

## News Updates

**Saudi Arabia's biggest lender hires banks for sustainable sukuk - document** – Saudi National Bank, the kingdom's biggest lender, has mandated banks to arrange investor meetings ahead of a planned issuance of inaugural sustainable Islamic bonds or sukuk, a document seen by Reuters showed. SNB has mandated HSBC as sole ESG structuring agent, and Citigroup, Emirates NBD Capital, Goldman Sachs, HSBC, Mizuho Securities and SNB Capital as joint lead managers and joint bookrunners arranged investor meetings started on Monday, the document said. After the meetings, an offering of U.S. dollar-denominated benchmark size five-year sustainable senior unsecured sukuk will follow, subject to market conditions, it said. *(Source: Reuters)*

**Abu Dhabi solar firm Sweihan aims to raise over \$700m with green bond issue** – Abu Dhabi solar energy firm Sweihan PV Power Company aims to raise more than \$700 million through the sale of amortising green bonds, an investor presentation reviewed by Reuters on Monday showed. Sweihan owns the Noor Abu Dhabi solar plant, the largest such facility in the United Arab Emirates, which began commercial operations in 2019. The company is 60% indirectly owned by Abu Dhabi's TAQA, while Japan's Marubeni Corp and China's JinkoSolar own 20% each. TAQA is 98.6% owned by the Abu Dhabi government. An offering of U.S. dollar-denominated fixed-rate amortising green bonds with a final maturity on Jan. 31, 2049, and a 15-year weighted average life will follow, subject to market conditions, a document from one of the banks on the deal showed. The proposed transaction is to issue \$728 million, though the size could be between \$710 million and \$750 million, the investor presentation showed. The debt issue was billed as a "rare certified green bond offering out of the region" in the investor presentation, which said the project will have saved 9 million metric tons of carbon dioxide from being emitted between 2020 and 2030. *(Source: Reuters)*

**Goldman predicts the Fed will hike rates four times this year, more than previously expected** – Persistently high inflation combined with a labor market near full employment will push the Federal Reserve to raise interest rates more than expected this year, according to the latest forecast from Goldman Sachs. The Wall Street firm's chief economist, Jan Hatzius, said in a note Sunday that he now figures the Fed to enact four quarter-percentage point rate hikes in 2022, representing an even more aggressive path than the central bank's indications of just a month ago. The Fed's benchmark overnight borrowing rate is currently anchored in a range between 0%-0.25%, most recently around 0.08%. "Declining labor market slack has made Fed officials more sensitive to upside inflation risks and less sensitive to downside growth risks," Hatzius wrote. "We continue to see hikes in March, June, and September, and have now added a hike in December for a total of four in 2022." Goldman had previously forecast three hikes, in line with the level Fed officials had penciled in following their December meeting. *(Source: CNBC)*

## GCC Sovereign Yields

| Sovereigns | Maturity | Yield % | Price Δ (YTD %) | Sovereigns | Maturity | Yield % | Price Δ (YTD %) |
|------------|----------|---------|-----------------|------------|----------|---------|-----------------|
| Abu Dhabi  | 2025     | 1.40    | -0.67           | KSA        | 2025     | 1.79    | -0.99           |
| Abu Dhabi  | 2030     | 2.22    | -1.83           | KSA        | 2030     | 2.56    | -2.45           |
| Abu Dhabi  | 2050     | 3.21    | -4.45           | KSA        | 2050     | 3.72    | -4.53           |
| Bahrain    | 2026     | 4.41    | -0.81           | Oman       | 2025     | 3.47    | -0.60           |
| Bahrain    | 2030     | 5.85    | -1.51           | Oman       | 2029     | 5.05    | -2.11           |
| Bahrain    | 2047     | 7.52    | -2.37           | Oman       | 2048     | 6.84    | -3.54           |
| Dubai      | 2029     | 2.67    | -0.95           | Qatar      | 2025     | 1.63    | -0.84           |
| Kuwait     | 2022     | -0.19   | -0.11           | Qatar      | 2030     | 2.32    | -1.80           |
| Kuwait     | 2027     | 1.76    | -0.60           | Qatar      | 2050     | 3.31    | -4.23           |

