

News Updates

Al Rajhi Bank closes offering of \$1.7bn Tier 1 sukuk bonds – Al Rajhi Bank has completed the issuance of SAR 6.5 billion (\$1.7 billion) perpetual Tier 1 sukuk bonds denominated in Saudi Riyals through a private placement in the Kingdom. The settlement of the offering will take place on Jan. 23, 2022, the bank said in a bourse filing. A fixed return of 3.5 percent per annum is to be paid to eligible parties until the reset date – five years from the settlement date. The sukuk may be redeemed by the bank in some cases as outlined in the offering circular, Al Rajhi Bank noted. The offer, which started on Jan. 3, is aimed at supporting the bank's capital base as well as meeting financial and strategic needs. *(Source: Arab News)*

Bahrain's Infracorp plans \$800 million perpetual green sukuk sale – Bahrain-based Infracorp, an infrastructure fund spun out of asset manager GFH Financial Group (GFHB.BH), aims to issue around \$800 million in perpetual green sukuk - Islamic bonds - in the first quarter, GFH's chief executive said on Monday. Infracorp has hired banks to advise on the debt sale, GFH CEO Hisham Alrayes told Reuters in an interview, but did not name them. Allen & Overy was hired as legal adviser and KPMG as auditor. Infracorp's roughly \$1 billion in capital will come from the sukuk as well as \$200 million in equity. The fund has \$3 billion in assets under management and was spun off to allow Infracorp to focus on infrastructure assets while GFH mainly looks at financial instruments. Proceeds from the sukuk sale will be eligible to finance environment, social and governance (ESG) goals. *(Source: Reuters)*

Egypt considers issuing bonds in Japan for first time - finance ministry – Egypt is considering issuing bonds in Japan for the first time, the finance ministry said on Monday. The issue was discussed during talks between Egypt's finance and minister and the Japanese ambassador in Cairo. The ministry release added that the issuance was part of plans to issue "various medium and long-term government bonds, targeting new instruments such as sukuk, sustainable development bonds and green bonds". *(Source: Reuters)*

Brent Oil Climbs to 2014 High as Geopolitical Unrest Returns – Brent oil extended gains to the highest level in seven years as geopolitical tensions stirred in the Middle East and concerns about the demand impact of the omicron virus variant eased. Yemen's Houthi fighters claimed to have launched drone strikes on the United Arab Emirates - the third biggest OPEC producer -- that caused an explosion and fire on the outskirts of Abu Dhabi, leaving three people dead. West Texas Intermediate oil also rose above \$85 a barrel, the first time since October. *(Source: Bloomberg)*

Treasury Two-Year Yield Rises Above 1% as Fed Hike Bets Ramp Up – Treasuries fell across the curve Tuesday, with two-year yields rising above 1% for the first time since 2020 on increased speculation of a Federal Reserve rate hike in March. The yield on the notes climbed as much as five basis points to 1.02% as cash trading restarted after Monday's holiday. Ten-year Treasury yields rose as much as four basis points to 1.82%, the highest since January 2020. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.97	-1.41	KSA	2027	2.13	-1.64
Abu Dhabi	2031	2.29	-2.54	KSA	2032	2.68	-2.74
Abu Dhabi	2050	3.24	-5.09	KSA	2050	3.72	-4.77
Bahrain	2028	4.90	-1.54	Oman	2027	4.69	-2.20
Bahrain	2032	6.17	-3.45	Oman	2032	5.77	-3.75
Bahrain	2051	7.24	-4.77	Oman	2051	7.04	-5.92
Dubai	2029	2.69	-1.17	Qatar	2026	1.83	-0.98
Kuwait	2022	-0.71	-0.12	Qatar	2030	2.48	-1.93
Kuwait	2027	1.92	-1.42	Qatar	2050	3.31	-4.35

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.00	8.08	-0.01	-1.70
S&P MENA Bond and Sukuk Index	2.61	NA	-0.09	-1.93
Bloomberg Emerging Markets USD Index	4.67	6.80	-0.59	-2.45
Bloomberg Global Aggregate Index	1.49	7.42	-0.26	-1.01

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	18/01/2022	30/12/2021	18/01/2022	30/12/2021	18/01/2022	30/12/2021
KIBOR	1.5000	1.5000	1.7500	1.7500	2.0625	2.0000
SAIBOR	0.9286	0.9057	1.0257	0.9829	1.1300	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	0.4278	0.3645	0.6714	0.7000	0.8228	0.7396
EURIBOR	-0.5680	-0.5730	-0.5330	-0.5460	-0.4830	-0.4980
LIBOR	0.2413	0.2144	0.3950	0.3451	0.7257	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.7253	4.63	35.6	KWD	0.3021	0.0000	0.15	Gold	1,821.50	-0.39
2-Year	1.2160	5.50	29.2	SAR	3.7523	0.0080	0.09	Silver	23.09	-1.14
5-Year	1.7020	5.44	24.3	BHD	0.3770	0.0000	0.00	Copper	444.45	-0.43
7-Year	1.8062	4.62	22.4	QAR	3.6416	-0.0082	0.00	Nat. Gas	4.28	14.72
10-Year	1.8888	3.84	19.5	OMR	0.3850	0.0598	0.00	Aluminum	3,009.25	7.28
30-Year	1.9806	3.76	14.4	AED	3.6730	0.0000	-0.01	Crude Oil	87.46	12.45

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	1.02	-0.10	0.82	-0.08	NA	NA
5-Year	1.61	-0.25	0.99	-0.11	-0.55	-0.05
10-Year	1.82	-0.32	1.18	-0.31	-0.20	-0.16
30-Year	2.15	-0.65	1.29	-0.91	0.23	-0.32

	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	18-Jan 2022	31-Dec 2021
Kuwait	46.46	40.53
KSA	51.34	50.97
Abu Dhabi	47.78	43.09
Dubai	90.52	89.58
Qatar	46.73	42.55
Bahrain	297.57	286.32
Oman	244.91	254.42
Iraq	475.88	507.35
Egypt	570.77	496.58
Morocco	89.74	85.91
Turkey	556.42	555.46
US	10.34	10.01
UK	9.03	8.91
China	47.41	39.86
Japan	16.07	16.23
Germany	7.29	7.53
France	18.17	17.87