

News Updates

Gulf's Oman Air seeking further government aid, targets 2024 break-even – Oman Air is seeking additional financial assistance from the government and will raise more debt as it recovers from the pandemic, with a target of breaking even in 2024, its chief executive said. The state-owned Gulf carrier has received government aid during the pandemic but further state support was needed to help cover next year's operational costs, Abdulaziz Al Raisi told Reuters. He did not disclose how much support had been received so far, or how much more the airline needed. *(Source: Reuters)*

Inflation rate in Qatar rises by 4.28% in October – The inflation rate in Qatar increased during the month of October by 4.28% on an annual basis, according to a statement by the Planning and Statistics Authority today, Sunday. The annual rise in the index was affected by an increase in the prices of 9 subgroups presented by entertainment and culture by 25.31%. The statement pointed out that the last month witnessed a decrease in the groups "housing, water, electricity, gas and other types of fuel" and "health" by 3.58% and 1.39%, respectively, with the stability of the tobacco group annually. *(Source: Mubasher)*

Fed's Kashkari expects higher inflation continuing over next few months – Minneapolis Federal Reserve Bank President Neel Kashkari said on Sunday he expects higher inflation continuing over the next few months but warned that the U.S. central bank should not overreact to elevated inflation as it is likely to be temporary. Kashkari on Tuesday said he expects more clarity on the economic outlook by the time the Fed ends its bond-buying program in mid-2022, and is keeping an "open mind" on the timing of any rate hikes to follow. President Joe Biden's economic advisers defended his policies on Sunday amid rising inflation that they said was a global issue related to the COVID-19 pandemic, not a result of the administration's programs. U.S. consumer prices rose 6.2% in October compared to a year earlier, the fastest annual rate in 31 years, driven by surges in the cost of gasoline and other goods. *(Source: Reuters)*

Oil Declines as Biden Faces Mounting Calls to Release SPR Crude – Oil fell as U.S. President Joe Biden faced more calls to tap the Strategic Petroleum Reserve (SPR) to tackle surging gasoline prices and push back against consumer inflation running at the fastest pace in decades. West Texas Intermediate dropped 0.4% after declining for three straight weeks, while Brent retreated. Senate Majority Leader Charles Schumer urged Biden at the weekend to release oil from the nation's emergency reserves, saying that consumers needed immediate relief at the gas pump. The global oil market has fixated in recent weeks on a potential release from the reserves after crude hit a seven-year high in October, lifted by a rebound in consumption from the impact of the pandemic. A plea by Biden for the Organization of Petroleum Exporting Countries and its allies to raise oil production more quickly was rebuffed, putting the focus on how the U.S. administration may respond as the pace of consumer price gains accelerates. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.14	-2.49	KSA	2025	1.42	-2.18
Abu Dhabi	2030	2.03	-4.23	KSA	2030	2.37	-3.37
Abu Dhabi	2050	2.98	-4.51	KSA	2050	3.50	-4.38
Bahrain	2026	3.83	-4.24	Oman	2025	3.38	1.89
Bahrain	2030	5.49	-5.69	Oman	2029	4.83	3.34
Bahrain	2047	6.98	-10.23	Oman	2048	6.64	1.33
Dubai	2029	2.43	-0.81	Qatar	2025	1.27	-3.17
Kuwait	2022	-0.22	-2.05	Qatar	2030	2.20	-5.33
Kuwait	2027	1.61	-4.21	Qatar	2050	3.11	-5.27

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.72	8.08	-0.34	0.58
S&P MENA Bond and Sukuk Index	2.34	NA	-0.03	0.06
Bloomberg Emerging Markets USD Index	4.34	6.80	0.02	-1.56
Bloomberg Global Aggregate Index	1.27	7.42	-0.11	-4.42

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	15/11/2021	31/12/2020	15/11/2021	31/12/2020	15/11/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8386	0.8175	0.8857	0.8700	0.9557	0.9413
BHIBOR	1.5167	2.2500	1.5583	2.5333	1.7667	2.6833
QATAR	1.1555	1.1206	1.2035	1.1960	1.3500	1.3636
AEIBOR	0.3367	0.5125	0.4897	0.4908	0.6243	0.6538
EURIBOR	-0.5620	-0.5450	-0.5330	-0.5260	-0.4730	-0.4990
LIBOR	0.1550	0.2384	0.2260	0.2576	0.3985	0.3419

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.3400	-0.03	76.6	KWD	0.3022	-0.1655	0.38	Gold	1,859.50	-2.71
2-Year	0.7567	-0.03	282.6	SAR	3.7511	0.0000	0.03	Silver	25.04	-6.08
5-Year	1.3126	-0.91	205.3	BHD	0.3771	-0.0027	-0.01	Copper	441.65	25.45
7-Year	1.4739	-0.94	125.2	QAR	3.6416	0.0082	-0.01	Nat. Gas	4.89	67.70
10-Year	1.6065	-1.10	73.6	OMR	0.3850	0.0000	0.01	Aluminum	2,698.35	34.48
30-Year	1.7464	-0.81	24.6	AED	3.6730	0.0082	0.01	Crude Oil	81.80	61.63

US Treasuries			UK Gilt		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.51	0.01	0.51	0.08	-1.35	0.00
5-Year	1.21	0.04	0.66	0.15	-0.76	0.18
10-Year	1.56	0.07	0.91	0.07	-0.42	0.27
30-Year	1.93	0.13	1.07	-0.26	0.03	0.41

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	15-Nov 2021	31-Dec 2020
Kuwait	44.70	40.69
KSA	45.68	63.77
Abu Dhabi	38.39	36.03
Dubai	84.27	104.06
Qatar	39.08	36.70
Bahrain	260.46	233.58
Oman	238.08	353.60
Iraq	487.00	542.74
Egypt	451.89	330.47
Morocco	86.90	102.56
Turkey	405.59	299.47
US	13.56	11.52
UK	7.66	15.13
China	51.54	26.70
Japan	16.59	14.74
Germany	7.63	9.09
France	19.02	14.42