

News Updates

Fitch Affirms Bank of Sharjah at 'BBB+'; Outlook Stable - Fitch Ratings has affirmed UAE-based Bank of Sharjah P.J.S.C.'s (BOS) Long-Term Issuer Default Rating (IDR) at 'BBB+' with a Stable Outlook. Fitch has also affirmed BOS's Viability Rating (VR) at 'ccc+'. According to Fitch, BOS's IDRs are driven by a high probability of support being available from the UAE authorities, if needed. Fitch stated that the bank's 'F2' Short-Term IDR is the lower of two options mapping to a 'BBB+' Long-Term IDR because a significant part of UAE banking sector funding is related to the government and financial distress for the bank would likely come at a time when the sovereign itself is experiencing some form of stress. *(Source: Fitch Ratings)*

Egypt targets issuing green, development bonds worth more than \$500 million, deputy finance minister says - Egypt targets issuing \$500 million in green and development bonds, deputy finance minister Ahmed Kouchouk told CNBC Arabia on Monday. Egypt regularly taps the international debt markets to fund budget shortfalls and expects a deficit of 6.6% in the fiscal year ending in June 2022. *(Source: Reuters)*

Treasury Yields Reach Highs as Powell Comments on Fed Rate Path - Treasury yields extended their climb in New York trading Tuesday after Federal Reserve chair Jerome Powell said the central bank "won't hesitate" to tighten policy beyond neutral to achieve price stability. Benchmark yields climbed to session highs in late trading and policy-sensitive tenors led the way, the three-year note was up 15 basis points at 2.9% while two- and five-year yields rose more than 14 basis points on the day, reflecting expectations for a series of half-point Fed rate increases in the coming months. Longer-dated yields rose less, the 10-year by nearly 11 basis points to 2.99%. "What we need to see is inflation coming down in a clear and convincing way and we're going to keep pushing until we see that," Powell said. "We don't know with any confidence where neutral is" or at what level the policy rate will be "tight," he said. *(Source: Bloomberg)*

Oil falls 2% on Powell comments, hopes for Venezuela supply - After hitting seven-week highs, oil prices slumped 2% on Tuesday as Reuters reported that the United States could ease some restrictions on Venezuela's government, raising hopes that the market could see some additional supplies. Prices also fell after Federal Reserve Chairman Jerome Powell warned the economy could be hurt by attempts to reduce inflation. For the first time since May 2020, the Brent international benchmark settled below U.S. West Texas Intermediate crude. Brent crude fell \$2.31, or 2%, to settle at \$111.93 a barrel, and U.S. West Texas Intermediate (WTI) crude fell \$1.8, or 1.6%, to settle at \$112.40 a barrel. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.29	-7.91	KSA	2027	3.33	-6.86
Abu Dhabi	2031	3.67	-12.64	KSA	2032	3.84	-11.84
Abu Dhabi	2050	4.44	-22.63	KSA	2050	4.90	-20.76
Bahrain	2028	5.89	-6.09	Oman	2027	5.65	-6.33
Bahrain	2032	7.23	-10.78	Oman	2032	6.34	-8.02
Bahrain	2051	8.18	-14.81	Oman	2051	7.74	-13.29
Dubai	2029	4.09	-9.56	Qatar	2026	3.31	-6.79
Dubai	2050	5.76	-23.22	Qatar	2030	3.71	-10.36
Kuwait	2027	3.21	-7.32	Qatar	2050	4.55	-22.13

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.51	8.08	-0.07	-10.22
S&P MENA Bond and Sukuk Index	4.13	NA	-0.33	-10.88
Bloomberg Emerging Markets USD Index	6.63	6.80	-0.24	-14.74
Bloomberg Global Aggregate Index	2.64	7.42	-0.02	-12.02

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	18/05/2022	31/12/2021	18/05/2022	31/12/2021	18/05/2022	31/12/2021
KIBOR	1.8750	1.5000	2.1250	1.7500	2.3750	2.0000
SAIBOR	2.5915	0.9057	2.7875	0.9829	3.1443	1.0600
BHIBOR	2.5757	1.5167	2.9637	1.6233	3.5417	1.7667
QATAR	1.1500	1.1250	1.3000	1.2000	1.8500	1.3250
AEIBOR	1.4479	0.3645	2.0888	0.7000	2.5743	0.7396
EURIBOR	-0.4030	-0.5730	-0.1920	-0.5460	0.2060	-0.4980
LIBOR	1.4550	0.2144	2.0170	0.3451	2.6569	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.5817	0.07	382.6	KWD	0.3069	0.0489	-1.42	Gold	1,808.20	-1.37
2-Year	2.9728	-0.81	215.8	SAR	3.7515	-0.0080	0.11	Silver	21.58	-7.83
5-Year	2.9899	-1.13	118.3	BHD	0.3770	-0.0027	0.00	Copper	422.75	-4.84
7-Year	3.0063	-1.00	103.7	QAR	3.6414	0.0055	0.01	Nat. Gas	8.25	130.37
10-Year	3.0452	-0.90	92.6	OMR	0.3850	0.0000	-0.06	Aluminum	2,877.00	2.66
30-Year	2.9319	0.35	69.4	AED	3.6730	-0.0027	0.00	Crude Oil	112.39	48.19

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.68	0.04	1.42	-0.39	NA	NA
5-Year	2.95	0.05	1.55	-0.99	0.39	0.00
10-Year	2.98	0.08	1.88	-1.55	0.88	0.00
30-Year	3.19	-0.09	2.09	-2.26	1.14	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	18-May 2022	31-Dec 2021
Kuwait	59.37	40.53
KSA	65.60	50.97
Abu Dhabi	64.21	43.09
Dubai	111.85	89.58
Qatar	64.69	42.55
Bahrain	311.35	286.32
Oman	245.30	254.42
Iraq	402.58	507.35
Egypt	845.70	496.58
Morocco	105.33	85.91
Turkey	701.58	555.46
US	16.00	10.01
UK	9.30	8.91
China	78.94	39.86
Japan	18.35	16.23
Germany	11.19	7.53
France	19.54	17.87