

News Updates

Dubai Islamic Bank's \$750mln sukuk oversubscribed – Dubai Islamic Bank (DIB), the UAE's largest Islamic lender, confirmed on Wednesday that it has successfully priced its \$750 million five-year senior sukuk offering. The debt sale, a first in the UAE this year, attracted huge investor interest and was more than 2.5 times oversubscribed, DIB said in a statement to the Dubai Financial Market (DFM). The bonds were priced at 95 basis points with a profit rate of 2.74 percent. Listed on Euronext Dublin and Nasdaq Dubai, the sukuk has the lowest-ever credit spread on any of DIB's fixed-rate senior issuances, according to the lender. Several banks, including Bank ABC, Emirates NBD Capital, DIB, First Abu Dhabi Bank, KHF Capital, HSBC, Sharjah Islamic Bank, Standard Chartered Bank and The Islamic Corporation for the Development of the Private Sector, acted as joint lead managers and bookrunners for the debt sale. *(Source: Zawya)*

U.S. rate hikes could hit highly dollarized emerging market banks - Moody's – Banks in Latin America and emerging Europe are most exposed to dollarization among developing economies, making them vulnerable to weaker local currencies and increasing withdrawals in the face of tighter U.S. monetary policy, Moody's said on Monday. Interest rate hikes from the U.S. Federal Reserve are likely to slow capital flows to emerging markets, weakening countries' currencies and economic growth, and potentially triggering credit risk at highly dollarized banks, Moody's said. Moody's found that dollar deposits are highest across banks in Latin America, emerging Europe and the former Soviet countries, though relatively low in Asia Pacific and moderate in Africa. Higher exposure to Gulf states is offset by strong foreign currency reserves. *(Source: Reuters)*

Oil rallies on big drawdown in U.S. crude stocks, strong demand – Oil prices rallied on Wednesday after U.S. crude inventories dropped by nearly 5 million barrels and fuel demand rose to an all-time high, underscoring the market's ongoing tightness. Brent crude futures settled up 77 cents, or 0.9%, to \$91.55 a barrel. U.S. West Texas Intermediate crude (WTI) ended up 30 cents to \$89.66 a barrel. U.S. crude stocks fell by 4.8 million barrels last week to 410.4 million barrels, their lowest since October 2018, while overall product supplied, a proxy for demand, hit a record 21.9 million barrels per day over the past four weeks, government data showed. The heavy activity and ramp-up in U.S. refinery processing augur for a tight market for coming months. The market has also been supported by concerns about ongoing threats to supply in United Arab Emirates, which has been hit by attacks from Yemen's Houthi group, and over Russia due to the presence of thousands of its troops near Ukraine's border. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.08	-2.02	KSA	2027	2.32	-2.58
Abu Dhabi	2031	2.42	-3.52	KSA	2032	2.75	-3.32
Abu Dhabi	2050	3.39	-7.52	KSA	2050	3.91	-7.63
Bahrain	2028	4.92	-1.53	Oman	2027	4.68	-2.19
Bahrain	2032	6.07	-2.64	Oman	2032	5.73	-3.52
Bahrain	2051	7.14	-3.56	Oman	2051	7.01	-5.40
Dubai	2029	2.77	-1.82	Qatar	2026	2.23	-2.56
Kuwait	2022	-0.98	-0.31	Qatar	2030	2.74	-3.79
Kuwait	2027	2.15	-2.55	Qatar	2050	3.49	-7.03

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.25	8.08	0.06	-3.04
S&P MENA Bond and Sukuk Index	2.84	NA	-0.13	-3.37
Bloomberg Emerging Markets USD Index	4.82	6.80	0.24	-3.30
Bloomberg Global Aggregate Index	1.72	7.42	0.22	-2.58

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	10/02/2022	31/12/2021	10/02/2022	31/12/2021	10/02/2022	31/12/2021
KIBOR	1.5000	1.5000	1.7500	1.7500	2.0000	2.0000
SAIBOR	1.0834	0.9057	1.2162	0.9829	1.4600	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	0.5048	0.3645	0.7658	0.7000	1.1511	0.7396
EURIBOR	-0.5380	-0.5730	-0.4630	-0.5460	-0.3130	-0.4980
LIBOR	0.3663	0.2144	0.6399	0.3451	1.0917	0.5888

USD Swap Rates					Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)	
1-Year	1.0469	0.29	95.7	KWD	0.3023	0.0000	0.10	Gold	1,835.10	0.22	
2-Year	1.5365	-0.71	63.2	SAR	3.7520	0.0000	0.09	Silver	23.29	-0.29	
5-Year	1.8872	-1.06	37.8	BHD	0.3770	-0.0053	0.01	Copper	461.30	3.35	
7-Year	1.9468	-1.27	31.9	QAR	3.6416	-0.0082	0.00	Nat. Gas	4.04	13.58	
10-Year	2.0007	-1.35	26.5	OMR	0.3850	-0.0026	-0.06	Aluminum	3,284.75	17.10	
30-Year	2.0295	-2.26	17.2	AED	3.6730	0.0000	0.00	Crude Oil	91.59	18.41	
US Treasuries					UK Gilts			German Bunds			
	Yield %	1D Δ (%)			Yield %	1D Δ (%)			Yield %	1D Δ (%)	
2-Year	1.35	0.02			1.27	0.10			NA	NA	
5-Year	1.81	0.05			1.32	0.24			-0.30	0.14	
10-Year	1.93	0.12			1.43	0.50			0.08	0.40	
30-Year	2.22	0.45			1.53	1.28			0.39	0.72	

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	10-Feb 2022	31-Dec 2021
Kuwait	50.50	40.53
KSA	51.62	50.97
Abu Dhabi	49.14	43.09
Dubai	93.11	89.58
Qatar	49.17	42.55
Bahrain	290.88	286.32
Oman	231.63	254.42
Iraq	401.11	507.35
Egypt	533.41	496.58
Morocco	90.62	85.91
Turkey	523.90	555.46
US	10.12	10.01
UK	8.87	8.91
China	50.95	39.86
Japan	16.00	16.23
Germany	7.03	7.53
France	18.61	17.87