

News Updates

Kuwait tops GCC nations in inflation rates – A recent report issued by the MUFG Bank, the second largest Japanese bank, Kuwait tops the GCC countries in the rate of inflation which has risen steadily and significantly over the past more than two years, after it was the lowest at the end of 2018, reports Al-Anba daily. The daily added, Qatar ranked second with an inflation rate slightly lower than 3%, followed by Oman, the UAE, and Bahrain, but with vast differences, where inflation rates ranged around 1% or less. Inflation in Saudi Arabia has seen a significant change, as it witnessed huge and sudden increases starting from the middle of 2020 with the rise in the value-added tax, and the increase continued on an annual basis by a large difference to decline sharply starting in June of this year with the end of the impact of the comparison period. In a comparison between the inflation development rates in the Gulf countries, the report indicated the inflation rate in Kuwait reached slightly more than 3% on an annual basis, thus leading the inflation rate in the Gulf countries. The International Monetary Fund attributed the high inflation rate in Kuwait during 2021 to the significant increases in food prices in conjunction with the rise in the costs of services related to travel, and expected the inflation rate to reach 3.2% by the end of this year, to maintain the level of 3% in the medium term. *(Source: Arab Times)*

Saudi Arabia completes \$8.8bn sukuk repurchase program early – Saudi Arabia completed earlier than planned the repurchase of a portion of outstanding bonds and sukuk due in August, September, October, November and December of 2022, with a total value of more than SR33 billion (\$8.79 billion). The Kingdom, represented by the Ministry of Finance (MoF), also announced the issuance of new sukuk under the Sukuk Issuance Program in Saudi riyals, the National Debt Management Center (NDMC) said in a statement. This transaction is one of the NDMC initiatives aimed at unifying its domestic issuances under the Sukuk Issuance Program in Saudi riyals. This is the second stage of the initiative which started in 2020, and it will be followed by others, NDMC added. *(Source: Arab News)*

Moody's affirms the ratings of eight UAE banks, changes outlooks to stable from negative – Moody's Investors Service ("Moody's") has affirmed the long-term ratings of eight United Arab Emirates (UAE)-based banks: Abu Dhabi Commercial Bank (ADCB), Abu Dhabi Islamic Bank (ADIB), Commercial Bank of Dubai PSC (CBD), Dubai Islamic Bank PJSC (DIB), HSBC Bank Middle East Limited (HBME), Mashreq Bank psc (Mashreq), National Bank of Fujairah PJSC (NBF) and The National Bank of Ras-Al-Khaimah (P.S.C.) (RAK). Moody's has also affirmed the Baseline Credit Assessments (BCA) and Adjusted BCAs of the eight banks. At the same time, Moody's has changed the outlook to stable from negative on the long-term deposit and issuer ratings -- where applicable - of the eight banks. *(Source: Moody's)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.08	-2.25	KSA	2025	1.35	-1.86
Abu Dhabi	2030	2.09	-4.64	KSA	2030	2.39	-3.47
Abu Dhabi	2050	3.05	-5.70	KSA	2050	3.54	-4.92
Bahrain	2026	3.97	-4.74	Oman	2025	3.32	2.13
Bahrain	2030	5.55	-6.14	Oman	2029	4.77	3.79
Bahrain	2047	7.13	-11.87	Oman	2048	6.59	1.89
Dubai	2029	2.45	-0.86	Qatar	2025	1.17	-2.89
Kuwait	2022	-0.02	-1.99	Qatar	2030	2.18	-5.27
Kuwait	2027	1.58	-4.04	Qatar	2050	3.20	-6.63

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.73	8.08	-0.10	0.22
S&P MENA Bond and Sukuk Index	2.35	NA	0.04	-0.38
Bloomberg Emerging Markets USD Index	4.30	6.80	-0.03	-1.55
Bloomberg Global Aggregate Index	1.29	7.42	-0.50	-4.29

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	31/10/2021	31/12/2020	31/10/2021	31/12/2020	31/10/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8257	0.8175	0.8743	0.8700	0.9471	0.9413
BHIBOR	1.5000	2.2500	1.5583	2.5333	1.7667	2.6833
QATAR	1.1688	1.1206	1.2125	1.1960	1.3490	1.3636
AEIBOR	0.3450	0.5125	0.6025	0.4908	0.6579	0.6538
EURIBOR	-0.5530	-0.5450	-0.5270	-0.5260	-0.4550	-0.4990
LIBOR	0.1323	0.2384	0.2010	0.2576	0.3611	0.3419

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.3141	1.77	63.2	KWD	0.3017	0.0000	0.53	Gold	1,783.90	-6.66
2-Year	0.6930	3.47	250.4	SAR	3.7511	-0.0027	0.02	Silver	23.95	-10.15
5-Year	1.2339	0.89	187.0	BHD	0.3770	-0.0027	0.00	Copper	436.80	23.95
7-Year	1.4103	-0.19	115.4	QAR	3.6414	-0.0110	0.00	Nat. Gas	5.43	86.27
10-Year	1.5620	-1.18	68.8	OMR	0.3850	0.0000	0.00	Aluminum	2,712.25	35.17
30-Year	1.7225	-3.66	22.9	AED	3.6730	0.0000	0.00	Crude Oil	83.72	65.42

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.50	-0.01	0.69	-0.13	-0.82	0.00
5-Year	1.18	0.01	0.82	-0.33	-0.55	-0.11
10-Year	1.55	0.26	1.03	-0.23	-0.23	-0.31
30-Year	1.93	1.12	1.11	-0.04	0.11	0.78

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	31-Oct 2021	31-Dec 2020
Kuwait	46.45	40.69
KSA	48.29	63.77
Abu Dhabi	42.94	36.03
Dubai	87.79	104.06
Qatar	42.06	36.70
Bahrain	283.84	233.58
Oman	240.37	353.60
Iraq	452.28	542.74
Egypt	460.40	330.47
Morocco	91.73	102.56
Turkey	447.64	299.47
US	12.98	11.52
UK	8.99	15.13
China	44.83	26.70
Japan	17.33	14.74
Germany	8.13	9.09
France	20.22	14.42