

## News Updates

**U.S. consumer prices surge on gasoline; inflation likely peaked** - U.S. monthly consumer prices increased by the most in 16-1/2 years in March as Russia's war against Ukraine boosted the cost of gasoline to record highs, cementing the case for a 50 basis points interest rate hike from the Federal Reserve next month. In the 12 months through March, the CPI accelerated 8.5%, the largest year-on-year gain since December 1981, after a 7.9% jump in February. It was the sixth straight month of annual CPI readings north of 6%. Last month's increase in inflation was in line with economists' expectations. Monthly underlying inflation pressures moderated as goods prices, excluding food and energy, dropped by the most in two years. Further declines in the so-called core goods prices are likely as demand shifts back to services amid the rolling back of COVID-19 restrictions on businesses. Stocks on Wall Street were higher. The dollar was steady against a basket of currencies. U.S. Treasury yields fell. *(Source: Reuters)*

## Fed's Bullard says central bank must put brakes on economic activity

- The U.S. Federal Reserve must put the brakes on economic activity to tackle surging prices, James Bullard, president of the St Louis Fed, told the Financial Times in an interview. It is a "fantasy" to think the Fed can bring inflation down sufficiently without raising interest rates, he said, adding that the Fed needs to be more aggressive in its efforts to root out the highest inflation in four decades. "We have to put downward pressure on the component of inflation that we think is persistent," the paper quoted him as saying, making a call for rates to rise to a level that curtails growth. Last week, Bullard said the Fed was behind in its fight on inflation and needed to raise the federal funds rate another 3 percentage points by year's end. *(Source: Reuters)*

**Dar Alarkan redeems \$500m Sukuk** - Dar Alarkan Real Estate Development Company has redeemed its \$500 million Islamic Sukuk. The company has redeemed 500,000 Sukuk, issued on 5 April 2017, at a value of \$1,000 per share, according to a bourse filing on Monday. The financial impact of the transaction will be registered in the results of the second quarter (Q2) in 2022. *(Source: Mubasher)*

## GCC Sovereign Yields

| Sovereigns | Maturity | Yield % | Price Δ (YTD %) | Sovereigns | Maturity | Yield % | Price Δ (YTD %) |
|------------|----------|---------|-----------------|------------|----------|---------|-----------------|
| Abu Dhabi  | 2025     | 2.98    | -6.52           | KSA        | 2027     | 3.00    | -5.44           |
| Abu Dhabi  | 2030     | 3.12    | -8.88           | KSA        | 2032     | 3.40    | -8.54           |
| Abu Dhabi  | 2050     | 3.96    | -16.13          | KSA        | 2050     | 4.43    | -14.79          |
| Bahrain    | 2026     | 4.96    | -1.65           | Oman       | 2027     | 4.72    | -2.48           |
| Bahrain    | 2030     | 6.07    | -2.61           | Oman       | 2032     | 5.57    | -2.49           |
| Bahrain    | 2047     | 7.30    | -5.42           | Oman       | 2051     | 6.85    | -3.51           |
| Dubai      | 2029     | 3.45    | -5.97           | Qatar      | 2026     | 2.98    | -5.41           |
| Kuwait     | 2022     | 4.91    | -12.62          | Qatar      | 2030     | 3.35    | -8.03           |
| Kuwait     | 2027     | 2.92    | -6.03           | Qatar      | 2050     | 3.98    | -14.55          |

## Bonds and Sukuk Indices

| Index Name                           | Yield % | Duration (yrs) | 1D Δ (%) | YTD Δ (%) |
|--------------------------------------|---------|----------------|----------|-----------|
| Bloomberg GCC FI Index               | 3.98    | 8.08           | -0.15    | -6.87     |
| S&P MENA Bond and Sukuk Index        | 3.68    | NA             | -0.34    | -7.84     |
| Bloomberg Emerging Markets USD Index | 5.92    | 6.80           | -0.08    | -11.19    |
| Bloomberg Global Aggregate Index     | 2.37    | 7.42           | 0.16     | -8.66     |

