

News Updates

Fitch: Qatari Banks Face Risks from Increasing External Funding – Qatari banks' increasing reliance on external funding makes them more vulnerable to external shocks and investor sentiment, and could moderately weaken the sovereign's ability to support the sector, if needed, Fitch Ratings (Fitch) says. Fitch placed all Qatari banks' Long-Term Issuer Default Ratings (IDRs) on Rating Watch Negative (RWN) in October as they are driven by potential sovereign support. The Qatari banking sector is the most dependent in the Gulf Cooperation Council on non-domestic funding, according to Fitch. Foreign liabilities accounted for 48% of the sector's funding at end-3Q21 (38% at end-2018) and net external debt increased to a substantial 80% of Qatar's forecast 2021 GDP at end-3Q21 (30% at end-2018). "This dependence, coupled with the growing size of the banking system, could weaken the authorities' ability to support the sector," the rating agency said. Banking sector assets increased to 303% of forecast 2021 GDP at end-3Q21 from 212% of 2018 GDP. (Source: Fitch Ratings)

Lebanon has yet to give IMF figure for financial losses, central bank governor says – Lebanon has yet to give the IMF its estimate of losses in the financial system as discussions on the issue continue, but is working hard to sign a memorandum of understanding with the Fund by year-end, governor Riad Salameh told Reuters on Tuesday. Disagreements in Lebanon over the size of the losses and how they should be distributed torpedoed IMF talks last year. The central bank, banks and political elite rejected figures set out in a government plan that was endorsed by the IMF at the time. Salameh said an IMF programme was essential for Lebanon to exit the crisis, noting the external financing it would unlock and discipline that would impose reforms. Therefore the central bank would accept the figures for the losses as decided by the government, he said. (Source: Reuters)

U.S. marshals other nations, challenges OPEC+ with release of oil reserves – The administration of U.S. President Joe Biden announced on Tuesday it will release millions of barrels of oil from strategic reserves in coordination with China, India, South Korea, Japan and Britain, to try to cool prices after OPEC+ producers repeatedly ignored calls for more crude. Biden, facing low approval ratings amid rising inflation ahead of next year's congressional elections, has grown frustrated at repeatedly asking the Organization of the Petroleum Exporting Countries and its allies, known as OPEC+, to pump more oil without any response. Under the plan, the United States will release 50 million barrels, the equivalent of about two and a half days of U.S. demand. India, meanwhile, said it would release 5 million barrels, while Britain said it would allow the voluntary release of 1.5 million barrels of oil from privately held reserves. Japan will hold auctions for about 4.2 million barrels of oil, about 1 or 2 days worth of its demand, out of its national stockpile by the end of the year, the Nikkei newspaper reported on Wednesday. Details on the amount and timing of the release of oil from South Korea and China were not announced. Seoul said it would decide after discussions with the United States and other allies. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.30	-3.06	KSA	2025	1.50	-2.50
Abu Dhabi	2030	2.15	-5.12	KSA	2030	2.39	-3.56
Abu Dhabi	2050	3.07	-6.03	KSA	2050	3.59	-5.69
Bahrain	2026	3.92	-4.70	Oman	2025	3.60	1.03
Bahrain	2030	5.68	-6.83	Oman	2029	5.15	1.31
Bahrain	2047	7.23	-13.48	Oman	2048	6.95	-2.54
Dubai	2029	2.56	-1.58	Qatar	2025	1.35	-3.47
Kuwait	2022	-0.14	-2.16	Qatar	2030	2.25	-5.70
Kuwait	2027	1.63	-4.36	Qatar	2050	3.19	-6.59

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.82	8.08	-0.43	-0.06
S&P MENA Bond and Sukuk Index	2.41	NA	-0.29	-0.39
Bloomberg Emerging Markets USD Index	4.50	6.80	-0.60	-2.46
Bloomberg Global Aggregate Index	1.33	7.42	-0.36	-5.41

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	24/11/2021	31/12/2020	24/11/2021	31/12/2020	24/11/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8400	0.8175	0.8900	0.8700	0.9600	0.9413
BHIBOR	1.5167	2.2500	1.5583	2.5333	1.7667	2.6833
QATAR	1.1511	1.1206	1.2014	1.1960	1.3479	1.3636
AEIBOR	0.3750	0.5125	0.4388	0.4908	0.6900	0.6538
EURIBOR	-0.5640	-0.5450	-0.5280	-0.5260	-0.4950	-0.4990
LIBOR	0.1696	0.2384	0.2439	0.2576	0.4256	0.3419

USD Swap Rates				Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD
1-Year	0.3887	-1.03	101.9	KWD	0.3029	0.0000	0.13	Gold	1,796.30
2-Year	0.8192	-2.28	314.2	SAR	3.7520	0.0027	0.01	Silver	23.60
5-Year	1.4080	-3.29	227.4	BHD	0.3771	0.0053	-0.01	Copper	439.85
7-Year	1.5686	-3.35	139.6	QAR	3.6417	0.0000	-0.01	Nat. Gas	4.93
10-Year	1.6910	-3.27	82.8	OMR	0.3850	-0.0026	0.00	Aluminum	2,679.00
30-Year	1.8225	-3.16	30.0	AED	3.6730	0.0082	0.01	Crude Oil	82.20

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.59	0.04	0.57	-0.13	-1.80	0.01
5-Year	1.31	0.16	0.74	-0.30	-0.76	-0.06
10-Year	1.64	0.29	0.99	-0.56	-0.38	-0.55
30-Year	1.99	0.73	1.08	-0.30	0.07	-2.18

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-Nov 2021	31-Dec 2020
Kuwait	45.43	40.69
KSA	46.86	63.77
Abu Dhabi	39.92	36.03
Dubai	85.98	104.06
Qatar	39.65	36.70
Bahrain	271.25	233.58
Oman	243.55	353.60
Iraq	596.97	542.74
Egypt	478.00	330.47
Morocco	85.24	102.56
Turkey	486.10	299.47
US	14.01	11.52
UK	8.67	15.13
China	48.29	26.70
Japan	16.26	14.74
Germany	7.51	9.09
France	19.37	14.42