

News Updates

GCC to Benefit If Russia Kicked Out of EM Corp Bond Indexes: BOS – The Gulf region and Africa are likely to benefit from inflows if Russia were to be dropped from emerging- market corporate dollar bond indexes, according to Bank of Singapore. "Should investors be forced out of Russia, the logical move would be to reallocate to the GCC or Africa to maintain their regional concentrations," said Todd Schubert, head of fixed income research at the Singapore bank. The two major indexes for global EM USD credit are ICE BAML and JP Morgan CEMBI; Russia is part of CEEMEA (Central and Eastern Europe, Middle East and Africa) in JPM and EEMEA (Eastern Europe Middle East Africa) in ICE BAML. Asia will be relatively unaffected; China is a major part of Asian credit and given the negative headlines around increased Chinese regulation and property sector risks, investors in Russia would probably prefer other areas. *(Source: Bloomberg)*

Oil price climbs above \$110 a barrel to hit seven-year high – Oil pushed further above the \$100 threshold and Asian shares sold off on Wednesday after Russia intensified its attacks on Ukraine's biggest cities and adopted more aggressive tactics. Brent crude, the international benchmark, rose as much as 5.8 per cent to a seven-year high of \$111.09 a barrel in Asian trading, while US marker West Texas Intermediate climbed as much as 5.7 per cent to \$109.30. The latest gains for oil, which left Brent almost 16 per cent higher since President Vladimir Putin launched his invasion, came as Russia stepped up its bombardment of Ukraine's biggest cities. Prices rose despite the US and 30 other countries saying they would release 60mn barrels from their strategic reserves. Sanctions imposed on Russia by western countries have sought to avoid the energy sector but have nonetheless stoked volatility in global markets on concerns over disruptions to supply. But US energy group ExxonMobil said on Tuesday it would exit Russian oil and gas operations, marking the latest corporate exit in response to the invasion. *(Source: Reuters)*

Rate-Hike Bets Are Unwinding and Taking Bond Yields With Them – Sovereign bonds surged in Japan, Australia and New Zealand on Wednesday, extending a global rally as Russia's invasion of Ukraine spurred a flight to the safety of government debt. The soaring demand comes as traders slash bets on interest-rate hikes from developed-markets central banks, swelling the world's pile of negative-yielding sovereign bonds by \$3 trillion in two days. "Markets are bracing for a drawn-out conflict and appear to be focusing more on the negative growth implications than inflation risks," Australia & New Zealand Banking Group Ltd. strategists including Brian Martin wrote in a note. Expectations for the Federal Reserve to hike by 50 basis points have faded and investors are turning to Treasuries as liquidity deteriorates, they said. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.95	-1.37	KSA	2027	2.15	-1.81
Abu Dhabi	2031	2.32	-2.74	KSA	2032	2.65	-2.45
Abu Dhabi	2050	3.28	-5.71	KSA	2050	3.86	-6.88
Bahrain	2028	4.97	-1.81	Oman	2027	4.79	-2.77
Bahrain	2032	6.34	-4.65	Oman	2032	5.76	-3.79
Bahrain	2051	7.40	-6.53	Oman	2051	6.96	-4.75
Dubai	2029	2.82	-2.08	Qatar	2026	2.02	-1.81
Kuwait	2022	-3.08	-0.37	Qatar	2030	2.60	-3.17
Kuwait	2027	2.14	-2.50	Qatar	2050	3.36	-5.06

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.34	8.08	0.76	-3.01
S&P MENA Bond and Sukuk Index	2.92	NA	0.75	-3.17
Bloomberg Emerging Markets USD Index	5.66	6.80	-0.24	-7.28
Bloomberg Global Aggregate Index	1.67	7.42	0.55	-2.68

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	02/03/2022	31/12/2021	02/03/2022	31/12/2021	02/03/2022	31/12/2021
KIBOR	1.5000	1.5000	1.7500	1.7500	2.0625	2.0000
SAIBOR	1.5163	0.9057	1.4972	0.9829	1.7714	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	0.5650	0.3645	0.9525	0.7000	1.3688	0.7396
EURIBOR	-0.5330	-0.5730	-0.4930	-0.5460	-0.3490	-0.4980
LIBOR	0.5043	0.2144	0.8047	0.3451	1.2880	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	1.0667	0.12	99.4	KWD	0.3027	-0.0826	-0.07	Gold	1,937.00	5.79
2-Year	1.4728	-0.36	56.5	SAR	3.7522	-0.0027	0.09	Silver	25.26	8.02
5-Year	1.6788	1.16	22.6	BHD	0.3771	0.0000	0.00	Copper	456.00	2.39
7-Year	1.7470	1.92	18.4	QAR	3.6416	-0.0082	0.00	Nat. Gas	4.69	33.79
10-Year	1.8305	2.74	15.8	OMR	0.3850	-0.0026	-0.06	Aluminum	3,487.00	24.18
30-Year	1.8958	2.99	9.5	AED	3.6730	0.0054	0.00	Crude Oil	109.94	42.96

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	1.34	0.00	0.79	0.48	NA	NA
5-Year	1.60	-0.02	0.78	1.39	-0.69	0.58
10-Year	1.74	-0.10	1.12	3.12	-0.27	1.72
30-Year	2.13	-0.47	1.35	5.43	0.21	4.25

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	02-Mar 2022	31-Dec 2021
Kuwait	53.55	40.53
KSA	55.66	50.97
Abu Dhabi	53.48	43.09
Dubai	98.34	89.58
Qatar	53.61	42.55
Bahrain	303.89	286.32
Oman	248.94	254.42
Iraq	421.90	507.35
Egypt	541.97	496.58
Morocco	94.02	85.91
Turkey	589.25	555.46
US	11.11	10.01
UK	9.61	8.91
China	59.86	39.86
Japan	16.76	16.23
Germany	8.16	7.53
France	21.20	17.87