## Interbank Rates (%)

|         | 3 Months   |            | 6 Months   |            | 12 Months  |            |
|---------|------------|------------|------------|------------|------------|------------|
|         | 13/04/2022 | 31/12/2021 | 13/04/2022 | 31/12/2021 | 13/04/2022 | 31/12/2021 |
| KIBOR   | 1.6875     | 1.5000     | 1.9375     | 1.7500     | 2.1875     | 2.0000     |
| SAIBOR  | 2.2795     | 0.9057     | 2.4164     | 0.9829     | 2.8258     | 1.0600     |
| BHIBOR  | 1.9133     | 1.5167     | 2.1633     | 1.6233     | 2.8667     | 1.7667     |
| QATAR   | 1.1500     | 1.1250     | 1.2000     | 1.2000     | 1.3500     | 1.3250     |
| AEIBOR  | 1.0950     | 0.3645     | 1.6641     | 0.7000     | 2.2954     | 0.7396     |
| EURIBOR | -0.4350    | -0.5730    | -0.3340    | -0.5460    | -0.0300    | -0.4980    |
| LIBOR   | 1.0214     | 0.2144     | 1.5534     | 0.3451     | 2.2804     | 0.5888     |

| USD Swap Rates |         |            |           | Currencies |        |            | Commodities |           |          |           |
|----------------|---------|------------|-----------|------------|--------|------------|-------------|-----------|----------|-----------|
|                | Yield % | 1D Δ (bps) | YTD Δ (%) |            | USD    | 1D Δ (bps) | YTD Δ (%)   |           | USD      | YTD Δ (%) |
| 1-Year         | 2.1062  | 2.59       | 293.7     | KWD        | 0.3049 | -0.0820    | -0.79       | Gold      | 1,972.00 | 7.56      |
| 2-Year         | 2.6766  | 1.42       | 184.4     | SAR        | 3.7503 | -0.0053    | 0.14        | Silver    | 25.66    | 9.75      |
| 5-Year         | 2.7861  | 3.86       | 103.4     | BHD        | 0.3771 | 0.0000     | 0.00        | Copper    | 472.80   | 6.16      |
| 7-Year         | 2.7994  | 4.49       | 89.7      | QAR        | 3.6414 | 0.0055     | 0.01        | Nat. Gas  | 6.73     | 90.81     |
| 10-Year        | 2.8228  | 5.03       | 78.5      | OMR        | 0.3850 | 0.0000     | -0.06       | Aluminum  | 3,239.63 | 15.43     |
| 30-Year        | 2.6647  | 3.61       | 53.9      | AED        | 3.6730 | 0.0082     | 0.00        | Crude Oil | 104.62   | 36.96     |

| US Treasuries |          |       | UK Gilts |          | German Bunds |          |
|---------------|----------|-------|----------|----------|--------------|----------|
| Yield %       | 1D Δ (%) |       | Yield %  | 1D Δ (%) | Yield %      | 1D Δ (%) |
| 2-Year        | 2.42     | -0.02 | 1.55     | -0.12    | 0.11         | -0.09    |
| 5-Year        | 2.72     | -0.14 | 1.61     | -0.29    | 0.25         | -0.12    |
| 10-Year       | 2.77     | -0.34 | 1.86     | -0.62    | 0.71         | -0.38    |
| 30-Year       | 2.84     | -0.47 | 2.00     | -1.15    | 0.94         | -1.02    |

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

| USD 5Yr CDS | 13-Apr 2022 | 31-Dec 2021 |
|-------------|-------------|-------------|
| Kuwait      | 51.32       | 40.53       |
| KSA         | 52.11       | 50.97       |
| Abu Dhabi   | 51.21       | 43.09       |
| Dubai       | 91.53       | 89.58       |
| Qatar       | 50.90       | 42.55       |
| Bahrain     | 283.15      | 286.32      |
| Oman        | 219.33      | 254.42      |
| Iraq        | 317.96      | 507.35      |
| Egypt       | 567.79      | 496.58      |
| Morocco     | 98.62       | 85.91       |
| Turkey      | 597.28      | 555.46      |
| US          | 15.98       | 10.01       |
| UK          | 10.59       | 8.91        |
| China       | 67.94       | 39.86       |
| Japan       | 16.33       | 16.23       |
| Germany     | 13.04       | 7.53        |
| France      | 23.75       | 17.87       |