

## News Updates

**Dubai sets spending in 2022 fiscal budget at \$16.3bn** – The UAE's Dubai ruler, Sheikh Mohammed bin Rashid Al Maktoum approved the emirate's budget for 2022 with a total expenditure of 60 billion dirhams (\$16.3 billion), according to a tweet by Dubai Media Office. Dubai's budget for the fiscal years of 2022-2024 was approved for a total expenditure of 181 billion Emirati dirhams (\$49 billion), Dubai's deputy ruler said in a tweet on Sunday. The expected revenues this year are 57.5 billion dirhams, the tweeted added. *(Source: Arab News)*

**Oil posts biggest annual gain since at least 2016** – Oil prices fell on Friday but were set to post their biggest annual gains since at least 2016, spurred by the global economic recovery from the COVID-19 pandemic slump and producer restraint, even as infections reached record highs worldwide. Brent crude futures settled down \$1.75, or 2.2%, at \$77.78 a barrel. U.S. West Texas Intermediate (WTI) crude futures dropped \$1.78, or 2.31%, to \$75.21 a barrel. Brent ended the year up 50.5%, its biggest gain since 2016, while WTI posted a 55.5% gain, the strongest performance for the benchmark contract since 2009, when prices soared more than 70%. Both contracts touched their 2021 peak in October, with Brent at \$86.70 a barrel, the highest since 2018, and WTI at \$85.41 a barrel, the highest since 2014. Global oil prices are expected to rise further next year as jet fuel demand catches up. *(Source: Reuters)*

**Benchmark yields post largest increase since 2013** – Benchmark 10-year Treasuries ended the year with the largest yield increase since 2013 as investors prepare for the likelihood that the Federal Reserve will raise rates as soon as May. The U.S. central bank is under pressure to hike rates to cut off surging inflation that is proving to be more stubborn than previously expected. Fed funds futures traders are fully pricing in a rate hike by May and almost three hikes by the end of 2022. Benchmark 10-year yields are up 60 basis points on the year, the largest increase since 2013, when the yields jumped 127 basis points. That increase came after then-Fed Chairman Ben Bernanke signaled the start of the unwind of the Fed's bond purchase program and sparked the now infamous "taper tantrum." Two-year note yields, which are highly sensitive to interest rate moves, ended up 61 basis points on the year, the largest increase since 2017. The yield curve between two-year and 10-year notes was at 77 basis points. The curve is only slightly flatter than where it ended last year, at 79 basis points. The largest mover this year was five-year notes, which have jumped 90 basis points, the most since 2013. The Fed said after the December meeting that it would end its pandemic-era bond purchases in March and pave the way for three quarter-percentage-point interest rate hikes by the end of 2022. *(Source: Reuters)*

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.20	0.00	KSA	2025	1.51	0.00
Abu Dhabi	2030	1.97	0.00	KSA	2030	2.23	0.00
Abu Dhabi	2050	2.95	0.00	KSA	2050	3.42	0.00
Bahrain	2026	4.16	0.00	Oman	2025	3.28	0.00
Bahrain	2030	5.61	0.00	Oman	2029	4.71	0.00
Bahrain	2047	7.31	0.00	Oman	2048	6.55	0.00
Dubai	2029	2.53	0.00	Qatar	2025	1.39	0.00
Kuwait	2022	-0.48	0.00	Qatar	2030	2.07	0.00
Kuwait	2027	1.64	0.00	Qatar	2050	3.06	0.00

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.78	8.08	0.10	0.00
S&P MENA Bond and Sukuk Index	2.38	NA	0.02	0.00
Bloomberg Emerging Markets USD Index	4.31	6.80	0.05	0.00
Bloomberg Global Aggregate Index	1.31	7.42	0.22	0.00

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	03/01/2022	30/12/2021	03/01/2022	30/12/2021	03/01/2022	30/12/2021
KIBOR	1.5000	1.5000	1.7500	1.7500	2.0000	2.0000
SAIBOR	0.9057	0.9057	0.9857	0.9829	1.0600	1.0600
BHIBOR	1.5167	1.5167	1.6233	1.6233	1.7667	1.7667
QATAR	1.1250	1.1250	1.2000	1.2000	1.3250	1.3250
AEIBOR	0.3645	0.3645	0.7000	0.7000	0.7396	0.7396
EURIBOR	-0.5720	-0.5730	-0.5460	-0.5460	-0.5010	-0.4980
LIBOR	0.2091	0.2144	0.3388	0.3451	0.5831	0.5888

USD Swap Rates				Currencies			Commodities				
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)	
1-Year	0.5350	0.60	0.0	KWD	0.3025	0.0331	0.00	Gold	1,826.20	-0.13	
2-Year	0.9413	1.22	0.0	SAR	3.7554	-0.0080	0.00	Silver	23.23	-0.52	
5-Year	1.3840	1.45	1.1	BHD	0.3770	0.0000	0.00	Copper	444.95	-0.31	
7-Year	1.4782	0.25	0.2	QAR	3.6416	-0.0082	0.00	Nat. Gas	3.72	-0.40	
10-Year	1.5810	0.28	0.0	OMR	0.3848	0.0676	0.00	Aluminum	2,803.00	0.00	
30-Year	1.7311	-0.88	0.0	AED	3.6727	0.0082	0.00	Crude Oil	78.35	0.73	
US Treasuries				UK Gilts			German Bunds				
	Yield %	1D Δ (%)			Yield %	1D Δ (%)			Yield %	1D Δ (%)	
2-Year	0.73	0.00			0.64	0.01			NA	NA	
5-Year	1.26	0.00			0.80	0.01			-0.67	0.00	
10-Year	1.51	0.02			0.96	0.07			-0.33	0.00	
30-Year	1.90	0.02			1.11	0.43			0.16	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	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	03-Jan 2022	31-Dec 2021
Kuwait	40.54	40.53
KSA	48.97	50.97
Abu Dhabi	42.29	43.09
Dubai	88.97	89.58
Qatar	42.25	42.55
Bahrain	283.62	286.32
Oman	245.59	254.42
Iraq	507.31	507.35
Egypt	487.63	496.58
Morocco	85.24	85.91
Turkey	558.38	555.46
US	11.49	10.01
UK	8.36	8.91
China	39.37	39.86
Japan	16.23	16.23
Germany	7.66	7.53
France	18.22	17.87