

News Updates

Kuwait's Warba Bank lists \$250mln Sukuk on Nasdaq Dubai – Warba Bank has celebrated the listing of \$250 million perpetual Tier-1 Sukuk on Nasdaq Dubai. Oversubscribed 4.4 times, the new listing has raised the total value of the bank's Sukuk on Nasdaq Dubai to \$898 million, according to a press release on Tuesday. The bank has previously listed \$250 million and \$500 million instruments in March 2017 and October 2019, respectively. *(Source: Mubasher)*

Cash-strapped Tunisia to borrow \$7bn more in 2022 – Debt-ridden Tunisia unveiled a 2022 budget on Tuesday that will see it borrow almost \$7 billion more, as it seeks to stimulate an economy battered by the coronavirus disease pandemic. The 2022 finance law boosts spending by over 3 percent year on year to 57.3 billion dinars (\$19.8 billion), Finance Minister Sihem Boughdiri said. The deficit is expected to hit some 6.2 percent of gross domestic product, she told reporters. The government will borrow almost 20 billion dinars to cover 2022 expenditures, bringing government debt to 82.6 percent of GDP. Around two-thirds of the figure is to come from foreign lenders, and the remainder from domestic sources, Boughdiri said. *(Source: Arab News)*

Oil settles higher despite Omicron concerns – Oil prices settled higher on Tuesday, with Brent crude ending the session near \$80 a barrel despite the rapid spread of the Omicron coronavirus variant, supported by supply outages and expectations that U.S. inventories fell last week. Brent crude settled up 34 cents, or 0.4%, at \$78.94 a barrel by 1:39 p.m. EST (1839 GMT). U.S. West Texas Intermediate (WTI) crude settled up 41 cents, or 0.5%, at \$75.98. Investors are awaiting an OPEC+ meeting on Jan. 4, at which the alliance will decide whether to go ahead with a planned production increase of 400,000 barrels per day in February. At its last meeting, OPEC+ stuck to its plans to boost output for January despite Omicron. *(Source: Reuters)*

Two-year yields highest since March 2020, tepid demand for five-year auction – Two-year Treasury yields hit almost two-year highs on Tuesday, following tepid demand for an auction of the notes on Monday, while longer-dated yields ended little changed on the day after demand for new five-year notes was also soft. Two-year note yields, which are highly sensitive to interest rate shifts, have risen to the highest level since March 2020 as expectations increase that the Federal Reserve is closer to raising rates as the U.S. economy rebounds from COVID-19-related shutdowns and inflation surges. Two-year yields were last at 0.748%, after earlier reaching 0.758%. Five-year note yields were last at 1.243%, down from 1.250% late on Monday. Seven-year notes were at 1.405%, down from 1.410%. Benchmark 10-year note yields edged higher to 1.479%, from 1.477%. The yield curve between two-year and 10-year notes flattened as far as 71 basis points, the smallest yield gap since Nov. 23. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.23	-2.92	KSA	2025	1.45	-2.51
Abu Dhabi	2030	1.97	-3.94	KSA	2030	2.23	-2.41
Abu Dhabi	2050	2.97	-4.46	KSA	2050	3.43	-3.28
Bahrain	2026	4.16	-5.63	Oman	2025	3.30	1.84
Bahrain	2030	5.62	-6.67	Oman	2029	4.71	4.05
Bahrain	2047	7.34	-13.84	Oman	2048	6.55	2.31
Dubai	2029	2.50	-1.46	Qatar	2025	1.36	-3.74
Kuwait	2022	-0.37	-2.32	Qatar	2030	2.09	-4.76
Kuwait	2027	1.60	-4.34	Qatar	2050	3.06	-4.51

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.78	8.08	0.07	0.97
S&P MENA Bond and Sukuk Index	2.39	NA	0.03	0.34
Bloomberg Emerging Markets USD Index	4.32	6.80	0.06	-1.76
Bloomberg Global Aggregate Index	1.30	7.42	-0.03	-4.81

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	29/12/2021	31/12/2020	29/12/2021	31/12/2020	29/12/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.9014	0.8175	0.9729	0.8700	1.0543	0.9413
BHIBOR	1.5167	2.2500	1.6233	2.5333	1.7667	2.6833
QATAR	1.1500	1.1206	1.2000	1.1960	1.3500	1.3636
AEIBOR	0.3474	0.5125	0.5275	0.4908	0.8470	0.6538
EURIBOR	-0.5900	-0.5450	-0.5440	-0.5260	-0.4950	-0.4990
LIBOR	0.2179	0.2384	0.3433	0.2576	0.5671	0.3419

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.5389	-0.48	179.9	KWD	0.3026	0.0000	0.25	Gold	1,807.30	-5.57
2-Year	0.9277	-1.10	369.0	SAR	3.7545	0.0479	-0.06	Silver	23.10	-13.64
5-Year	1.3363	-1.35	210.8	BHD	0.3771	0.0000	0.00	Copper	440.85	25.22
7-Year	1.4373	-1.17	119.6	QAR	3.6416	-0.0082	-0.01	Nat. Gas	4.11	36.66
10-Year	1.5454	-0.91	67.0	OMR	0.3850	-0.0052	-0.01	Aluminum	2,839.50	41.20
30-Year	1.7234	-0.86	22.9	AED	3.6727	0.0082	0.01	Crude Oil	79.04	56.55

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.74	0.03	0.62	0.01	NA	NA
5-Year	1.25	0.07	0.75	0.00	-0.68	-0.01
10-Year	1.47	0.10	0.92	0.00	-0.38	-0.05
30-Year	1.89	0.22	1.09	0.00	0.08	-0.05

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	29-Dec 2021	31-Dec 2020
Kuwait	40.52	40.69
KSA	50.83	63.77
Abu Dhabi	42.26	36.03
Dubai	89.57	104.06
Qatar	42.53	36.70
Bahrain	286.60	233.58
Oman	255.64	353.60
Iraq	506.35	542.74
Egypt	496.63	330.47
Morocco	86.18	102.56
Turkey	550.63	299.47
US	10.02	11.52
UK	7.96	15.13
China	40.01	26.70
Japan	16.31	14.74
Germany	7.25	9.09
France	18.44	14.42