

News Updates

No immediate risks to GCC utility firms' ratings, says Fitch – State-owned utility companies operating in GCC countries will have moderate leverage headroom on their standalone credit profiles between 2021 and 2024, according to top ratings agency Fitch. The ratings agency pointed out that it expects shareholders to provide support, if needed, given the strength of the links and the incentive to support. "We therefore do not believe there are immediate risks for the ratings of Saudi Electricity Company which is at (A/Stable), Abu Dhabi National Electricity Company (AA-/Stable), Oman Electricity Transmission Company (BB/Stable), and Mazoon Electricity Company (BB-/Stable)," stated Fitch in its review. According to Fitch, higher capex between 2021 and 2024, sector reforms, and a change in dividend payouts will have an impact on the utilities' financial profiles. *(Source: Zawya)*

Oil prices fall, continuing downward trend from last week – Oil prices fell on Sunday at the start of the session, extending last week's decline, as a U.S. official said Russia was showing signs it might be willing to have substantive negotiations over Ukraine. Brent crude futures fell \$1.82, or 1.6%, to \$110.85 a barrel by 6:47 p.m. ET (2247 GMT). WTI crude futures fell \$2.41, or 2.2%, to \$106.92 a barrel. Russia's invasion of Ukraine in late February, which Moscow calls a "special operation," has roiled energy markets globally. Brent last week was down 4.8% after hitting \$139.13 on March 7. U.S. crude recorded a weekly drop of 5.7% after touching a high of \$130.50 on March 7. Both contracts last touched those price peaks in 2008. *(Source: Reuters)*

Gold slips as Fed rate hike bets lift Treasury yields – Gold prices fell on Monday as U.S. Treasury yields rose on rate hike expectations, with higher risk appetite on hopes of peace between Russia and Ukraine denting bullion's safe-haven appeal further. Spot gold fell 0.7% to \$1,971.77 per ounce by 0303 GMT. U.S. gold futures also fell 0.5% to \$1,975.70 a wind-down of stimulus, leaving investors wondering what other shifts might be in store. Benchmark U.S. 10-year Treasury yields rose to a near one-month high as the U.S. Federal Reserve is widely expected to raise interest rates by a quarter of a percentage point at a two-day event later this week. Gold is highly sensitive to rising U.S. interest rates, which increase the opportunity cost of holding non-yielding bullion. Pressuring gold's safe-haven demand, global shares advanced on Monday on hopes of a respite in the Ukraine crisis even as fighting raged on. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.03	-2.00	KSA	2027	2.33	-2.63
Abu Dhabi	2031	2.44	-3.70	KSA	2032	2.78	-3.58
Abu Dhabi	2050	3.39	-7.65	KSA	2050	4.01	-9.10
Bahrain	2028	4.99	-1.74	Oman	2027	4.75	-2.52
Bahrain	2032	6.23	-3.79	Oman	2032	5.64	-2.96
Bahrain	2051	7.35	-6.13	Oman	2051	6.82	-3.19
Dubai	2029	2.85	-2.35	Qatar	2026	2.83	-5.08
Kuwait	2022	-10.77	-0.52	Qatar	2030	2.63	-3.92
Kuwait	2027	2.21	-3.03	Qatar	2050	3.52	-7.85

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.46	8.08	-0.13	-3.91
S&P MENA Bond and Sukuk Index	3.08	NA	-0.42	-4.16
Bloomberg Emerging Markets USD Index	5.66	6.80	-0.06	-10.21
Bloomberg Global Aggregate Index	1.93	7.42	-0.29	-5.25

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	14/03/2022	31/12/2021	14/03/2022	31/12/2021	14/03/2022	31/12/2021
KIBOR	1.5000	1.5000	1.7500	1.7500	2.0000	2.0000
SAIBOR	1.8372	0.9057	1.8644	0.9829	2.1144	1.0600
BHIBOR	1.6000	1.5167	1.9033	1.6233	2.4000	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	0.8363	0.3645	1.1390	0.7000	1.5232	0.7396
EURIBOR	-0.5020	-0.5730	-0.4140	-0.5460	-0.2680	-0.4980
LIBOR	0.8260	0.2144	1.1306	0.3451	1.5960	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	1.5605	4.67	191.7	KWD	0.3035	0.1318	-0.33	Gold	1,979.40	8.10
2-Year	2.0186	5.98	114.4	SAR	3.7520	0.0000	0.10	Silver	26.00	11.20
5-Year	2.1026	6.96	53.5	BHD	0.3770	0.0027	0.00	Copper	458.60	2.98
7-Year	2.1058	6.22	42.7	QAR	3.6416	-0.0082	0.00	Nat. Gas	4.67	33.16
10-Year	2.1339	5.37	35.0	OMR	0.3850	0.0000	-0.07	Aluminum	3,459.50	23.20
30-Year	2.1176	3.47	22.3	AED	3.6730	0.0000	-0.01	Crude Oil	110.66	43.90

US Treasuries			UK Gilt		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	1.79	-0.08	1.29	0.08	NA	NA
5-Year	2.01	-0.29	1.25	0.17	-0.34	0.05
10-Year	2.04	-0.42	1.49	0.34	0.08	0.13
30-Year	2.39	-0.63	1.66	0.65	0.37	0.99

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	14-Mar 2022	31-Dec 2021
Kuwait	52.95	40.53
KSA	49.67	50.97
Abu Dhabi	50.07	43.09
Dubai	98.57	89.58
Qatar	49.40	42.55
Bahrain	287.79	286.32
Oman	241.77	254.42
Iraq	413.13	507.35
Egypt	773.53	496.58
Morocco	94.31	85.91
Turkey	660.36	555.46
US	15.00	10.01
UK	13.46	8.91
China	59.62	39.86
Japan	17.19	16.23
Germany	14.81	7.53
France	23.26	17.87