

News Updates

Fitch: Oman outlook improved on higher oil and fiscal reforms – Ratings agency Fitch said on Monday it had revised Oman's outlook to "stable" from "negative" as higher oil prices and fiscal reforms improve the balance sheet of the heavily indebted Gulf state. "The revision of the outlook reflects actual improvements in, and the expected evolution of, key fiscal metrics including government debt/GDP and the budget deficit," Fitch said in a statement. This was driven by "higher oil prices and fiscal reforms, and a lessening of external financing pressures relative to recent years even as external funding needs remain high", it added. Oman is more sensitive to oil price swings, meaning it was hit especially hard by the pandemic-driven price crash in 2020. But higher oil prices this year, along with fiscal reforms, are expected to narrow state deficits and contain debt levels over the next few years. Oman said this month it expects its budget deficit to reach 5% of gross domestic product in 2022, well within the limits of a medium-term fiscal plan launched by the Gulf state last year to fix its finances. The budget deficit shrank to 3.4% of GDP this year from 16.1% last year, Fitch estimated, with hydrocarbon revenue having grown by a third. The agency expects government debt to decline this year to 67% of GDP from 71% of GDP last year, and to diminish further to 64% of GDP in 2022. *(Source: Reuters)*

Fitch Affirms Morocco at 'BB+'; Outlook Stable – Fitch Ratings has affirmed Morocco's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'BB+' with a Stable Outlook. Morocco's 'BB+' rating is underpinned by a record of macroeconomic stability reflected in relatively low inflation and GDP volatility pre-pandemic; a moderate share of foreign-currency debt in total general government (GG) debt, and relatively comfortable external liquidity buffers. According to Fitch, these strengths are balanced against weak development and governance indicators, high GG debt, and budget and current account deficits that are wider than rating peers. *(Source: Fitch Ratings)*

IMF releases \$335 mln to Jordan, says loan program on track – The International Monetary Fund said on Monday its executive board approved a \$335.2 million disbursement to Jordan with the completion of a third review of the country's four-year, \$1.5 billion loan program. The IMF said the program remains on track, with continued progress on economic reforms, but fiscal targets have been amended to ensure adequate space for the extension of social protection and job retention programs and priority public investments. Higher fuel prices have widened the current account deficit, increasing gross financing requirements for 2021-22, the Fund said. The IMF said total disbursements to Jordan since the start of 2020 have reached about \$1.23 billion, including about \$407 million in emergency financing to aid the country's COVID-19 pandemic response, and disbursements under the Extended Fund Facility first approved in March 2020. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.18	-2.82	KSA	2025	1.49	-2.59
Abu Dhabi	2030	1.99	-4.01	KSA	2030	2.21	-2.31
Abu Dhabi	2050	2.94	-3.92	KSA	2050	3.42	-2.97
Bahrain	2026	4.20	-5.74	Oman	2025	3.31	1.84
Bahrain	2030	5.68	-6.90	Oman	2029	4.73	3.97
Bahrain	2047	7.40	-14.40	Oman	2048	6.56	2.17
Dubai	2029	2.52	-1.54	Qatar	2025	1.39	-3.76
Kuwait	2022	-0.30	-2.32	Qatar	2030	2.07	-4.62
Kuwait	2027	1.55	-4.09	Qatar	2050	3.03	-4.03

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.77	8.08	0.08	0.97
S&P MENA Bond and Sukuk Index	2.35	NA	0.20	0.59
Bloomberg Emerging Markets USD Index	4.58	6.80	-0.28	-1.94
Bloomberg Global Aggregate Index	1.25	7.42	-0.09	-4.46

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	21/12/2021	31/12/2020	21/12/2021	31/12/2020	21/12/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8886	0.8175	0.9429	0.8700	1.0314	0.9413
BHIBOR	1.5167	2.2500	1.6017	2.5333	1.7667	2.6833
QATAR	1.1250	1.1206	1.2000	1.1960	1.3400	1.3636
AEIBOR	0.3650	0.5125	0.5081	0.4908	0.7963	0.6538
EURIBOR	-0.5810	-0.5450	-0.5510	-0.5260	-0.5110	-0.4990
LIBOR	0.2126	0.2384	0.3128	0.2576	0.5296	0.3419

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.5030	0.70	161.3	KWD	0.3028	0.0000	0.18	Gold	1,791.60	-6.39
2-Year	0.8781	0.88	343.9	SAR	3.7550	0.0000	-0.07	Silver	22.26	-16.76
5-Year	1.2773	-0.01	197.0	BHD	0.3770	0.0027	0.00	Copper	431.20	22.48
7-Year	1.3844	-0.10	111.5	QAR	3.6416	-0.0082	-0.01	Nat. Gas	3.84	27.88
10-Year	1.4938	-0.11	61.4	OMR	0.3850	0.0026	0.00	Aluminum	2,659.01	32.22
30-Year	1.6665	-0.16	18.9	AED	3.6731	0.0000	0.00	Crude Oil	72.14	42.88

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.63	0.00	0.52	-0.07	NA	NA
5-Year	1.17	0.00	0.63	-0.12	-0.77	0.02
10-Year	1.42	0.02	0.77	-0.12	-0.51	-0.05
30-Year	1.85	0.08	0.95	-0.48	-0.04	-0.80

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	21-Dec 2021	31-Dec 2020
Kuwait	40.52	40.69
KSA	51.00	63.77
Abu Dhabi	42.91	36.03
Dubai	88.16	104.06
Qatar	42.93	36.70
Bahrain	292.01	233.58
Oman	250.75	353.60
Iraq	521.59	542.74
Egypt	496.67	330.47
Morocco	86.90	102.56
Turkey	618.42	299.47
US	10.23	11.52
UK	8.33	15.13
China	42.47	26.70
Japan	16.45	14.74
Germany	7.39	9.09
France	18.87	14.42