

News Updates

Saudi Arabia to see second local sukuk issuance for the year – The Saudi government will issue its second Saudi riyal-denominated sukuk for the year. The local issuance comes amid rising demand for both international and domestic fixed income markets that provide safe and guaranteed returns. Countries are resorting to fixed income instruments to settle budget obligations in a bid to fuel economic recovery and ease pandemic repercussions. *(Source: Arab News)*

Saudi's Arabian Drilling Co. raises \$533m from its first sukuk issue – Arabian Drilling Co., a Saudi-based drilling company, has successfully raised SAR2 billion (\$533 million) from the local debt market. The transaction attracted large demand from various investor groups. Final order booked reached more than SAR5.5 billion which allowed the company to increase the issuance size from its original plan of less than SAR1.6 billion to SAR2 billion. The demand also allowed the Sukuk pricing to land at Sibor+1.60 percent which was the low end of price guidance for 5-years tenor. *(Source: Arab News)*

Jordan to push ahead with IMF-backed reforms to spur growth - finance minister – Jordan will accelerate the momentum of IMF-backed structural reforms in 2022 to help a nascent recovery gather pace in an economy hard hit by the coronavirus pandemic and regional turmoil, the finance minister said on Monday. Mohamad Al Ississ told lawmakers ahead of a parliamentary session which passed the 10.6 billion dinars (\$15 billion) 2022 budget that Jordan could ill afford any delay in reforms. The IMF said in January after the kingdom completed a third review of an ambitious four-year \$1.5 bln programme that the country's progress in reforms was helping maintain macroeconomic stability while supporting a nascent recovery. *(Source: Reuters)*

EM Default Swaps Jump to 16-Month High on Triple Risks – A confluence of geopolitical and economic risks has fueled fears that emerging-market sovereigns may find it harder to pay off their external obligations, sending their credit-default swaps to 16-month highs. EM default swaps "are reflecting increased risks on the back of tensions between Russia and the West, as well as worries of potential spillovers from expedited Fed rate hikes and a rollback of quantitative easing globally," said Chang Wei Liang, a macro strategist at DBS Group Holdings in Singapore. Higher oil prices are also a risk, but the impact on developing nations is uneven, benefiting oil exporters and not importers. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.18	-2.65	KSA	2027	2.38	-2.79
Abu Dhabi	2031	2.49	-4.15	KSA	2032	2.76	-3.46
Abu Dhabi	2050	3.41	-7.99	KSA	2050	3.95	-8.27
Bahrain	2028	4.95	-1.73	Oman	2027	4.74	-2.47
Bahrain	2032	6.19	-3.57	Oman	2032	5.78	-3.97
Bahrain	2051	7.30	-5.36	Oman	2051	7.03	-5.55
Dubai	2029	2.81	-1.95	Qatar	2026	2.29	-2.93
Kuwait	2022	-0.56	-0.34	Qatar	2030	2.78	-4.14
Kuwait	2027	2.21	-2.81	Qatar	2050	3.53	-7.78

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.34	8.08	-0.05	-3.60
S&P MENA Bond and Sukuk Index	2.94	NA	-0.10	-3.84
Bloomberg Emerging Markets USD Index	5.00	6.80	-0.59	-4.22
Bloomberg Global Aggregate Index	1.82	7.42	-0.49	-3.50

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	15/02/2022	31/12/2021	15/02/2022	31/12/2021	15/02/2022	31/12/2021
KIBOR	1.5000	1.5000	1.7500	1.7500	2.0000	2.0000
SAIBOR	1.1808	0.9057	1.2959	0.9829	1.6074	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	0.5695	0.3645	0.9548	0.7000	1.3281	0.7396
EURIBOR	-0.5230	-0.5730	-0.4580	-0.5460	-0.2980	-0.4980
LIBOR	0.5064	0.2144	0.8404	0.3451	1.3923	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	1.2646	0.23	136.4	KWD	0.3025	-0.0496	0.02	Gold	1,880.60	2.71
2-Year	1.7661	-0.34	87.6	SAR	3.7527	-0.0027	0.09	Silver	24.01	2.67
5-Year	1.9929	-1.12	45.5	BHD	0.3770	0.0000	0.01	Copper	449.20	0.86
7-Year	2.0250	-1.00	37.2	QAR	3.6416	-0.0082	0.00	Nat. Gas	4.21	18.36
10-Year	2.0625	-0.92	30.5	OMR	0.3850	-0.0026	-0.06	Aluminum	3,224.75	14.84
30-Year	2.0693	-1.19	19.5	AED	3.6730	0.0000	0.00	Crude Oil	95.89	23.97

US Treasuries			UK Gilt			German Bunds		
Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)	
2-Year	1.56	0.03	1.50	-0.18		NA	NA	
5-Year	1.90	0.05	1.50	-0.29		-0.26	0.04	
10-Year	1.98	0.09	1.59	-0.36		0.13	0.17	
30-Year	2.27	0.27	1.64	-0.57		0.46	-0.02	

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	15-Feb 2022	31-Dec 2021
Kuwait	51.86	40.53
KSA	53.69	50.97
Abu Dhabi	51.55	43.09
Dubai	93.42	89.58
Qatar	51.35	42.55
Bahrain	292.58	286.32
Oman	230.22	254.42
Iraq	398.42	507.35
Egypt	531.51	496.58
Morocco	90.24	85.91
Turkey	522.64	555.46
US	10.16	10.01
UK	9.18	8.91
China	53.49	39.86
Japan	16.01	16.23
Germany	6.41	7.53
France	19.41	17.87