

News Updates

Green, sustainable debt issuance in MENA hit \$18bln in 2021 – The Middle East and North Africa's green finance market is moving towards mainstream, with total issuance jumping by 122 percent in 2021 compared to a year ago, Bloomberg reported on Thursday. Green and sustainability-linked debt issuance in the MENA region reached \$18.64 billion during the year, up from \$4.5 billion in 2020, according to data from Bloomberg's Capital Markets League Tables. The size and quantity of issuance grew last year, as more participants entered the market, including Riyadh Bank, National Bank of Kuwait and Qatar National Bank, which joined First Abu Dhabi Bank, Emirates NBD and Saudi National Bank in committing towards ESG debt financing in 2021. Last year also saw landmark deals, including Egypt's debut \$3 billion green loan, Masdar Abu Dhabi Future Energy Company's \$100 million revolving green loan and Etihad Airways' \$1.2 billion sustainability-linked loan. According to Bloomberg, the issuance in the region also outpaced global growth, although the market continues to account for a small fraction of global volumes, which reached a total of \$1.62 trillion in 2021, compared with \$765 billion in 2020. Data also showed that more green loans were issued than green bonds in the region last year. Syndicated green loans reached a total of \$6.95 billion, while green bonds accounted for \$1.6 billion. *(Source: Zawya)*

Fitch Ratings: Neutral Sector Outlook for GCC Corporates – Fitch Ratings stated that the outlook for Gulf Cooperation Council (GCC) corporates is neutral, mainly driven by the momentum of government spending, a key driver of economic activity. Fitch expects high oil prices in 2022 to contribute positively to sovereign budget balances. They expect project pipelines and order backlogs in GCC's key economies to remain solid for oil and gas and industrial issuers. However, the majority of sub-sectors in industrials and homebuilders will face challenges in absorbing volatility in raw materials costs, primarily driven by supply-chain bottlenecks. According to Fitch, the potential risk of new Covid-19 variants or social restrictions will soften recovery of a poorly performing retail and residential sub-sectors in most key geographies. Fitch expects external funding needs for high investment-grade corporates to ease, given increased debt capital market activities in 2021 on a favourable interest-rate environment. Lower-rated issuers will still need to close the medium-term funding gap to finance new projects and to maintain capex and muted dividends to shareholders, the rating agency stated. *(Source: Fitch Ratings)*

Egypt to issue first sovereign sukuk worth \$2bln by mid-year – Egypt is seeking to finalize the executive regulations for a sovereign sukuk by the end of this month, in preparation for issuing the first of such bonds worth about \$2 billion within five months. The state aims to issue green bonds in 2022 with a greater value than those issued last year, Mohamed Hegazy told Asharq News. Last September Egypt issued the first green bond offering in the Middle East and North Africa region, at a value of \$750 million and for a period of five years. *(Source: Arab News)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.39	-0.60	KSA	2025	1.79	-0.98
Abu Dhabi	2030	2.17	-1.44	KSA	2030	2.53	-2.19
Abu Dhabi	2050	3.18	-4.08	KSA	2050	3.67	-4.00
Bahrain	2026	4.28	-0.45	Oman	2025	3.38	-0.31
Bahrain	2030	5.75	-0.88	Oman	2029	4.95	-1.48
Bahrain	2047	7.47	-1.74	Oman	2048	6.76	-2.55
Dubai	2029	2.79	-1.76	Qatar	2025	1.54	-0.53
Kuwait	2022	-0.12	-0.10	Qatar	2030	2.29	-1.56
Kuwait	2027	1.69	-0.25	Qatar	2050	3.30	-4.07

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.95	8.08	-0.15	-1.46
S&P MENA Bond and Sukuk Index	2.56	NA	-0.21	-1.61
Bloomberg Emerging Markets USD Index	4.51	6.80	-0.27	-1.52
Bloomberg Global Aggregate Index	1.45	7.42	-0.01	-1.17

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	09/01/2022	30/12/2021	09/01/2022	30/12/2021	09/01/2022	30/12/2021
KIBOR	1.5000	1.5000	1.7500	1.7500	2.0000	2.0000
SAIBOR	0.9100	0.9057	0.9900	0.9829	1.0671	1.0600
BHIBOR	1.5167	1.5167	1.6233	1.6233	1.7667	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3000	1.3250
AEIBOR	0.3775	0.3645	0.5851	0.7000	0.8775	0.7396
EURIBOR	-0.5760	-0.5730	-0.5360	-0.5460	-0.4930	-0.4980
LIBOR	0.2361	0.2144	0.3764	0.3451	0.6617	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.6130	0.70	14.6	KWD	0.3027	0.0000	-0.05	Gold	1,797.40	-1.71
2-Year	1.0723	1.73	13.9	SAR	3.7535	-0.0107	0.05	Silver	22.41	-4.04
5-Year	1.5964	3.39	16.6	BHD	0.3770	0.0000	0.00	Copper	441.00	-1.20
7-Year	1.7266	4.18	17.0	QAR	3.6416	-0.0082	0.00	Nat. Gas	3.92	4.99
10-Year	1.8300	4.42	15.7	OMR	0.3848	0.0624	0.00	Aluminum	2,907.50	3.73
30-Year	1.9380	3.22	12.0	AED	3.6730	-0.0082	-0.01	Crude Oil	81.75	5.10

US Treasuries			UK Gilt			German Bunds		
Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)	
2-Year	0.86	0.01	0.81	-0.02		NA	NA	
5-Year	1.50	-0.14	0.98	-0.10		-0.59	-0.04	
10-Year	1.76	-0.34	1.18	-0.18		-0.23	-0.16	
30-Year	2.12	-0.83	1.29	-0.32		0.24	-0.34	

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	09-Jan 2022	31-Dec 2021
Kuwait	45.45	40.53
KSA	47.61	50.97
Abu Dhabi	43.43	43.09
Dubai	88.86	89.58
Qatar	43.27	42.55
Bahrain	290.42	286.32
Oman	253.15	254.42
Iraq	483.83	507.35
Egypt	487.64	496.58
Morocco	87.13	85.91
Turkey	570.82	555.46
US	10.19	10.01
UK	9.00	8.91
China	41.63	39.86
Japan	15.56	16.23
Germany	7.79	7.53
France	17.68	17.87