

News Updates

S&P Revises Saudi Arabia's Debt Outlook to Positive – Saudi Arabia had the outlook on its debt rating revised to positive from stable by S&P Global Ratings as oil trades above \$100 per barrel. S&P revised the outlook while affirming the kingdom's long-term foreign currency debt rating at A-, its seventh highest level, according to a statement on Friday. "The positive outlook reflects our expectation of improving GDP growth and fiscal dynamics over the medium term, tied to the country's emergence from the Covid-19 pandemic, improved oil sector prospects, and the government's reform programs," S&P said. The kingdom is expecting a budget surplus this year and raised its revenue forecast even before Russia's war in Ukraine sent oil prices soaring. Despite Crown Prince Mohammed bin Salman's plan to diversify the economy, energy revenue still dominates the Saudi economy and those of its Gulf neighbors. The International Monetary Fund estimates Saudi Arabia needs oil at \$72.40 per barrel to balance its budget this year, way lower than current levels. *(Source: Bloomberg)*

Aldar Unit Issues \$500m Subordinated Notes to Apollo Global – Aldar Investment Properties ("AIP"), a subsidiary of Aldar Properties, has issued US\$500 million subordinated perpetual notes to Apollo Global Management ("Apollo") priced at a coupon of 5.625% for an initial non-call period of 15 years. The subordinated perpetual notes are part of Apollo's US\$1.4 billion investment of strategic capital into Aldar's transformational growth initiatives, which was announced in February 2022. The commitment also includes a US\$500 million investment into a land joint venture, as well as US\$400 million in common equity and mandatory convertible preferred equity in AIP. The subordinated perpetual notes have been assigned a Baa3 rating by Moody's Investors Service, which has also reaffirmed AIP's Baa1 rating, the highest credit rating for a non-government corporate in the region. *(Source: Press Release)*

Oil rises to over \$120/bbl after attack on Saudi facilities – Crude prices rose more than 1% to over \$120 a barrel on Friday, as traders reconciled the impact of a missile attack on an oil distribution facility in Saudi Arabia with a possible release of oil reserves by the United States. Brent crude settled up \$1.62, or 1.4%, to \$120.65 a barrel and U.S. West Texas Intermediate (WTI) crude ended \$1.56, or 1.4% higher, at \$113.90. Both had dropped \$3 earlier. Both benchmarks notched their first weekly gains in three weeks - Brent rose more than 11.5% and WTI gained 8.8% *(Source: Reuters)*

BoFA, Citi expect multiple 50-bps Fed hikes this year as inflation bites – Bank of America (BoFA) and Citi have joined a small but growing number of top investment banks calling for more aggressive interest rate increases from the U.S. Federal Reserve against a backdrop of soaring inflation data and hawkish comments from policymakers. BoFA now expects two hikes of 50 basis points each at the Fed's June and July meetings with "risks" of those expectations being pulled forward into May and June respectively. Citi, on the other hand, sees 50 basis-point increases in May, June, July, and September. The bank also expects 25 basis-point tightening in October and December. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.56	-4.50	KSA	2027	2.68	-4.10
Abu Dhabi	2031	2.79	-6.43	KSA	2032	3.14	-6.50
Abu Dhabi	2050	3.71	-12.65	KSA	2050	4.31	-13.24
Bahrain	2028	5.06	-2.23	Oman	2027	4.82	-2.85
Bahrain	2032	6.19	-3.54	Oman	2032	5.68	-3.31
Bahrain	2051	7.38	-6.44	Oman	2051	6.94	-4.68
Dubai	2029	3.09	-3.81	Qatar	2026	2.56	-3.93
Kuwait	2022	NA	-0.52	Qatar	2030	2.99	-5.87
Kuwait	2027	2.39	-3.73	Qatar	2050	3.84	-12.55

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.76	8.08	-0.13	-5.75
S&P MENA Bond and Sukuk Index	3.38	NA	-0.18	-6.13
Bloomberg Emerging Markets USD Index	5.80	6.80	-0.22	-10.62
Bloomberg Global Aggregate Index	2.21	7.42	-0.45	-7.06

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	27/03/2022	31/12/2021	27/03/2022	31/12/2021	27/03/2022	31/12/2021
KIBOR	1.6875	1.5000	1.9375	1.7500	2.1875	2.0000
SAIBOR	2.2343	0.9057	2.2374	0.9829	2.4960	1.0600
BHIBOR	1.8833	1.5167	2.0167	1.6233	2.6967	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	1.0113	0.3645	1.3465	0.7000	2.0438	0.7396
EURIBOR	-0.4770	-0.5730	-0.3920	-0.5460	-0.1420	-0.4980
LIBOR	0.9829	0.2144	1.4511	0.3451	2.0887	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	1.9620	7.80	266.7	KWD	0.3041	0.0000	-0.53	Gold	1,959.80	6.89
2-Year	2.5348	11.22	169.3	SAR	3.7511	0.0000	0.11	Silver	25.62	9.55
5-Year	2.6195	14.31	91.3	BHD	0.3770	0.0000	-0.01	Copper	469.85	5.50
7-Year	2.5835	12.61	75.1	QAR	3.6414	0.0055	0.01	Nat. Gas	5.57	58.85
10-Year	2.5571	10.05	61.7	OMR	0.3850	0.0000	-0.07	Aluminum	3,604.25	28.43
30-Year	2.4230	4.67	40.0	AED	3.6730	-0.0082	-0.01	Crude Oil	120.65	56.89

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.27	-0.23	1.40	-0.13	NA	NA
5-Year	2.55	-0.66	1.46	-0.29	-0.04	-0.19
10-Year	2.47	-0.84	1.69	-0.54	0.42	-0.47
30-Year	2.58	-0.87	1.88	-0.83	0.66	-0.79

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

USD 5Yr CDS	27-Mar 2022	31-Dec 2021
Kuwait	59.13	40.53
KSA	47.54	50.97
Abu Dhabi	47.18	43.09
Dubai	91.81	89.58
Qatar	46.34	42.55
Bahrain	286.06	286.32
Oman	233.66	254.42
Iraq	360.37	507.35
Egypt	585.73	496.58
Morocco	101.70	85.91
Turkey	586.99	555.46
US	14.85	10.01
UK	13.29	8.91
China	60.27	39.86
Japan	16.64	16.23
Germany	13.49	7.53
France	25.06	17.87