

News Updates

Saudi Arabia kicks off the year with a \$755m sukuk issuance – The Saudi government offered sukuk denominated in Saudi riyals worth SAR 2.83 billion (\$755 million) in its first issuance for the year 2022, the National Debt Management Center announced on Tuesday. The issuance comes under the Kingdom's riyal-denominated sukuk program. The first tranche had a size of SAR 1.25 billion and matures in 2030 while the second tranche was valued at SAR 1.59 billion and matures in 2034. In its 2022 budget statement, the ministry predicted that public debt will reach SAR 938 billion next year. (Source: Arab News)

Oman seeks \$3-4 bln in talks to refinance loan – sources – Oman is in talks with regional banks to refinance a \$2.2 billion loan it took out early last year, seeking to increase its size to between \$3 billion and \$4 billion, two sources familiar with the matter said. The loan taken out in February last year has a 15-month tenor with a one-year extension option at the borrower's discretion, two other sources said previously. Oman was originally seeking up to \$1 billion with last year's loan but more than doubled its size due to strong appetite from banks. Despite the extension option, Oman is trying to refinance the loan with better terms. Pricing talk for the refinancing is around 350 basis points over LIBOR, one of the sources with knowledge of the matter said. The original loan's all-in pricing, including fees, was between 375 and 390 basis points over LIBOR. Oman expects its budget deficit this year to reach 5% of GDP, well within the limits of a medium-term fiscal plan it launched in 2020 to fix its heavily-indebted finances. (Source: Reuters)

Lebanon to start virtual talks with IMF next week – Lebanese officials will start talks with the International Monetary Fund on Monday, an official government source told Reuters. An IMF spokesperson also told Reuters on Saturday that a team will start virtual talks with Lebanese authorities next week. The Lebanese government has said it hopes to reach an initial agreement with the fund for financial support between January and February. Lebanon is in the grip of an unprecedented financial crisis and an IMF deal is widely seen as the only way for it to secure aid. (Source: Reuters)

Turkey Said to See Inflation Rate Peaking at About 40% in 2022 – Turkish Finance Minister Nureddin Nebati told economists he expects the inflation rate to peak at about 40% in the months ahead and not to surpass 50% this year, according to people who attended. Nebati provided his most detailed outlook yet for consumer prices in 2022 during a meeting with 60 economists and analysts on Saturday in Istanbul. The minister said the inflation rate may not fall below 30% until the end of the year, one of the people said. Turkey's inflation rate hit 36.1% in December, the highest since the beginning of President Recep Tayyip Erdogan's 19-year rule. Inflation expectations for the next 12 months jumped to 25.37% from 21.39%, according to the central bank's January survey of market participants. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.94	-1.38	KSA	2027	2.15	-1.62
Abu Dhabi	2031	2.24	-2.20	KSA	2032	2.62	-2.20
Abu Dhabi	2050	3.16	-3.67	KSA	2050	3.66	-3.82
Bahrain	2028	4.96	-1.75	Oman	2027	4.63	-1.92
Bahrain	2032	6.21	-3.70	Oman	2032	5.69	-3.14
Bahrain	2051	7.26	-4.92	Oman	2051	6.92	-4.33
Dubai	2029	2.73	-1.35	Qatar	2026	1.91	-1.24
Kuwait	2022	-0.04	-0.18	Qatar	2030	2.51	-2.09
Kuwait	2027	1.97	-1.58	Qatar	2050	3.24	-3.23

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.06	8.08	0.37	-1.84
S&P MENA Bond and Sukuk Index	2.65	NA	0.46	-1.96
Bloomberg Emerging Markets USD Index	4.66	6.80	0.31	-2.30
Bloomberg Global Aggregate Index	1.47	7.42	0.20	-0.94

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	23/01/2022	30/12/2021	23/01/2022	30/12/2021	23/01/2022	30/12/2021
KIBOR	1.5000	1.5000	1.7500	1.7500	2.0000	2.0000
SAIBOR	0.9500	0.9057	1.0543	0.9829	1.1686	1.0600
BHIBOR	1.5667	1.5167	1.6500	1.6233	1.7833	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	0.4135	0.3645	0.6825	0.7000	0.8707	0.7396
EURIBOR	-0.5520	-0.5730	-0.5220	-0.5460	-0.4620	-0.4980
LIBOR	0.2577	0.2144	0.4444	0.3451	0.7986	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.7190	-0.82	34.4	KWD	0.3024	0.0000	0.05	Gold	1,834.10	0.17
2-Year	1.1852	-2.12	25.9	SAR	3.7510	0.0027	0.12	Silver	24.32	4.15
5-Year	1.6450	-2.81	20.1	BHD	0.3770	0.0000	0.01	Copper	452.40	1.36
7-Year	1.7412	-3.74	18.0	QAR	3.6416	-0.0082	0.00	Nat. Gas	4.00	7.21
10-Year	1.8196	-4.22	15.1	OMR	0.3850	0.0000	-0.06	Aluminum	3,052.77	8.83
30-Year	1.8935	-4.49	9.4	AED	3.6730	-0.0082	-0.01	Crude Oil	87.89	13.00

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	1.00	0.05	0.87	0.03	NA	NA
5-Year	1.56	0.14	0.99	0.20	-0.60	0.11
10-Year	1.76	0.42	1.17	0.47	-0.24	0.28
30-Year	2.07	1.02	1.29	1.07	0.20	1.11

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	23-Jan 2022	31-Dec 2021
Kuwait	46.98	40.53
KSA	49.94	50.97
Abu Dhabi	47.83	43.09
Dubai	92.05	89.58
Qatar	46.99	42.55
Bahrain	296.49	286.32
Oman	260.04	254.42
Iraq	474.55	507.35
Egypt	436.74	496.58
Morocco	93.48	85.91
Turkey	523.61	555.46
US	10.70	10.01
UK	9.30	8.91
China	46.88	39.86
Japan	15.63	16.23
Germany	7.25	7.53
France	16.79	17.87