

## News Updates

**DP World May Tap Markets With \$7 Billion Debt Maturity Looming –** DP World may need to partly refinance \$7.1 billion of debt maturing in 2023, as its annual free cash flows of about \$1.5 billion cannot cover this. Even if it sells assets to deleverage, it may still face a \$2-3 billion funding shortfall. Near term liquidity is comfortable, with \$3 billion of cash vs. \$369 million short term debt. The debt may need to be partly refinanced despite its aim to repay borrowings as part of its deleveraging plan. This includes \$3.4 billion of guaranteed debt at its parent. It may generate about \$1.5 billion of annual free cash flow which cannot cover the maturities. Even with over \$2 billion of asset sales to reach its 4x target leverage, it may still face a \$2-3 billion shortfall. Near-term liquidity is strong with \$3 billion in cash, excluding \$890 million which has been earmarked for the Imperial Logistics acquisition vs. \$369 million of short-term debt. Financing agreements for its privatization contain a covenant which requires any proceeds from asset sales, debt or equity issue to be applied to prepay these facilities unless they are used to refinance existing debt. *(Source: Bloomberg)*

**Surge in Treasury Yields Sends Ripples Across Global Markets –** The relentless rise in U.S. Treasury yields continued to send waves through global markets Monday, at the start of a key week for inflation watchers. Ten-year yields climbed through 2.75% for the first time since March 2019 as investors priced in the impact of the Federal Reserve's tightening plan and accelerating inflation. The move pushed the greenback higher, the yen through the 125 per dollar level and erased the more than decade long premium benchmark Chinese bonds held over their U.S. counterparts. Most stocks fell. "A move this profound from a corner of markets that has such pervasive effects -- from pricing of credit to the determination of 'risk free returns' is a cause for major risk re-pricing, one would suspect," said Vishnu Varathan, head of economics and strategy at Mizuho Bank Ltd. "I think the impact of such sustained and strong moves in Treasury yields will be hard to dodge for anyone." Global investors are still adjusting to an increasingly hawkish Fed, which last week added aggressive quantitative tightening proposals to its plan for a rapid increase in interest rates to cap surging inflation. *(Source: Bloomberg)*

**Oil Slumps as China's Worsening Outbreak Raises Demand Concerns –** Oil resumed its decline as China's virus resurgence worsened, raising concerns about demand from the world's biggest crude importer. West Texas Intermediate futures slid below \$97 a barrel after climbing 2.3% on Friday, the first gain in four sessions. Virus cases continue to rise in Shanghai and there is no clarity on when restrictions will be lifted. The flare-up has led to disruptions at ports and prompted some refiners to trim operating rates. Oil has now given up most of the gains seen since Russia's invasion of Ukraine in late February following a tumultuous period of trading. The war has fanned inflation and prompted the U.S. and its allies to release strategic reserves to cool prices. *(Source: Bloomberg)*

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.92	-6.22	KSA	2027	2.95	-5.25
Abu Dhabi	2031	3.04	-8.26	KSA	2032	3.34	-8.03
Abu Dhabi	2050	3.81	-14.04	KSA	2050	4.34	-13.57
Bahrain	2028	4.85	-1.18	Oman	2027	4.58	-1.90
Bahrain	2032	5.97	-1.83	Oman	2032	5.43	-1.38
Bahrain	2051	7.09	-3.00	Oman	2051	6.70	-1.69
Dubai	2029	3.41	-5.72	Qatar	2026	2.95	-5.27
Dubai	2050	4.82	-11.27	Qatar	2030	3.28	-7.61
Kuwait	2027	2.89	-5.92	Qatar	2050	3.90	-13.34

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.89	8.08	-0.45	-6.15
S&P MENA Bond and Sukuk Index	3.57	NA	-0.44	-6.84
Bloomberg Emerging Markets USD Index	5.81	6.80	-0.46	-10.46
Bloomberg Global Aggregate Index	2.35	7.42	-0.44	-8.35

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	11/04/2022	31/12/2021	11/04/2022	31/12/2021	11/04/2022	31/12/2021
KIBOR	1.6875	1.5000	1.9375	1.7500	2.1875	2.0000
SAIBOR	2.2657	0.9057	2.4241	0.9829	2.7675	1.0600
BHIBOR	1.9133	1.5167	2.1633	1.6233	2.8133	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	1.0602	0.3645	1.5381	0.7000	2.3089	0.7396
EURIBOR	-0.4490	-0.5730	-0.3500	-0.5460	-0.0480	-0.4980
LIBOR	1.0107	0.2144	1.5404	0.3451	2.2716	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.1459	2.86	301.1	KWD	0.3050	-0.0820	-0.79	Gold	1,947.40	6.22
2-Year	2.8110	4.50	198.6	SAR	3.7503	0.0027	0.14	Silver	24.90	6.48
5-Year	2.8690	5.10	109.5	BHD	0.3771	0.0000	-0.01	Copper	467.05	4.87
7-Year	2.8376	5.06	92.3	QAR	3.6414	0.0055	0.01	Nat. Gas	6.29	78.38
10-Year	2.8070	4.90	77.5	OMR	0.3850	0.0000	-0.06	Aluminum	3,356.25	19.59
30-Year	2.5775	3.03	48.9	AED	3.6730	0.0000	0.00	Crude Oil	100.36	31.38

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.56	-0.09	1.50	-0.07	NA	NA
5-Year	2.80	-0.21	1.56	-0.18	0.25	-0.18
10-Year	2.75	-0.35	1.78	-0.40	0.65	-0.39
30-Year	2.74	-0.43	1.93	-0.73	0.80	-0.67

	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	BB-	BB-
Egypt	B2	B	B+
Lebanon	C	SD	RD
Jordan	B1	B+	BB-
Turkey	B2	B+u	B+
Tunisia	Caa1	NR	CCC
Morocco	Ba1	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	11-Apr 2022	31-Dec 2021
Kuwait	51.32	40.53
KSA	50.18	50.97
Abu Dhabi	48.99	43.09
Dubai	91.37	89.58
Qatar	49.21	42.55
Bahrain	285.75	286.32
Oman	221.21	254.42
Iraq	317.95	507.35
Egypt	542.67	496.58
Morocco	98.75	85.91
Turkey	589.46	555.46
US	15.84	10.01
UK	12.36	8.91
China	64.09	39.86
Japan	16.71	16.23
Germany	13.52	7.53
France	26.95	17.87