## Bonds and Sukuk Indices

| Index Name                           | Yield % | Duration (yrs) | 1D Δ (%) | YTD Δ (%) |
|--------------------------------------|---------|----------------|----------|-----------|
| Bloomberg GCC FI Index               | 2.98    | 8.08           | -0.22    | -1.67     |
| S&P MENA Bond and Sukuk Index        | 2.57    | NA             | -0.16    | -1.76     |
| Bloomberg Emerging Markets USD Index | 4.56    | 6.80           | -0.26    | -1.77     |
| Bloomberg Global Aggregate Index     | 1.46    | 7.42           | -0.05    | -1.23     |

## Interbank Rates (%)

|         | 3 Months   |            | 6 Months   |            | 12 Months  |            |
|---------|------------|------------|------------|------------|------------|------------|
|         | 11/01/2022 | 30/12/2021 | 11/01/2022 | 30/12/2021 | 11/01/2022 | 30/12/2021 |
| KIBOR   | 1.5000     | 1.5000     | 1.7500     | 1.7500     | 2.0000     | 2.0000     |
| SAIBOR  | 0.9157     | 0.9057     | 1.0029     | 0.9829     | 1.0914     | 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  | 0.4300     | 0.3645     | 0.6618     | 0.7000     | 0.8515     | 0.7396     |
| EURIBOR | -0.5760    | -0.5730    | -0.5360    | -0.5460    | -0.4930    | -0.4980    |
| LIBOR   | 0.2361     | 0.2144     | 0.3764     | 0.3451     | 0.6617     | 0.5888     |

| USD Swap Rates |         |            |           | Currencies |         |            | Commodities  |           |          |           |  |
|----------------|---------|------------|-----------|------------|---------|------------|--------------|-----------|----------|-----------|--|
|                | Yield % | 1D Δ (bps) | YTD Δ (%) |            | USD     | 1D Δ (bps) | YTD Δ (%)    |           | USD      | YTD Δ (%) |  |
| 1-Year         | 0.6377  | 0.40       | 19.2      | KWD        | 0.3026  | 0.0331     | -0.02        | Gold      | 1,805.60 | -1.26     |  |
| 2-Year         | 1.1145  | 1.23       | 18.4      | SAR        | 3.7536  | 0.0080     | 0.06         | Silver    | 22.58    | -3.33     |  |
| 5-Year         | 1.6388  | 1.50       | 19.7      | BHD        | 0.3771  | -0.0053    | -0.01        | Copper    | 438.40   | -1.78     |  |
| 7-Year         | 1.7547  | 1.03       | 18.9      | QAR        | 3.6416  | -0.0082    | 0.00         | Nat. Gas  | 4.13     | 10.83     |  |
| 10-Year        | 1.8428  | 0.53       | 16.6      | OMR        | 0.3850  | 0.0000     | 0.00         | Aluminum  | 2,922.74 | 4.27      |  |
| 30-Year        | 1.9253  | -0.24      | 11.2      | AED        | 3.6730  | 0.0082     | 0.00         | Crude Oil | 81.26    | 4.47      |  |
| US Treasuries  |         |            |           | UK Gilts   |         |            | German Bunds |           |          |           |  |
|                | Yield % | 1D Δ (%)   |           |            | Yield % | 1D Δ (%)   |              |           | Yield %  | 1D Δ (%)  |  |
| 2-Year         | 0.91    | -0.02      |           |            | 0.82    | -0.02      |              |           | NA       | NA        |  |
| 5-Year         | 1.53    | -0.07      |           |            | 1.00    | -0.07      |              |           | -0.58    | -0.02     |  |
| 10-Year        | 1.77    | -0.04      |           |            | 1.19    | -0.10      |              |           | -0.22    | -0.06     |  |
| 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 | 11-Jan 2022 | 31-Dec 2021 |
|-------------|-------------|-------------|
| Kuwait      | 45.49       | 40.53       |
| KSA         | 49.18       | 50.97       |
| Abu Dhabi   | 45.42       | 43.09       |
| Dubai       | 87.09       | 89.58       |
| Qatar       | 44.80       | 42.55       |
| Bahrain     | 292.97      | 286.32      |
| Oman        | 250.69      | 254.42      |
| Iraq        | 490.82      | 507.35      |
| Egypt       | 500.62      | 496.58      |
| Morocco     | 88.29       | 85.91       |
| Turkey      | 577.94      | 555.46      |
| US          | 10.11       | 10.01       |
| UK          | 8.99        | 8.91        |
| China       | 42.65       | 39.86       |
| Japan       | 15.89       | 16.23       |
| Germany     | 7.62        | 7.53        |
| France      | 17.51       | 17.87       |