

News Updates

S&P affirms Kuwait credit rating at A+ with negative outlook – Standard & Poor's Global Ratings on Friday affirmed its long- and short-term foreign- and local-currency sovereign credit ratings on Kuwait at "A+/A-1", with negative outlook. "The negative outlook primarily reflects risks over the next 12-24 months relating to the government's ability to overcome the institutional roadblocks preventing it from implementing a financing strategy for future deficits," the international rating agency said in a press release today. It argued that despite higher oil prices and production levels, Kuwait's central government deficits are set to average 12 percent of Gross Domestic Product (GDP) through 2025, among the highest of all rated sovereigns. "The government has almost exhausted the General Reserve Fund's liquidity, having yet to reach an agreement with the parliament on a comprehensive fiscal funding strategy, which presents financing risks for the state, particularly if oil prices decline," the agency added. "Following the conclusion of the National Dialogue, relations between the executive and legislature appear on the mend, increasing the likelihood that parliament will approve the debt law and fiscal consolidation plan." It warned that the complexity of Kuwait's fiscal and institutional arrangements pose risks to its public finances, despite the substantial size of its net asset positions. *(Source: KUNA)*

Abu Dhabi solar firm Sweihan gets \$701 mln via green bonds, slightly less than hoped – Abu Dhabi solar energy firm Sweihan PV Power Company sold \$700.8 million in amortising green bonds at 3.625% on Thursday, slightly less than it was targeting on a turbulent day for global debt markets, a bank document showed. The company was seeking to raise around \$728 million, several bank documents showed. An investor presentation earlier this week said the deal could be between \$710 million and \$750 million. Global debt markets have been rattled by the Federal Reserve's sudden shift towards a faster run of interest rate hikes and stimulus withdrawal. Borrowing costs have shot up as a result and investors have become more reluctant to lend to companies until they know how much further they could still rise this year. The yield on Sweihan's green bonds was tightened from initial price guidance of around 3.875% after the debt sale drew roughly \$1.6 billion in orders. *(Source: Reuters)*

Fitch Revises National Bank of Oman's Outlook to Stable; Affirms at 'BB-' – Fitch Ratings has revised National Bank of Oman SAOG's (NBO) Outlook to Stable from Negative and affirmed the bank's Long-Term Issuer Default Rating (IDR) at 'BB-'. Fitch has also affirmed the bank's Viability Rating (VR) at 'bb-'. The rating actions follow a similar action on Oman's sovereign rating on 20 December 2021. Fitch has also revised its outlook on the Omani operating environment score to stable from negative. According to Fitch, the outlook revision reflects their view that pressures on the operating environment from the pandemic and lower oil prices have eased sufficiently, and that the bank's financial metrics have been resilient in the past quarters, despite these pressures. *(Source: Fitch Ratings)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.48	-0.87	KSA	2025	1.94	-1.51
Abu Dhabi	2030	2.28	-2.19	KSA	2030	2.58	-2.78
Abu Dhabi	2050	3.22	-4.62	KSA	2050	3.70	-4.39
Bahrain	2026	4.53	-1.31	Oman	2025	3.58	-0.87
Bahrain	2030	6.02	-2.51	Oman	2029	5.18	-2.88
Bahrain	2047	7.71	-4.35	Oman	2048	6.96	-4.86
Dubai	2029	2.74	-1.36	Qatar	2025	1.66	-0.85
Kuwait	2022	0.38	-0.20	Qatar	2030	2.29	-1.58
Kuwait	2027	1.87	-1.13	Qatar	2050	3.29	-3.94

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.00	8.08	-0.16	-1.69
S&P MENA Bond and Sukuk Index	2.60	NA	-0.19	-1.84
Bloomberg Emerging Markets USD Index	4.67	6.80	-0.59	-2.45
Bloomberg Global Aggregate Index	1.47	7.42	-0.39	-0.75

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	16/01/2022	30/12/2021	16/01/2022	30/12/2021	16/01/2022	30/12/2021
KIBOR	1.5000	1.5000	1.7500	1.7500	2.0000	2.0000
SAIBOR	0.9229	0.9057	1.0157	0.9829	1.1143	1.0600
BHIBOR	1.5167	1.5167	1.6233	1.6233	1.7667	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3000	1.3250
AEIBOR	0.3980	0.3645	0.6505	0.7000	0.7980	0.7396
EURIBOR	-0.5680	-0.5730	-0.5330	-0.5460	-0.4830	-0.4980
LIBOR	0.2413	0.2144	0.3950	0.3451	0.7257	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.6790	3.22	26.9	KWD	0.3021	0.1655	0.15	Gold	1,816.50	-0.66
2-Year	1.1600	6.32	23.2	SAR	3.7523	0.0160	0.08	Silver	22.92	-1.86
5-Year	1.6472	8.75	20.3	BHD	0.3770	0.0106	0.00	Copper	442.05	-0.96
7-Year	1.7580	8.92	19.1	QAR	3.6416	-0.0082	0.00	Nat. Gas	4.26	14.26
10-Year	1.8489	8.61	16.9	OMR	0.3850	0.0026	-0.06	Aluminum	2,976.25	6.18
30-Year	1.9449	7.21	12.4	AED	3.6730	0.0000	-0.01	Crude Oil	86.06	10.65

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.97	-0.14	0.78	-0.06	NA	NA
5-Year	1.56	-0.39	0.96	-0.15	-0.57	-0.07
10-Year	1.78	-0.69	1.15	-0.38	-0.22	-0.32
30-Year	2.12	-1.66	1.25	-0.87	0.22	-1.31

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	16-Jan 2022	31-Dec 2021
Kuwait	46.01	40.53
KSA	50.96	50.97
Abu Dhabi	47.19	43.09
Dubai	88.72	89.58
Qatar	46.01	42.55
Bahrain	287.82	286.32
Oman	244.22	254.42
Iraq	489.53	507.35
Egypt	549.10	496.58
Morocco	89.87	85.91
Turkey	554.94	555.46
US	10.29	10.01
UK	9.32	8.91
China	46.20	39.86
Japan	15.88	16.23
Germany	7.21	7.53
France	17.77	17.87