

News Updates

Inflation in Kuwait rose 3.17% – The consumer prices on an annual basis grew by 3.17 percent in July, according to the State of Kuwait Central Statistical Bureau. In a statement to KUNA on Wednesday, the bureau indicated that inflation rate in Kuwait increased by 0.25 percent on a monthly basis due to rise of prices of some main groups that influence movement of the key indices. It added that the consumer price index (CPI) for the food and beverage group rose by 10 percent last July in comparison to the same period last year, whereas group of cigarette and tobacco remained the same at 135 point on an annual basis. The clothing group rose by 6.52 percent and housing services increased slightly by 0.17 percent, while furnishings climbed 3.7 percent. As for medical group, it rose by 2.27 percent and transportation surged by 5.4 percent. The communications group increased by 4.6 percent, and recreation and culture surged by 8.25 percent, whereas education group declined by 15.46 percent. Restaurants and hotels increased on yearly basis by 0.9 percent, commodities and miscellaneous goods by 3.94 percent. *(Source: KUNA)*

Moody's affirms Turkey's rating at 'B2', maintains outlook – Ratings agency Moody's on Friday affirmed Turkey's rating at "B2", saying that irrespective of the current pressure on its currency, the country's external vulnerability risk has declined. Moody's said it expects Turkey's public finances to remain relatively robust, with public debt staying at around 40% of GDP in 2022, adding that the country's diversified private sector shows relative resilience to currency volatility. However, data on Friday showed Turkey's annual inflation jumped more than expected to a three-year high of 21.31% in November, further exposing the risks of recent aggressive rate cuts that prompted a historic slide in the lira. The ratings agency maintained Turkey's outlook at "negative", citing unpredictable policymaking. "The current economic policy stance will lead to significantly higher inflation over the coming months, eroding households' purchasing power and increasing the likelihood of a sharp slowdown in growth despite lower interest rates," Moody's said. Fitch on Thursday had revised the country's outlook to "negative" from "stable" over risks from monetary policy easing. *(Source: Reuters)*

OPEC will continue with supply adjustments for oil market, chief says – The Organization of the Petroleum Exporting Countries (OPEC) will continue with its supply adjustments for the oil market, the OPEC Secretary General said on Saturday. "We will continue to do what we know best to ensure we attain stability in the oil market on a sustainable basis," Mohammad Barkindo said in a webinar organized by Italian think-tank ISPI. Oil prices fell on Thursday after OPEC and its allies stuck to their existing policy of monthly oil output increases despite fears a release from U.S. crude reserves and the new Omicron coronavirus variant would put renewed pressure on prices. *(Source: Reuters)*

GCC Sovereign Yields

| Sovereigns | Maturity | Yield % | Price Δ (YTD %) | Sovereigns | Maturity | Yield % | Price Δ (YTD %) |
|------------|----------|---------|-----------------|------------|----------|---------|-----------------|
| Abu Dhabi | 2025 | 1.26 | -2.89 | KSA | 2025 | 1.50 | -2.49 |
| Abu Dhabi | 2030 | 1.94 | -3.85 | KSA | 2030 | 2.27 | -2.67 |
| Abu Dhabi | 2050 | 2.88 | -2.79 | KSA | 2050 | 3.39 | -2.68 |
| Bahrain | 2026 | 4.21 | -5.65 | Oman | 2025 | 3.47 | 1.41 |
| Bahrain | 2030 | 5.82 | -7.70 | Oman | 2029 | 4.99 | 2.28 |
| Bahrain | 2047 | 7.39 | -14.33 | Oman | 2048 | 6.76 | -0.24 |
| Dubai | 2029 | 2.60 | -1.82 | Qatar | 2025 | 1.39 | -3.65 |
| Kuwait | 2022 | -0.17 | -2.41 | Qatar | 2030 | 2.16 | -5.14 |
| Kuwait | 2027 | 1.62 | -4.36 | Qatar | 2050 | 3.05 | -4.27 |

Bonds and Sukuk Indices

| Index Name | Yield % | Duration (yrs) | 1D Δ (%) | YTD Δ (%) |
|--------------------------------------|---------|----------------|----------|-----------|
| Bloomberg GCC FI Index | 2.79 | 8.08 | 0.07 | 0.66 |
| S&P MENA Bond and Sukuk Index | 2.36 | NA | 0.26 | 0.44 |
| Bloomberg Emerging Markets USD Index | 4.53 | 6.80 | 0.24 | -1.91 |
| Bloomberg Global Aggregate Index | 1.24 | 7.42 | 0.04 | -4.26 |

