

News Updates

Saudi national debt office completes \$33bln borrowing plan – Saudi Arabia's National Debt Management Center (NDMC) has completed its 2021 borrowing plan worth over SR125 billion (\$33.3 billion), reported SPA, citing the finance minister. Announcing the conclusion of the annual borrowing plan, Mohammed bin Abdullah Al Jadaan, who is also the chairman of NDMC, announced that 60.5% of the debt raised in 2021 was from local sources. The remaining 39.5% was made up of international borrowing. The plan is part of the public debt strategy adopted to meet the financing needs, and seize the opportunities available in local and global markets, and manage potential risks, he stated. Al Jadaan highlighted that NDMC's board of directors has approved the proposal of the annual borrowing plan at the beginning of the year. The plan covered the financing needs by issuing SR125 billion debt instruments, including sukuk and bonds, which focused on fixed-rate instruments to hedge against risks of potential interest rate fluctuations. *(Source: Trade Arabia)*

Global Bond Winners for 2021 All Came From Emerging Markets – Emerging-market bonds were supposed to be dragged down this year as central banks moved toward withdrawing stimulus. Instead, the best-performing global debt was all from developing nations. Sovereign bonds issued by South Africa, China, Indonesia, India and Croatia topped the rankings of 46 markets around the world in 2021, according to data compiled by Bloomberg through last week. They alone managed to shrug off the biggest annual jump in U.S. Treasury yields since 2013, a shock that was powerful enough to upend currency carry trades and emerging-market stocks. The positive returns generated by the five markets should give investors at least some confidence the Federal Reserve will be able to wind down asset purchases and start to raise interest rates without triggering a spike in global volatility. A deeper look into 2021 performance shows the top performers have mostly fallen in price, but coupon returns were high enough to offset these losses. Emerging-market bonds as a whole have dropped 1.3% in 2021, a separate Bloomberg index shows. That is still far better than they did during the so-called taper tantrum of 2013, when the Fed's signal it would cut asset purchases saw them decline 3.8% over the year, including a slump of 11% from a high in May to a low three months later. *(Source: Bloomberg)*

Oil prices mixed, U.S. crude falls after COVID-19 flight cancellations – Oil prices were mixed on Monday, with Brent edging up while U.S. crude futures slipped after airlines called off thousands of flights in the United States over Christmas holidays amid surging COVID-19 infections. U.S. West Texas Intermediate crude futures fell 41 cents, or 0.6%, to \$73.38 a barrel by 0053 GMT. The contract did not trade on Friday because U.S. markets were closed for the Christmas holiday. Brent crude rose 40 cents, or 0.5%, to \$76.54 a barrel after settling down 0.92% on Friday. Both contracts jumped 3% to 4% last week after early data suggested that the Omicron variant of COVID-19 may cause a milder level of illness. The Organization of the Petroleum Exporting Countries, OPEC and allies including Russia, known as OPEC+, will meet to decide whether to go ahead with a 400,000 barrels per day (bpd) production increase in February. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.20	-2.87	KSA	2025	1.45	-2.51
Abu Dhabi	2030	1.99	-4.02	KSA	2030	2.23	-2.41
Abu Dhabi	2050	2.94	-3.92	KSA	2050	3.44	-3.30
Bahrain	2026	4.21	-5.73	Oman	2025	3.30	1.84
Bahrain	2030	5.64	-6.74	Oman	2029	4.71	4.05
Bahrain	2047	7.40	-14.57	Oman	2048	6.55	2.31
Dubai	2029	2.53	-1.62	Qatar	2025	1.39	-3.77
Kuwait	2022	-0.33	-2.32	Qatar	2030	2.08	-4.62
Kuwait	2027	1.61	-4.34	Qatar	2050	3.03	-4.14

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.79	8.08	0.00	0.85
S&P MENA Bond and Sukuk Index	2.38	NA	-0.02	0.35
Bloomberg Emerging Markets USD Index	4.32	6.80	-0.02	-1.91
Bloomberg Global Aggregate Index	1.31	7.42	0.06	-4.76

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	27/12/2021	31/12/2020	27/12/2021	31/12/2020	27/12/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.9000	0.8175	0.9657	0.8700	1.0500	0.9413
BHIBOR	1.5167	2.2500	1.6233	2.5333	1.7667	2.6833
QATAR	1.1250	1.1206	1.2000	1.1960	1.3250	1.3636
AEIBOR	0.4639	0.5125	0.5150	0.4908	0.7446	0.6538
EURIBOR	-0.5870	-0.5450	-0.5440	-0.5260	-0.4940	-0.4990
LIBOR	0.2179	0.2384	0.3433	0.2576	0.5671	0.3419

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.5339	0.49	177.4	KWD	0.3025	0.0661	0.25	Gold	1,811.00	-5.38
2-Year	0.9295	0.15	369.9	SAR	3.7560	-0.0479	-0.11	Silver	22.85	-14.58
5-Year	1.3525	-0.19	214.5	BHD	0.3770	0.0000	0.00	Copper	438.15	24.46
7-Year	1.4530	-0.70	122.0	QAR	3.6416	-0.0082	-0.01	Nat. Gas	3.95	31.27
10-Year	1.5577	-1.33	68.3	OMR	0.3850	-0.0052	-0.01	Aluminum	2,839.50	41.20
30-Year	1.7248	-2.04	23.0	AED	3.6727	0.0082	0.01	Crude Oil	76.42	51.36

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.69	0.00	0.62	0.01	NA	NA
5-Year	1.24	0.01	0.75	0.00	-0.71	0.00
10-Year	1.48	0.12	0.92	0.00	-0.40	0.00
30-Year	1.89	0.43	1.09	0.00	0.08	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	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	27-Dec 2021	31-Dec 2020
Kuwait	40.51	40.69
KSA	50.96	63.77
Abu Dhabi	42.39	36.03
Dubai	89.57	104.06
Qatar	42.59	36.70
Bahrain	288.10	233.58
Oman	255.50	353.60
Iraq	506.38	542.74
Egypt	496.65	330.47
Morocco	86.20	102.56
Turkey	547.28	299.47
US	10.12	11.52
UK	7.92	15.13
China	40.57	26.70
Japan	16.31	14.74
Germany	7.30	9.09
France	18.87	14.42