

## News Updates

**Oman Raises \$4 Billion in Loan as S&P Raises Credit Rating** – Oman raised \$4 billion in financing from regional and international lenders last month, according to data compiled by Bloomberg. The seven-year funding will be used for general sovereign financing and refinancing, and more than 20 banks participated in the facility, according to the data. Oman has implemented a series of reforms to balance its budget and lower its debt, including the introduction of value-added tax last year. The sultanate's finance ministry in January projected a budget deficit of \$3.9 billion for this year, based on oil prices at \$50 a barrel. Oil's surge on the back of Russia's invasion of Ukraine has pushed crude above the break-even level for almost all the Middle East's producers, raising the prospect of significant budget surpluses for even the weakest economies if prices remain high. Oman plans to use the windfall to trim its debt and boost spending on projects, its ruler said last month. The rating agency said it expects the country's net debt to reach 12% of gross domestic product in 2025 compared with an earlier forecast of above 30%. *(Source: Bloomberg)*

**Turkish Inflation Climbs to Fresh 20-Year High on Energy, Lira** – Turkey's inflation jumped to a fresh 20-year high in March, driven by a weak lira and a surge in energy and food prices. Consumer prices rose an annual 61.1% through last month, up from 54.4% in February. The median estimate in a Bloomberg survey of 19 analysts predicted an acceleration to 61.5%. Monthly inflation was 5.46%, compared with the median estimate of 5.84% in a separate survey. Producer prices rose 9.2% through the month, bringing annual inflation to 115%. Elevated levels of factory-gate inflation keeps fueling consumer prices as Turkey registered triple-digit annual PPI for a second month. Energy inflation climbed to 102.9% from 83% in February, driven by a surge in refined products and natural gas prices, despite tax cuts. Food prices, which make up roughly a quarter of the consumer basket, rose an annual 70.3%, up from 64.5% during the same period. A core inflation index, which strips out the impact from volatile items such as food, energy and gold, rose to 48.4% from 44.1% *(Source: Bloomberg)*

**Fed's Mary Daly says case for half-point rate rise in May has grown** – The case for a half-point interest rate increase at the Federal Reserve's next policy meeting in May has grown, according to Mary Daly, president of the US central bank's San Francisco branch, in the latest sign that it is readying aggressive moves to root out high inflation. Daly joins an expanding group of Fed officials who have jettisoned a gradual approach to scaling back support for the economy in the aftermath of the pandemic-induced recession, embracing a more rapid withdrawal as the labour market has bounded back and price pressures have become far-reaching. Estimating the neutral policy rate to be between 2.3 per cent and 2.5 per cent, and advocating for getting to that level "efficiently" this year, Daly acknowledged that would translate in to "multiple" half-point adjustments given the target range of between 0.25 per cent and 0.50 per cent. *(Source: FT)*

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.61	-4.75	KSA	2027	2.69	-4.12
Abu Dhabi	2031	2.79	-6.38	KSA	2032	3.06	-5.87
Abu Dhabi	2050	3.59	-10.76	KSA	2050	4.13	-10.82
Bahrain	2028	4.79	-0.81	Oman	2027	4.58	-1.90
Bahrain	2032	5.92	-1.45	Oman	2032	5.45	-1.51
Bahrain	2051	7.11	-3.24	Oman	2051	6.73	-2.03
Dubai	2029	3.18	-4.31	Qatar	2026	2.71	-4.41
Dubai	2050	4.76	-10.59	Qatar	2030	3.06	-6.26
Kuwait	2027	2.55	-4.46	Qatar	2050	3.67	-10.03

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.76	8.08	-0.10	-5.14
S&P MENA Bond and Sukuk Index	3.42	NA	-0.12	-5.74
Bloomberg Emerging Markets USD Index	5.64	6.80	-0.17	-9.38
Bloomberg Global Aggregate Index	2.20	7.42	-0.58	-6.70

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	04/04/2022	31/12/2021	04/04/2022	31/12/2021	04/04/2022	31/12/2021
KIBOR	1.6875	1.5000	1.9375	1.7500	2.1875	2.0000
SAIBOR	2.4683	0.9057	2.4050	0.9829	2.6342	1.0600
BHIBOR	1.9133	1.5167	2.1633	1.6233	2.8133	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	1.0500	0.3645	1.5700	0.7000	2.1528	0.7396
EURIBOR	-0.4610	-0.5730	-0.3620	-0.5460	-0.0860	-0.4980
LIBOR	0.9620	0.2144	1.4891	0.3451	2.1716	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.0246	0.41	278.4	KWD	0.3039	0.0000	-0.46	Gold	1,933.30	5.45
2-Year	2.6697	0.14	183.6	SAR	3.7515	0.0027	0.11	Silver	24.97	6.80
5-Year	2.6269	1.10	91.8	BHD	0.3772	-0.0027	-0.02	Copper	471.20	5.80
7-Year	2.5345	1.53	71.7	QAR	3.6414	0.0055	0.01	Nat. Gas	5.76	63.26
10-Year	2.4673	1.88	56.1	OMR	0.3851	0.0052	-0.07	Aluminum	3,439.75	22.56
30-Year	2.2553	2.90	30.3	AED	3.6730	0.0000	0.00	Crude Oil	105.62	38.26

US Treasuries			UK Gilt		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.45	0.01	1.37	-0.02	NA	NA
5-Year	2.57	-0.03	1.41	-0.03	0.03	0.01
10-Year	2.40	-0.10	1.60	0.04	0.43	0.05
30-Year	2.46	-0.43	1.73	0.14	0.63	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	BB-	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	04-Apr 2022	31-Dec 2021
Kuwait	49.33	40.53
KSA	49.45	50.97
Abu Dhabi	48.17	43.09
Dubai	91.14	89.58
Qatar	47.70	42.55
Bahrain	284.52	286.32
Oman	224.49	254.42
Iraq	317.99	507.35
Egypt	525.60	496.58
Morocco	99.64	85.91
Turkey	549.61	555.46
US	14.94	10.01
UK	13.55	8.91
China	58.99	39.86
Japan	16.58	16.23
Germany	11.80	7.53
France	24.35	17.87