

## News Updates

**S&P Affirms Ratings On Six Saudi Banks; Outlooks Unchanged** – S&P have affirmed the ratings and the outlooks on six Saudi financial institutions. S&P affirmed the ratings of Al Rajhi Bank (BBB+/Positive/A-2), Arab National Bank (BBB+/Stable/A-2), Banque Saudi Fransi (BBB+/Stable/A-2), Riyad Bank (BBB+/Stable/A-2), The Saudi Investment Bank (BBB/Stable/A-2) and Saudi National Bank (A-/Stable/A-2). According to S&P, the Saudi economy will continue its rebound over 2022, supported by higher oil prices and recovery of production volumes. The non-oil economy will likely benefit from Vision-2030 projects and related spending. They expect banks will continue benefitting from stable funding profiles and adequate regulation. Higher interest rates, which they expect in 2022-2023 globally, would also support banking-sector margins, which is positive for banks' profitability. (Source: S&P Global Ratings)

**S&P Affirms Ratings On Five UAE Banks; Outlooks Stable** – S&P Global Ratings said that it has affirmed its issuer and issue credit ratings on five UAE banks. Their outlooks on these banks remain stable. S&P affirmed the ratings of Abu Dhabi Commercial Bank PJSC (A/Stable/A-1), First Abu Dhabi Bank P.J.S.C. (AA-/Stable/A-1+), Mashreqbank (A-/Stable/A-2), National Bank of Fujairah PJSC (BBB/Stable/A-2), and Sharjah Islamic Bank (A-/Stable/A-2). The rating agency expects the UAE economy to continue to recover from the COVID-19 pandemic, thanks to higher oil prices, supportive government policies, and normalizing non-oil activity. (Source: S&P Global Ratings)

**Goldman Sees Risk Fed Will Tighten More Than Forecast** – Goldman Sachs Group Inc. economists said they see a risk the Federal Reserve will tighten monetary policy more aggressively this year than the Wall Street bank now anticipates. The Goldman Sachs economists led by Jan Hatzius said in a weekend report to clients that they currently expect rates to be increased in March, June, September and December and for the central bank to announce the start of a balance sheet reduction in July. But they said inflation pressures mean that the "risks are tilted somewhat to the upside of our baseline." "We see a risk that the FOMC will want to take some tightening action at every meeting until that picture changes," the Goldman Sachs economists said. Chair Jerome Powell and colleagues on the Federal Open Market Committee meet this week amid expectations they will signal a willingness to lift rates from near zero in March. The Goldman Sachs economists said if the Fed did decide to be more aggressive, it would likely hike by 25 basis points at consecutive meetings rather than by 50 basis points. (Source: Bloomberg)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.94	-1.38	KSA	2027	2.15	-1.62
Abu Dhabi	2031	2.24	-2.20	KSA	2032	2.62	-2.20
Abu Dhabi	2050	3.16	-3.67	KSA	2050	3.66	-3.82
Bahrain	2028	4.96	-1.75	Oman	2027	4.63	-1.92
Bahrain	2032	6.21	-3.70	Oman	2032	5.69	-3.14
Bahrain	2051	7.26	-4.92	Oman	2051	6.92	-4.33
Dubai	2029	2.73	-1.35	Qatar	2026	1.91	-1.24
Kuwait	2022	-0.09	-0.18	Qatar	2030	2.51	-2.09
Kuwait	2027	1.97	-1.58	Qatar	2050	3.24	-3.23

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.06	8.08	0.37	-1.84
S&P MENA Bond and Sukuk Index	2.65	NA	0.46	-1.96
Bloomberg Emerging Markets USD Index	4.66	6.80	0.31	-2.30
Bloomberg Global Aggregate Index	1.47	7.42	0.20	-0.94

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	24/01/2022	30/12/2021	24/01/2022	30/12/2021	24/01/2022	30/12/2021
KIBOR	1.5000	1.5000	1.7500	1.7500	2.0625	2.0000
SAIBOR	0.9471	0.9057	1.0600	0.9829	1.1900	1.0600
BHIBOR	1.5667	1.5167	1.6500	1.6233	1.7833	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	0.4135	0.3645	0.6825	0.7000	0.8707	0.7396
EURIBOR	-0.5520	-0.5730	-0.5220	-0.5460	-0.4620	-0.4980
LIBOR	0.2577	0.2144	0.4444	0.3451	0.7986	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.7439	2.49	39.0	KWD	0.3024	0.0000	0.05	Gold	1,839.50	0.46
2-Year	1.2154	3.02	29.1	SAR	3.7510	0.0027	0.12	Silver	24.25	3.82
5-Year	1.6686	2.36	21.8	BHD	0.3770	-0.0027	0.01	Copper	448.80	0.55
7-Year	1.7612	2.00	19.3	QAR	3.6416	-0.0082	0.00	Nat. Gas	3.93	5.39
10-Year	1.8355	1.59	16.1	OMR	0.3850	0.0052	-0.06	Aluminum	3,052.77	8.83
30-Year	1.9090	1.55	10.3	AED	3.6730	-0.0082	-0.01	Crude Oil	88.69	14.03

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	1.03	-0.05	0.87	0.03	NA	NA
5-Year	1.58	-0.11	0.99	0.20	-0.60	0.11
10-Year	1.77	-0.13	1.17	0.47	-0.24	0.28
30-Year	2.09	-0.37	1.29	1.07	0.20	1.11

## 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	24-Jan 2022	31-Dec 2021
Kuwait	46.98	40.53
KSA	49.94	50.97
Abu Dhabi	47.83	43.09
Dubai	92.05	89.58
Qatar	46.99	42.55
Bahrain	296.49	286.32
Oman	260.04	254.42
Iraq	474.55	507.35
Egypt	536.74	496.58
Morocco	93.48	85.91
Turkey	523.61	555.46
US	10.70	10.01
UK	9.30	8.91
China	47.09	39.86
Japan	15.93	16.23
Germany	7.25	7.53
France	16.79	17.87