Interbank Rates (%)

| | 3 Months | | 6 Months | | 12 Months | |
|---------|------------|------------|------------|------------|------------|------------|
| | 05/12/2021 | 31/12/2020 | 05/12/2021 | 31/12/2020 | 05/12/2021 | 31/12/2020 |
| KIBOR | 1.5000 | 1.4375 | 1.7500 | 1.6875 | 2.0000 | 1.9375 |
| SAIBOR | 0.8457 | 0.8175 | 0.8971 | 0.8700 | 0.9686 | 0.9413 |
| BHIBOR | 1.5167 | 2.2500 | 1.6017 | 2.5333 | 1.7667 | 2.6833 |
| QATAR | 1.1600 | 1.1206 | 1.2050 | 1.1960 | 1.3405 | 1.3636 |
| AEIBOR | 0.3487 | 0.5125 | 0.5825 | 0.4908 | 0.6575 | 0.6538 |
| EURIBOR | -0.5630 | -0.5450 | -0.5370 | -0.5260 | -0.5000 | -0.4990 |
| LIBOR | 0.1876 | 0.2384 | 0.2711 | 0.2576 | 0.4615 | 0.3419 |

| USD Swap Rates | | | | Currencies | | | Commodities | | | |
|----------------|---------|------------|-----------|------------|--------|------------|-------------|-----------|----------|-----------|
| | Yield % | 1D Δ (bps) | YTD Δ (%) | | USD | 1D Δ (bps) | YTD Δ (%) | | USD | YTD Δ (%) |
| 1-Year | 0.3925 | -1.15 | 103.9 | KWD | 0.3025 | 0.0000 | 0.26 | Gold | 1,783.90 | -6.80 |
| 2-Year | 0.8151 | -2.71 | 312.1 | SAR | 3.7516 | -0.0027 | 0.00 | Silver | 22.48 | -15.94 |
| 5-Year | 1.2454 | -6.86 | 189.6 | BHD | 0.3770 | 0.0027 | 0.00 | Copper | 426.70 | 21.20 |
| 7-Year | 1.3466 | -7.68 | 105.7 | QAR | 3.6416 | -0.0082 | -0.01 | Nat. Gas | 4.13 | 37.46 |
| 10-Year | 1.4370 | -7.98 | 55.3 | OMR | 0.3847 | 0.0000 | 0.07 | Aluminum | 2,642.75 | 31.64 |
| 30-Year | 1.5437 | -6.75 | 10.1 | AED | 3.6730 | 0.0000 | 0.00 | Crude Oil | 69.88 | 38.40 |

| US Treasuries | | | UK Gilts | | German Bunds | |
|---------------|----------|------|----------|----------|--------------|----------|
| Yield % | 1D Δ (%) | | Yield % | 1D Δ (%) | Yield % | 1D Δ (%) |
| 2-Year | 0.59 | 0.06 | 0.46 | 0.14 | -3.65 | 0.00 |
| 5-Year | 1.13 | 0.37 | 0.58 | 0.32 | -0.77 | 0.04 |
| 10-Year | 1.34 | 0.95 | 0.74 | 0.58 | -0.52 | 0.10 |
| 30-Year | 1.67 | 2.17 | 0.84 | 1.47 | -0.14 | 0.96 |

| 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 | 5-Dec 2021 | 31-Dec 2020 |
|-------------|------------|-------------|
| Kuwait | 48.46 | 40.69 |
| KSA | 49.36 | 63.77 |
| Abu Dhabi | 42.01 | 36.03 |
| Dubai | 87.49 | 104.06 |
| Qatar | 41.77 | 36.70 |
| Bahrain | 290.23 | 233.58 |
| Oman | 268.12 | 353.60 |
| Iraq | 614.74 | 542.74 |
| Egypt | 498.09 | 330.47 |
| Morocco | 88.93 | 102.56 |
| Turkey | 539.90 | 299.47 |
| US | 12.23 | 11.52 |
| UK | 9.05 | 15.13 |
| China | 51.14 | 26.70 |
| Japan | 16.66 | 14.74 |
| Germany | 7.53 | 9.09 |
| France | 18.44 | 14.42 |