

News Updates

Oil price surges to highest since 2008 on delays in Iranian talks – Oil prices soared to their highest since 2008 due to delays in the potential return of Iranian crude to global markets and as the United States and European allies consider banning imports of Russian oil. Talks to revive Iran's 2015 nuclear deal with world powers were mired in uncertainty on Sunday following Russia's demands for a U.S. guarantee that the sanctions it faces over the Ukraine conflict will not hurt its trade with Tehran. China has also raised new demands, according to sources. In response to Russia's demands, U.S. Secretary of State Antony Blinken said on Sunday that the sanctions imposed on Russia over its Ukraine invasion have nothing to do with a potential nuclear deal with Iran. Brent rose \$11.67, or 9.9%, to \$129.78 a barrel by 6:50 p.m. EST (2350 GMT), while U.S. West Texas Intermediate (WTI) crude rose \$10.83, or 9.4%, to \$126.51, putting both contracts on track for their highest daily percentage gains since May 2020. *(Source: Reuters)*

Yield curve recession signal intensifies as war fuels 'stagflation' fears – Recession concerns are showing up more prominently in the U.S. Treasury yield curve, as soaring commodity prices in the wake of Russia's invasion of Ukraine fuel worries over inflation and slower growth. The closely watched gap between yields on two- and 10-year notes stood at its narrowest since March 2020 on Friday, a signal that some investors may be anticipating that economic growth will slow from its current robust pace. On a two-month rolling basis, the 2s/10s flattening has been its most extreme since 2011, said Jonathan Cohn, head of rates trading strategy at Credit Suisse. Investors said the most recent moves appear driven by worries that prices for oil and other raw materials, which have spiked after the invasion of Ukraine by commodity-export giant Russia, will add to already-high inflation, forcing the Fed to tighten interest rates even if growth slows. *(Source: Reuters)*

Gold Pierces \$2,000 in 'Move to Safety' on War, Inflation Fears – Gold surged above \$2,000 an ounce on growing demand for haven assets as investors weigh the geopolitical and economic fallout from Russia's invasion of Ukraine. Bullion is extending gains after posting its biggest weekly advance since July 2020 amid mounting concerns that the raft of penalties against Russia could dim global growth and further stoke inflation. Disruptions to supplies of grain, energy and metals are adding to price pressures, at a time when the Federal Reserve is preparing to raise interest rates. President Vladimir Putin said again on Sunday the war will continue until Ukraine accepts his demands and halts resistance, dimming hopes for a negotiated settlement. Meanwhile, U.S. Secretary of State Antony Blinken said the Biden administration and its allies are discussing an embargo of Russian oil, raising fears of an inflation shock as the prices of Brent crude soared. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.97	-1.54	KSA	2027	2.20	-1.98
Abu Dhabi	2031	2.34	-2.92	KSA	2032	2.68	-2.76
Abu Dhabi	2050	3.29	-5.99	KSA	2050	3.89	-7.30
Bahrain	2028	4.96	-1.82	Oman	2027	4.74	-2.58
Bahrain	2032	6.25	-4.08	Oman	2032	5.66	-3.12
Bahrain	2051	7.45	-7.03	Oman	2051	7.00	-5.28
Dubai	2029	2.88	-2.53	Qatar	2026	2.15	-2.26
Kuwait	2022	-5.67	-0.42	Qatar	2030	2.67	-3.61
Kuwait	2027	2.08	-2.32	Qatar	2050	3.43	-6.34

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.34	8.08	-0.14	-3.11
S&P MENA Bond and Sukuk Index	2.93	NA	0.05	-3.12
Bloomberg Emerging Markets USD Index	5.88	6.80	-0.45	-8.47
Bloomberg Global Aggregate Index	1.70	7.42	0.10	-3.44

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	07/03/2022	31/12/2021	07/03/2022	31/12/2021	07/03/2022	31/12/2021
KIBOR	1.5000	1.5000	1.7500	1.7500	2.0625	2.0000
SAIBOR	1.7178	0.9057	1.6978	0.9829	1.9161	1.0600
BHIBOR	1.6000	1.5167	1.9033	1.6233	2.4000	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	0.6671	0.3645	0.9686	0.7000	1.3813	0.7396
EURIBOR	-0.5200	-0.5730	-0.4820	-0.5460	-0.3590	-0.4980
LIBOR	0.6101	0.2144	0.9394	0.3451	1.3529	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	1.2670	-1.20	136.8	KWD	0.3039	-0.1975	-0.43	Gold	1,992.00	8.79
2-Year	1.6476	-2.40	75.0	SAR	3.7525	-0.0053	0.08	Silver	26.10	11.61
5-Year	1.7000	-3.23	24.1	BHD	0.3770	-0.0053	0.00	Copper	502.00	12.72
7-Year	1.7307	-2.72	17.3	QAR	3.6416	-0.0082	0.00	Nat. Gas	5.05	44.08
10-Year	1.7979	-1.96	13.7	OMR	0.3850	-0.0026	-0.07	Aluminum	3,875.50	38.02
30-Year	1.8673	-1.12	7.9	AED	3.6730	0.0000	-0.01	Crude Oil	130.20	69.31

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	1.46	0.04	1.04	0.14	NA	NA
5-Year	1.60	0.17	0.97	0.43	-0.67	0.30
10-Year	1.71	0.26	1.20	0.99	-0.26	0.73
30-Year	2.14	0.38	1.45	1.69	0.12	3.61

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

USD 5Yr CDS	07-Mar 2022	31-Dec 2021
Kuwait	53.02	40.53
KSA	53.25	50.97
Abu Dhabi	52.65	43.09
Dubai	95.35	89.58
Qatar	52.88	42.55
Bahrain	297.41	286.32
Oman	245.94	254.42
Iraq	444.75	507.35
Egypt	781.72	496.58
Morocco	93.92	85.91
Turkey	655.13	555.46
US	13.94	10.01
UK	11.86	8.91
China	62.40	39.86
Japan	16.56	16.23
Germany	12.04	7.53
France	22.31	17.87