

News Updates

SAMA Governor says monetary conditions stable; banks' financial safety indicators strong – Saudi Arabia's monetary conditions are reassuring, thanks to its prudent monetary policy, said Fahd Al-Mubarak, Governor of the Saudi Central Bank (SAMA). On the occasion of announcing the 2022 budget, the governor said the banking sector has strong financial safety indicators, which signals its ability to face the current challenges. He added that the central bank will immediately provide the necessary support to achieve financial and monetary stability, when needed, through the available instruments, as per the monetary policy system and local liquidity management. *(Source: Argaam)*

Saudi Arabia expects stable debt levels in the medium term – The CEO of the National Center for Debt Management in Saudi Arabia, Hani Al-Madani, expected the stability of debt levels in the medium term, noting that the Kingdom's sukuk program has significantly expanded the investor base. Al-Madani said during Forum for the development of debt markets and future developments, in Riyadh yesterday, Tuesday, that Saudi Arabia aims to expand the investor base by entering the foreign investor in the local market. *(Source: Al Khaleej Today)*

Oil drops towards \$73 as Omicron concerns dominate – Oil prices dropped towards \$73 a barrel on Tuesday after the International Energy Agency (IEA) said that the Omicron coronavirus variant is set to dent the global demand recovery. U.S. data showing producer prices at 11-year highs confirmed market expectations of faster stimulus tapering to emerge from this week's Federal Reserve meeting, supporting the dollar and weighing on oil, which typically move inversely. Brent crude oil futures dropped 98 cents, or 1.32%, to \$73.41 a barrel by 1405 GMT. U.S. West Texas Intermediate (WTI) crude futures lost 93 cents, or 1.3%, to \$70.36. "The surge in new COVID-19 cases is expected to temporarily slow, but not upend, the recovery in oil demand that is under way," the Paris-based IEA said in its monthly oil report. The IEA lowered its forecast for oil demand this year and the next by 100,000 barrels per day (bpd) each. The Organization of the Petroleum Exporting Countries (OPEC) on Monday raised its world oil demand forecast for the first quarter of 2022 and stuck to its timeline for a return to pre-pandemic levels of oil use, saying the Omicron variant would have a mild and brief impact. *(Source: Reuters)*

U.S. Senate passes debt limit increase – The U.S. Senate on Tuesday voted to increase the nation's debt limit by \$2.5 trillion, to \$31.4 trillion, in a move that would prevent any defaults on Treasury Department debt in coming weeks. Senate passage clears the way for the House of Representatives to vote on the legislation and send it to President Joe Biden for signing into law following a protracted debate in Congress. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.25	-2.98	KSA	2025	1.55	-2.69
Abu Dhabi	2030	1.97	-3.88	KSA	2030	2.23	-2.40
Abu Dhabi	2050	2.93	-3.64	KSA	2050	3.40	-2.77
Bahrain	2026	4.21	-5.74	Oman	2025	3.32	1.83
Bahrain	2030	5.66	-6.80	Oman	2029	4.75	3.81
Bahrain	2047	7.32	-13.75	Oman	2048	6.57	2.05
Dubai	2029	2.55	-1.64	Qatar	2025	1.39	-3.72
Kuwait	2022	-0.22	-2.27	Qatar	2030	2.08	-4.69
Kuwait	2027	1.60	-4.30	Qatar	2050	3.01	-3.68

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.77	8.08	0.08	0.95
S&P MENA Bond and Sukuk Index	2.36	NA	0.24	0.65
Bloomberg Emerging Markets USD Index	4.49	6.80	-0.11	-1.49
Bloomberg Global Aggregate Index	1.26	7.42	-0.12	-4.44

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	15/12/2021	31/12/2020	15/12/2021	31/12/2020	15/12/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8671	0.8175	0.9129	0.8700	0.9943	0.9413
BHIBOR	1.5167	2.2500	1.6017	2.5333	1.7667	2.6833
QATAR	1.1000	1.1206	1.2000	1.1960	1.3500	1.3636
AEIBOR	0.4375	0.5125	0.5700	0.4908	0.7243	0.6538
EURIBOR	-0.6030	-0.5450	-0.5470	-0.5260	-0.5040	-0.4990
LIBOR	0.2028	0.2384	0.2951	0.2576	0.5050	0.3419

USD Swap Rates				Currencies			Commodities		
Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)	
1-Year	0.4446	0.27	131.0	KWD	0.3028	-0.0496	0.18	Gold	1,770.40
2-Year	0.8618	-0.18	335.7	SAR	3.7517	0.0000	0.01	Silver	21.90
5-Year	1.3296	-0.47	209.2	BHD	0.3771	-0.0080	-0.01	Copper	426.25
7-Year	1.4266	-0.58	117.9	QAR	3.6416	-0.0082	-0.01	Nat. Gas	3.78
10-Year	1.5210	-0.57	64.4	OMR	0.3850	0.0000	0.00	Aluminum	2,616.00
30-Year	1.6673	-0.49	18.9	AED	3.6727	0.0082	0.01	Crude Oil	72.74

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.65	0.01	0.42	-0.10	NA	0.00
5-Year	1.23	0.03	0.55	-0.19	-0.73	-0.05
10-Year	1.44	0.06	0.72	-0.25	-0.50	-0.11
30-Year	1.82	0.16	0.87	-0.95	-0.10	-0.34

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	15-Dec 2021	31-Dec 2020
Kuwait	40.54	40.69
KSA	51.13	63.77
Abu Dhabi	42.55	36.03
Dubai	86.56	104.06
Qatar	42.34	36.70
Bahrain	293.96	233.58
Oman	260.37	353.60
Iraq	518.62	542.74
Egypt	491.21	330.47
Morocco	85.92	102.56
Turkey	520.83	299.47
US	12.06	11.52
UK	8.94	15.13
China	43.37	26.70
Japan	16.47	14.74
Germany	7.95	9.09
France	18.70	14.42