

News Updates

PIF-Aramco shipping JV Bahri to issue sukuk worth \$1bn - The National Shipping Co. of Saudi Arabia, also known as Bahri, has announced its plans to issue SR3.9 billion (\$1.04 billion) worth of sukuk, a Shariah-compliant bond. The offer is intended to refinance the Saudi shipping giant's existing sukuk which will mature later this year, according to the filing. Bahri, which is a joint venture between Saudi Aramco and the Public Investment Fund, operates a fleet of 89 tankers and container ships that transport oil, petrochemicals, and other types of cargo. *(Source: Arab News)*

Oman records \$930m budget surplus in Q1 on strong oil revenues - Oman has recorded a budget surplus of 357 million Omani rials (\$930 million) at the end of the first quarter, thanks to growing oil revenues. The surplus funds will be directed to stimulating economic recovery, developing projects, and reducing the level of debts. The country saw a massive improvement from a deficit of 751 million Omani rials in the same period a year ago, according to a report by the Ministry of Finance. Total revenues reached up to 3.03 billion Omani rials, up over 66 percent on the year, and expenditures rose by 3.8 percent to 1.82 billion rials. Strong oil revenues, which surged to 1.57 billion Omani rials year-on-year, were the main driver of the solid figures. *(Source: Arab News)*

GCC takes lead in ESG sukuk issuance, Saudi Arabia becomes largest market - Environmental, social and governance (ESG) sukuk issuance, comprising green and sustainability-linked sukuk, was dominated by mostly GCC-based financial institutions in Q1 2022, though most issuances came from the energy and utilities sectors. The issuance reached \$2.4 billion in Q1 2022, slightly lower than the \$2.5 billion issued during the same period in 2021, according to global data provider Refinitiv. The debut issuance of \$900 million from Bahrain-based Infracorp, the infrastructure investment arm of Gulf Finance House (GFH), was the largest ESG sukuk issued during the quarter. *(Source: Zawya)*

Polymakers back rate hikes as Biden puts faith in the Fed - Federal Reserve officials on Tuesday fortified their arguments for the swiftest series of interest rate hikes since at least the 1990s to combat inflation, while President Joe Biden urged the U.S. central bank to tame the price increases he said were hurting American households. Fed officials, now committed to a series of half-percentage-point rate increases, said their aggressive efforts to curb consumer and business demand for goods and services through higher borrowing costs were needed to slow the fastest inflation in 40 years. But they also acknowledged it will be a painful ride. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.37	-8.29	KSA	2027	3.29	-6.77
Abu Dhabi	2031	3.79	-13.49	KSA	2032	3.92	-12.42
Abu Dhabi	2050	4.50	-23.40	KSA	2050	4.95	-21.40
Bahrain	2028	5.71	-5.24	Oman	2027	5.57	-5.95
Bahrain	2032	7.20	-10.65	Oman	2032	6.38	-8.26
Bahrain	2051	8.13	-14.30	Oman	2051	7.68	-12.81
Dubai	2029	4.14	-9.81	Qatar	2026	3.43	-7.21
Dubai	2050	5.85	-24.19	Qatar	2030	3.78	-10.93
Kuwait	2027	3.20	-7.29	Qatar	2050	4.58	-22.50

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.53	8.08	0.20	-10.46
S&P MENA Bond and Sukuk Index	4.15	NA	-0.08	-11.08
Bloomberg Emerging Markets USD Index	6.57	6.80	-0.06	-14.62
Bloomberg Global Aggregate Index	2.63	7.42	0.34	-12.14

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	11/05/2022	31/12/2021	11/05/2022	31/12/2021	11/05/2022	31/12/2021
KIBOR	1.8125	1.5000	2.0625	1.7500	2.3750	2.0000
SAIBOR	2.6053	0.9057	2.7270	0.9829	3.0717	1.0600
BHIBOR	2.5667	1.5167	2.9076	1.6233	3.5417	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	1.4150	0.3645	2.0661	0.7000	2.6775	0.7396
EURIBOR	-0.4020	-0.5730	-0.1830	-0.5460	0.2630	-0.4980
LIBOR	1.3986	0.2144	1.9801	0.3451	2.6749	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.4739	0.69	362.4	KWD	0.3068	0.0815	-1.37	Gold	1,837.00	0.20
2-Year	2.9041	0.34	208.5	SAR	3.7513	-0.0053	0.11	Silver	21.44	-8.43
5-Year	2.9694	-0.66	116.8	BHD	0.3770	0.0000	0.00	Copper	420.85	-5.27
7-Year	2.9991	-1.31	103.2	QAR	3.6414	0.0055	0.01	Nat. Gas	7.45	108.05
10-Year	3.0399	-1.46	92.3	OMR	0.3850	-0.0026	-0.06	Aluminum	2,723.45	-2.92
30-Year	2.8456	-1.91	64.4	AED	3.6731	-0.0082	-0.01	Crude Oil	104.64	37.97

US Treasuries			UK Gilts			German Bunds		
Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)	
2-Year	2.61	0.00	1.30	0.12		NA	NA	
5-Year	2.90	0.05	1.47	0.47		0.31	0.00	
10-Year	2.97	0.16	1.84	1.10		0.84	0.00	
30-Year	3.10	0.38	2.05	2.01		1.11	0.00	

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	11-May 2022	31-Dec 2021
Kuwait	55.36	40.53
KSA	65.81	50.97
Abu Dhabi	63.78	43.09
Dubai	111.36	89.58
Qatar	65.41	42.55
Bahrain	294.45	286.32
Oman	233.49	254.42
Iraq	393.51	507.35
Egypt	854.38	496.58
Morocco	106.61	85.91
Turkey	690.43	555.46
US	16.00	10.01
UK	9.13	8.91
China	82.39	39.86
Japan	18.51	16.23
Germany	11.25	7.53
France	21.44	17.87