.1	OMR	0.3850	0.0000	-0.06	Aluminum	3,316.50	18.11
30-Year	2.0528	0.28	18.6	AED	3.6730	0.0000	0.00	Crude Oil	97.07	25.49

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	1.58	0.01	1.32	-0.10	NA	NA
5-Year	1.86	0.01	1.35	-0.25	-0.32	-0.14
10-Year	1.94	0.02	1.47	-0.52	0.08	-0.28
30-Year	2.24	0.04	1.54	-1.13	0.46	-0.53

## 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	23-Feb 2022	31-Dec 2021
Kuwait	52.51	40.53
KSA	52.54	50.97
Abu Dhabi	51.61	43.09
Dubai	96.34	89.58
Qatar	50.89	42.55
Bahrain	295.41	286.32
Oman	237.48	254.42
Iraq	394.42	507.35
Egypt	534.86	496.58
Morocco	90.59	85.91
Turkey	542.30	555.46
US	10.08	10.01
UK	8.89	8.91
China	53.38	39.86
Japan	16.16	16.23
Germany	6.34	7.53
France	20.72	17.87