

## News Updates

### Moody's: GCC Sovereign Outlook Stable on Supportive Oil Prices –

The outlook for the sovereign creditworthiness for Gulf Cooperation Council (GCC) countries is stable over the next 12 to 18 months, due to supportive oil prices and higher hydrocarbon production, Moody's Investors Service said in a report today. The median contribution of hydrocarbon revenue to GCC sovereigns' total revenue is around 70%, underlining the impact that higher oil prices have on government finances in the region. Under Moody's baseline assumptions, Qatar and the UAE (on a consolidated basis) will return to fiscal surpluses, Oman and Saudi Arabia will run small deficits of less than 1% of GDP or less, while Bahrain's and Kuwait's deficits will narrow modestly. "GCC sovereigns' government finances and external accounts remain heavily exposed to fluctuations in global oil demand and prices," said Christian Fang, a Vice President at Moody's Investors Service and author of the report. "With oil prices rebounding to pre-pandemic levels and oil production gradually normalizing, fiscal positions will strengthen and debt levels will decline for most governments in the region, although government balance sheets will remain weaker for many GCC sovereigns than pre-pandemic." (Source: Moody's)

**Saudi Arabia Returns to Dollar Bond Market as Oil Prices Soar –** Saudi Arabia is tapping the international bond market for the third time this year. The kingdom is selling dollar-denominated Islamic debt with maturities of 9-1/2 and 30 years, according to a person familiar with the matter. The Saudi economy has rebounded this year as the coronavirus pandemic eases and oil prices soar. Moody's Investors Service raised the country's credit-rating outlook to stable from negative on Friday, citing the government's improving fiscal position. Yield guidance is roughly 110 basis points above U.S. Treasuries for the shorter tranche and 3.6% for the longer notes. BNP Paribas SA, Citigroup Inc., Goldman Sachs Group Inc. and JPMorgan Chase & Co. are managing the sale. Saudi Arabia issued euro-denominated bonds in February and \$5 billion of dollar debt in January. Its dollar bonds have an average yield of 2.99%, according to JPMorgan's indexes. (Source: Bloomberg)

**S&P affirms Qatar's ratings at 'AA-/A-1+'; outlook stable –** S&P Global Ratings affirmed Qatar's "AA-/A-1+" long- and short-term foreign and local currency ratings. The stable outlook of the country reflects "Qatar's fiscal and external buffers should continue to benefit from the country's status as one of the world's largest exporters of liquefied natural gas over the next two years, against a backdrop of high global energy demand," the rating agency said. S&P said it considered the rapid growth of foreign debt in the Qatari banking system could present balance-of-payment risks if the capital inflows were to reverse sharply, but that it was not the agency's base-case scenario. (Source: Qatar Tribune)

### GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.04	-2.18	KSA	2025	1.27	-1.59
Abu Dhabi	2030	1.96	-3.69	KSA	2030	2.29	-2.80
Abu Dhabi	2050	2.93	-3.62	KSA	2050	3.45	-3.40
Bahrain	2026	3.62	-3.49	Oman	2025	3.20	2.46
Bahrain	2030	5.28	-4.43	Oman	2029	4.61	4.80
Bahrain	2047	6.83	-8.64	Oman	2048	6.46	3.61
Dubai	2029	2.42	-0.70	Qatar	2025	1.17	-2.92
Kuwait	2022	-0.13	-2.04	Qatar	2030	2.13	-4.82
Kuwait	2027	1.61	-4.03	Qatar	2050	3.09	-4.80

### Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.66	8.08	0.18	1.04
S&P MENA Bond and Sukuk Index	2.31	NA	0.25	0.32
Bloomberg Emerging Markets USD Index	4.32	6.80	-0.03	-1.27
Bloomberg Global Aggregate Index	1.21	7.42	0.03	-3.60

### Interbank Rates (%)

	3 Months		6 Months		12 Months	
	9/11/2021	31/12/2020	9/11/2021	31/12/2020	9/11/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8357	0.8175	0.8829	0.8700	0.9529	0.9413
BHIBOR	1.5000	2.2500	1.5583	2.5333	1.7667	2.6833
QATAR	1.1490	1.1206	1.2044	1.1960	1.3406	1.3636
AEIBOR	0.3228	0.5125	0.6325	0.4908	0.7684	0.6538
EURIBOR	-0.5670	-0.5450	-0.5360	-0.5260	-0.4950	-0.4990
LIBOR	0.1428	0.2384	0.2209	0.2576	0.3575	0.3419

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.2797	-0.83	45.3	KWD	0.3018	-0.0331	0.50	Gold	1,825.30	-4.49
2-Year	0.6231	-1.98	215.0	SAR	3.7506	0.0000	0.03	Silver	24.46	-8.23
5-Year	1.1780	-3.01	174.0	BHD	0.3770	0.0027	0.00	Copper	438.20	24.35
7-Year	1.3527	-2.31	106.6	QAR	3.6417	-0.0055	-0.01	Nat. Gas	5.44	86.65
10-Year	1.5008	-1.65	62.2	OMR	0.3850	0.0000	0.00	Aluminum	2,587.00	28.93
30-Year	1.6658	-0.99	18.8	AED	3.6730	0.0000	0.00	Crude Oil	83.34	64.67

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.41	0.06	0.40	-0.01	-1.17	0.00
5-Year	1.08	0.16	0.56	-0.02	-0.72	-0.04
10-Year	1.47	0.16	0.85	-0.09	-0.40	-0.27
30-Year	1.87	0.32	1.00	0.29	0.08	-1.41

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	9-Nov 2021	31-Dec 2020
Kuwait	45.01	40.69
KSA	44.94	63.77
Abu Dhabi	37.90	36.03
Dubai	80.91	104.06
Qatar	37.88	36.70
Bahrain	255.46	233.58
Oman	232.76	353.60
Iraq	463.23	542.74
Egypt	430.41	330.47
Morocco	86.28	102.56
Turkey	391.63	299.47
US	12.98	11.52
UK	7.46	15.13
China	55.00	26.70
Japan	16.99	14.74
Germany	391.63	9.09
France	19.39	14.42