

News Updates

Egypt in talks with IMF to secure possible funding amid Ukrainian war

– Egypt is holding discussions with the International Monetary Fund (IMF) to secure support that could include a loan amid the rising pressure of the Ukrainian war on the country's economy, sources told Bloomberg. The sources remarked that the talks are considering several options, including a precautionary and liquidity line or another financial assistance, in addition to a non-financial agreement, called a policy coordination instrument. These discussions come amid the surging prices of commodities and energy and global monetary tightening, which pose pressures on Egypt's economy. (Source: Mubasher)

Fitch Downgrades Tunisia to 'CCC' – Fitch Ratings has downgraded Tunisia's Long-Term Foreign-Currency Issuer Default Rating (IDR) to 'CCC' from 'B-'. Fitch typically does not assign Outlooks or apply modifiers to sovereigns with a rating of 'CCC' or below. The downgrade to 'CCC' reflects heightened fiscal and external liquidity risks in the context of further delays in agreeing on a new programme with the IMF after the political changes of July 2021, which is necessary for access to most official creditors' budget support. The entrenched social opposition and on-going friction with unions curtail the government's ability to enact strong fiscal consolidation measures, complicating efforts to secure the IMF programme. (Source: Fitch Ratings)

Oil settles up but posts second consecutive weekly decline – Oil prices settled higher on Friday, but posted a second straight weekly loss, after a volatile trading week with no easy replacement for Russian barrels in a tight market. Brent crude futures settled up \$1.29, or 1.2%, to \$107.93 a barrel, a day after surging nearly 9% in the biggest daily percentage gain since mid-2020. U.S. West Texas Intermediate (WTI) crude futures settled up \$1.72, or 1.7%, at \$104.70 a barrel, adding to the previous session's 8% jump. Both benchmark contracts ended the week down around 4%, after trading in a \$16 range. Prices hit 14-year highs nearly two weeks ago, encouraging bouts of profit taking since then. Russia said an agreement had yet to be reached after a fourth day of talks with Ukraine. Some signs of progress had emerged earlier in the week. (Source: Reuters)

Treasuries Stumble Near 2% at Short End Even With a Hawkish Fed – Momentum toward higher yields has stalled in the world's biggest bond market, underscoring how rapidly traders priced in the hawkish message delivered by the Federal Reserve. The Treasury market selloff ended most dramatically in two-year notes, where yields peaked just below 2%, a level last seen in May 2019. Two-year yields have risen by nearly 50 basis points over the past two weeks and more than doubled from where they began the year, a much bigger move than has preceded previous Fed tightening cycles. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.23	-2.98	KSA	2027	2.40	-2.84
Abu Dhabi	2031	2.57	-4.69	KSA	2032	2.92	-4.73
Abu Dhabi	2050	3.54	-9.99	KSA	2050	4.18	-11.55
Bahrain	2028	4.90	-1.40	Oman	2027	4.71	-2.40
Bahrain	2032	6.07	-2.58	Oman	2032	5.63	-2.91
Bahrain	2051	7.30	-5.40	Oman	2051	6.85	-3.61
Dubai	2029	2.99	-3.22	Qatar	2026	2.31	-2.99
Kuwait	2022	-32.74	-0.50	Qatar	2030	2.76	-4.59
Kuwait	2027	2.21	-2.96	Qatar	2050	3.69	-10.38

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.58	8.08	0.04	-4.73
S&P MENA Bond and Sukuk Index	3.22	NA	0.04	-5.22
Bloomberg Emerging Markets USD Index	5.65	6.80	0.29	-9.76
Bloomberg Global Aggregate Index	1.99	7.42	-0.01	-5.53

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	20/03/2022	31/12/2021	20/03/2022	31/12/2021	20/03/2022	31/12/2021
KIBOR	1.6250	1.5000	1.8750	1.7500	2.1875	2.0000
SAIBOR	2.0212	0.9057	2.1064	0.9829	2.3227	1.0600
BHIBOR	1.8000	1.5167	1.9533	1.6233	2.4333	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	1.0125	0.3645	1.2550	0.7000	1.8050	0.7396
EURIBOR	-0.4870	-0.5730	-0.3930	-0.5460	-0.2070	-0.4980
LIBOR	0.9340	0.2144	1.2876	0.3451	1.7864	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	1.6768	3.93	213.4	KWD	0.3039	0.0494	-0.44	Gold	1,933.90	5.48
2-Year	2.2008	3.77	133.8	SAR	3.7515	0.0053	0.10	Silver	25.09	7.30
5-Year	2.2402	0.33	63.6	BHD	0.3770	0.0000	0.00	Copper	473.95	6.42
7-Year	2.2375	-0.77	51.6	QAR	3.6414	0.0055	0.01	Nat. Gas	4.86	38.67
10-Year	2.2629	-1.37	43.1	OMR	0.3850	0.0000	-0.06	Aluminum	3,375.50	20.27
30-Year	2.2530	-2.18	30.1	AED	3.6730	0.0000	-0.01	Crude Oil	107.93	40.35

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	1.94	-0.03	1.19	0.18	NA	NA
5-Year	2.14	0.01	1.23	0.41	-0.27	0.01
10-Year	2.15	0.21	1.49	0.71	0.19	0.11
30-Year	2.42	1.05	1.74	0.89	0.51	-0.08

	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	B+
Tunisia	Caa1	NR	CCC
Morocco	Ba1	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	20-Mar 2022	31-Dec 2021
Kuwait	50.45	40.53
KSA	46.77	50.97
Abu Dhabi	46.03	43.09
Dubai	91.65	89.58
Qatar	46.39	42.55
Bahrain	281.65	286.32
Oman	233.67	254.42
Iraq	370.63	507.35
Egypt	567.53	496.58
Morocco	96.42	85.91
Turkey	579.59	555.46
US	13.74	10.01
UK	12.40	8.91
China	53.29	39.86
Japan	16.38	16.23
Germany	13.49	7.53
France	21.57	17.87