

## News Updates

**Oil prices drive Saudi quarterly budget to record first surplus in 6 years** - Saudi Arabia recorded its highest quarterly budget surplus in six years during the first quarter of 2022, amounting to SAR 57.5 billion (\$15.3 billion), the Ministry of Finance announced on Sunday. The surplus is attributed to the rising oil prices. Revenues reached SAR 278 billion while expenses worth SAR 220 billion were recorded during the period. According to the Finance Ministry report, the Kingdom's non-oil revenues reached SAR 94.26 billion. This is the highest quarterly surplus since the ministry began announcing the budget on a quarterly basis since the beginning of 2016. *(Source: Arab News)*

**Fitch Ratings: UAE Banks to Benefit from High Oil Prices, Rate Rises** - UAE banks' Standalone Credit Profiles will be supported by improved operating conditions due to high oil prices and rising interest rates in 2022-2023, Fitch Ratings says following a sector ratings review. Financial performance is recovering towards pre-pandemic levels, and the agency recently revised its outlook on the operating environment to stable from negative, reflecting substantially lower risks to the banks. Fitch affirmed all banks' Long-Term Issuer Default Ratings with Stable Outlooks, upgraded Emirates Islamic Bank's Viability Rating (VR) to 'bb' from 'bb-' on improved asset quality, and downgraded Mashreqbank's VR to 'bb-' from 'bbb-' due to weakened core capitalisation. The UAE's government support measures, high oil prices, and the easing of pandemic restrictions, have boosted economic activity and growth prospects. Fitch expects real GDP growth of 6.3% in 2022 and 3.8% in 2023, while the non-oil economy should grow by 4.5% in 2022 and 3.3% in 2023. *(Source: Fitch Ratings)*

**Germany to Stop Russian Oil Imports Regardless of EU Sanctions** - Germany plans to stop importing Russian oil by the end of the year even if the European Union fails to agree on an EU-wide ban in its next set of sanctions, government officials said. Efforts to seal deals with alternative suppliers are progressing at the chancellery in Berlin and the government is confident it can solve remaining logistical problems within the next six to seven months, according to the officials, who spoke on condition of anonymity. With European Union foreign ministers meeting in Brussels to discuss the next round of sanctions, EU diplomats have floated a delay in the phased-in oil ban after Hungary objected, saying the step would be too damaging to its economy. *(Source: Bloomberg)*

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.31	-8.02	KSA	2027	3.31	-6.74
Abu Dhabi	2031	3.65	-12.56	KSA	2032	3.84	-11.73
Abu Dhabi	2050	4.42	-22.37	KSA	2050	4.89	-20.53
Bahrain	2028	5.84	-5.91	Oman	2027	5.60	-6.05
Bahrain	2032	7.23	-10.88	Oman	2032	6.36	-8.18
Bahrain	2051	8.15	-14.59	Oman	2051	7.81	-14.05
Dubai	2029	4.08	-9.48	Qatar	2026	3.40	-6.98
Dubai	2050	5.65	-22.42	Qatar	2030	3.68	-10.30
Kuwait	2027	3.23	-7.41	Qatar	2050	4.55	-22.10

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.50	8.08	0.07	-10.16
S&P MENA Bond and Sukuk Index	4.08	NA	0.12	-10.59
Bloomberg Emerging Markets USD Index	6.58	6.80	0.03	-14.54
Bloomberg Global Aggregate Index	2.56	7.42	0.18	-12.00

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	17/05/2022	31/12/2021	17/05/2022	31/12/2021	17/05/2022	31/12/2021
KIBOR	1.8750	1.5000	2.1250	1.7500	2.3750	2.0000
SAIBOR	2.5491	0.9057	2.7717	0.9829	3.1962	1.0600
BHIBOR	2.5922	1.5167	2.9615	1.6233	3.5417	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	1.4009	0.3645	2.0788	0.7000	2.6225	0.7396
EURIBOR	-0.4030	-0.5730	-0.2090	-0.5460	0.1820	-0.4980
LIBOR	1.4437	0.2144	1.9950	0.3451	2.6521	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.5342	2.34	373.7	KWD	0.3069	0.0489	-1.42	Gold	1,824.20	-0.50
2-Year	2.8904	3.39	207.1	SAR	3.7515	0.0000	0.11	Silver	21.63	-7.64
5-Year	2.9010	3.16	111.8	BHD	0.3770	-0.0027	0.01	Copper	423.45	-4.68
7-Year	2.9329	3.18	98.7	QAR	3.6414	0.0055	0.01	Nat. Gas	8.06	125.17
10-Year	2.9854	3.03	88.8	OMR	0.3850	0.0000	-0.06	Aluminum	2,815.75	0.47
30-Year	2.8752	2.30	66.1	AED	3.6730	-0.0027	0.00	Crude Oil	113.81	50.07

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.60	-0.06	1.21	0.02	NA	NA
5-Year	2.86	-0.14	1.35	0.09	0.26	0.00
10-Year	2.91	-0.23	1.73	0.14	0.77	0.00
30-Year	3.12	-0.42	1.97	0.42	1.07	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	BB-	BB-
Egypt	B2	B	B+
Lebanon	C	SD	RD
Jordan	B1	B+	BB-
Turkey	B2	B+	B+
Tunisia	Caa1	NR	CCC
Morocco	Ba1	BB+	BB+
US	Aaa	AA+	AAA
UK	Aa3	AA	AA-
China	A1	A+	A+

USD 5Yr CDS	17-May 2022	31-Dec 2021
Kuwait	58.35	40.53
KSA	66.78	50.97
Abu Dhabi	65.30	43.09
Dubai	111.63	89.58
Qatar	65.65	42.55
Bahrain	307.35	286.32
Oman	248.78	254.42
Iraq	402.54	507.35
Egypt	860.24	496.58
Morocco	106.49	85.91
Turkey	707.19	555.46
US	16.00	10.01
UK	10.41	8.91
China	81.82	39.86
Japan	18.29	16.23
Germany	11.29	7.53
France	19.99	17.87