

## News Updates

**Top oil exporter Saudi Arabia targets net zero emissions by 2060** – Saudi Arabia's crown prince said on Saturday that the world's top oil exporter aims to reach "net zero" emissions of greenhouse gases, mostly produced by burning fossil fuels, by 2060 - 10 years later than the United States. He also said it would double the emissions cuts it plans to achieve by 2030. Crown Prince Mohammed bin Salman and his energy minister said Saudi Arabia would tackle climate change, but also stressed the continued importance of hydrocarbons and said it would continue to ensure oil market stability. Amin Nasser, chief executive of the state oil giant Saudi Aramco, said it was counterproductive to "demonise" hydrocarbons. He said Aramco aimed to expand its oil and gas production capacity while also achieving net zero emissions from its own operations by 2050. (Source: Reuters)

**Turkish Central Bank shocks again by slashing rates 200 points** – Turkey's central bank shocked markets again by slashing its policy rate by 200 basis points to 16% on Thursday, sending the lira to a new all-time low and delivering the easing demanded by President Tayyip Erdogan despite rising inflation. The bank said there would be little room for more rate cuts this year given what it called transitory price pressure on food, energy and other imports, which have sent Turks' living costs soaring as the currency depreciated. The central bank, under pressure from Erdogan who has replaced much of the bank's top leadership this year, also surprised markets last month with a 100-point cut that sent the lira tumbling to new depths. (Source: Reuters)

**S&P affirms Turkey's credit rating, outlook stable** – S&P on Oct. 22 affirmed Turkey's long-term foreign currency rating at "B+" and long-term local currency rating at "BB-", with a stable outlook. The stable outlook considers the risks from Turkey's economic imbalances, but these are partly offset by the resilience of Turkey's private sector and the manageable stock of net general government debt, the global rating agency said. (Source: Hürriyet Daily News)

**S&P affirms UK at 'AA/A-1+', maintains stable outlook** – S&P Global Ratings on Friday affirmed the United Kingdom's rating at 'AA/A-1+', citing the country's high income levels, along with developed labor markets. "We expect the U.K.'s economic recovery to continue, with GDP growth reaching 6.9% in 2021 and real output surpassing its pre-pandemic peak in early 2022," the ratings agency said. S&P maintained the UK's outlook at 'stable'. (Source: Reuters)

**Powell Flags Rising Inflation Risk While Playing Down Rate Hikes** – Federal Reserve Chair Jerome Powell sounded a note of heightened concern over persistently high inflation as he made clear that the central bank will begin tapering its bond purchases shortly but remain patient on raising interest rates. "The risks are clearly now to longer and more persistent bottlenecks, and thus to higher inflation," Powell said Friday. Currently, the Fed is acquiring \$120 billion of Treasuries and mortgage-backed securities each month, and the coming reduction in the pace of purchases will mark the central bank's first step toward the exit from the monetary support measures rolled out in 2020 to shield the economy from the effects of the coronavirus. (Source: Bloomberg)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.08	-2.25	KSA	2025	1.26	-1.54
Abu Dhabi	2030	2.09	-4.60	KSA	2030	2.41	-3.66
Abu Dhabi	2050	3.14	-7.27	KSA	2050	3.62	-6.13
Bahrain	2026	4.15	-5.28	Oman	2025	3.28	2.20
Bahrain	2030	5.76	-7.36	Oman	2029	4.75	3.87
Bahrain	2047	7.29	-13.47	Oman	2048	6.60	1.74
Dubai	2029	2.49	-1.13	Qatar	2025	1.25	-3.01
Kuwait	2022	-0.03	-1.96	Qatar	2030	2.23	-5.49
Kuwait	2027	1.56	-3.91	Qatar	2050	3.27	-7.73

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.76	8.08	-0.01	-0.23
S&P MENA Bond and Sukuk Index	2.37	NA	0.03	-0.91
Bloomberg Emerging Markets USD Index	4.32	6.80	0.08	-1.92
Bloomberg Global Aggregate Index	1.29	7.42	0.14	-4.31

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	24/10/2021	31/12/2020	24/10/2021	31/12/2020	24/10/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0625	1.9375
SAIBOR	0.8200	0.8175	0.8686	0.8700	0.9414	0.9413
BHIBOR	1.5000	2.2500	1.5583	2.5333	1.7667	2.6833
QATAR	1.1500	1.1206	1.2000	1.1960	1.3500	1.3636
AEIBOR	0.4124	0.5125	0.5447	0.4908	0.6287	0.6538
EURIBOR	-0.5490	-0.5450	-0.5340	-0.5260	-0.4710	-0.4990
LIBOR	0.1249	0.2384	0.1720	0.2576	0.3169	0.3419

USD Swap Rates				Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)	
1-Year	0.2696	0.53	40.1	KWD	0.3016	0.0829	0.56	Gold	1,796.30
2-Year	0.6248	-0.12	215.9	SAR	3.7509	-0.0027	0.02	Silver	24.45
5-Year	1.2766	-3.72	196.9	BHD	0.3770	-0.0053	0.00	Copper	449.80
7-Year	1.4792	-5.15	126.0	QAR	3.6416	-0.0055	-0.01	Nat. Gas	5.28
10-Year	1.6509	-6.29	78.4	OMR	0.3850	0.0000	0.00	Aluminum	2,865.50
30-Year	1.8589	-6.78	32.6	AED	3.6730	0.0000	0.00	Crude Oil	85.53

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.45	0.01	0.65	0.11	-0.74	0.00
5-Year	1.20	0.22	0.82	0.18	-0.60	-0.06
10-Year	1.63	0.63	1.14	0.50	-0.25	0.00
30-Year	2.07	1.75	1.36	1.73	0.21	0.83

	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	24-Oct 2021	31-Dec 2020
Kuwait	46.46	40.69
KSA	49.23	63.77
Abu Dhabi	41.51	36.03
Dubai	86.40	104.06
Qatar	41.75	36.70
Bahrain	293.25	233.58
Oman	245.95	353.60
Iraq	453.92	542.74
Egypt	459.98	330.47
Morocco	90.85	102.56
Turkey	462.36	299.47
US	11.16	11.52
UK	7.42	15.13
China	45.28	26.70
Japan	17.11	14.74
Germany	7.83	9.09
France	19.52	14.42