

## News Updates

**Oil rebounds more than \$1/bbl after Saudi price hike** – Oil prices rose by more than \$1 a barrel on Monday after top exporter Saudi Arabia raised prices for its crude sold to Asia and the United States. Brent crude futures for February gained \$1.39, or 2%, to \$71.27 a barrel by 0458 GMT while U.S. West Texas Intermediate crude for January were at \$67.66 a barrel, up \$1.40, or 2.1%. On Sunday, Saudi Arabia raised January official selling prices for all crude grades sold to Asia and the United States by up to 80 cents from the previous month. The price hikes were implemented despite a decision last week by the Organization of the Petroleum Exporting Countries and their allies including Russia, a group known as OPEC+, to continue increasing supplies by 400,000 barrels per day in January. *(Source: Reuters)*

**Egypt's external debt hits \$137.9B in June: CBE** – Egypt's external debt hiked by \$14.4 billion to \$137.9 billion in June 2021, compared to \$123.5 billion in June 2020, according to recent data by the Central Bank of Egypt (CBE). The bank attributed the increase in debt to the rise in net disbursements of loans and facilities by \$12.2 billion, alongside the depreciation of the exchange rate of US dollar vis-à-vis other currencies of external debt, leading to an increase of \$2.2 billion in book value. Long-term debt amounted to \$124.2 billion accounting for 90.1% of the total external debt, whereas short-term debt stood at \$13.7 billion, or 9.9%. By residual maturity, short-term debt accounted for 26.6% of total external debt in June 2021, compared to 9.9% classified by original maturity. Meanwhile, long-term debt expressed in terms of residual maturity made up 73.4% of total external debt, in comparison to 90.1% based on original maturity. *(Source: Reuters)*

**Fitch Lowers Turkey Outlook to Negative on Rate Cuts, Lira Slide** – Fitch Ratings cut the outlook on Turkey's sovereign credit rating to negative, citing a deterioration in domestic confidence as a result of monetary easing the credit assessor described as "premature." The outlook change comes a day after President Recep Tayyip Erdogan abruptly replaced his finance minister amid deepening rifts in the administration over aggressive interest-rate cuts that have undermined the currency. The lira has weakened about 30% over the past month. The deterioration is reflected in the weakening of the currency, Fitch analyst Erich Arispe Morales wrote in the report. That creates risks to macroeconomic and financial stability that could rekindle financing pressures, he wrote. The agency rates Turkey as BB-, three notches below investment grade, in line with Brazil and South Africa. "The central bank's premature monetary policy easing cycle and the prospect of further rate cuts or additional economic stimulus ahead of the 2023 presidential election have led to a deterioration in domestic confidence, reflected in a sharp depreciation of the Turkish lira, including unprecedented intra-day volatility, and rising inflation," according to the report. *(Source: Bloomberg)*

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.26	-2.89	KSA	2025	1.49	-2.49
Abu Dhabi	2030	1.94	-3.85	KSA	2030	2.27	-2.67
Abu Dhabi	2050	2.88	-2.79	KSA	2050	3.39	-2.68
Bahrain	2026	4.20	-5.65	Oman	2025	3.47	1.41
Bahrain	2030	5.82	-7.70	Oman	2029	4.99	2.28
Bahrain	2047	7.39	-14.33	Oman	2048	6.76	-0.24
Dubai	2029	2.59	-1.82	Qatar	2025	1.38	-3.65
Kuwait	2022	-0.19	-2.41	Qatar	2030	2.16	-5.14
Kuwait	2027	1.62	-4.36	Qatar	2050	3.05	-4.27

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.79	8.08	0.07	0.66
S&P MENA Bond and Sukuk Index	2.36	NA	0.26	0.44
Bloomberg Emerging Markets USD Index	4.53	6.80	0.24	-1.91
Bloomberg Global Aggregate Index	1.24	7.42	0.04	-4.26

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	06/12/2021	31/12/2020	06/12/2021	31/12/2020	06/12/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8457	0.8175	0.8971	0.8700	0.9686	0.9413
BHIBOR	1.5167	2.2500	1.6017	2.5333	1.7667	2.6833
QATAR	1.1600	1.1206	1.2050	1.1960	1.3500	1.3636
AEIBOR	0.3975	0.5125	0.5475	0.4908	0.7606	0.6538
EURIBOR	-0.5630	-0.5450	-0.5370	-0.5260	-0.5000	-0.4990
LIBOR	0.1876	0.2384	0.2711	0.2576	0.4615	0.3419

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.4126	2.01	114.3	KWD	0.3026	-0.0331	0.23	Gold	1,782.20	-6.89
2-Year	0.8477	3.26	328.6	SAR	3.7521	-0.0053	0.00	Silver	22.48	-15.94
5-Year	1.2878	4.24	199.5	BHD	0.3771	-0.0027	0.00	Copper	428.60	21.74
7-Year	1.3884	4.18	112.1	QAR	3.6416	-0.0082	-0.01	Nat. Gas	3.84	27.71
10-Year	1.4792	4.22	59.9	OMR	0.3850	-0.0727	0.00	Aluminum	2,642.75	31.64
30-Year	1.5785	3.48	12.6	AED	3.6731	0.0000	0.00	Crude Oil	71.29	41.20

US Treasuries			UK Gilt			German Bunds		
Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)	
2-Year	0.61	-0.04	0.46	0.14		-5.47	0.00	
5-Year	1.17	-0.19	0.58	0.32		-0.77	0.04	
10-Year	1.39	-0.40	0.74	0.58		-0.52	0.10	
30-Year	1.71	-0.85	0.84	1.47		-0.14	0.96	

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	6-Dec 2021	31-Dec 2020
Kuwait	48.46	40.69
KSA	49.36	63.77
Abu Dhabi	42.01	36.03
Dubai	87.49	104.06
Qatar	41.77	36.70
Bahrain	290.23	233.58
Oman	268.12	353.60
Iraq	614.74	542.74
Egypt	498.09	330.47
Morocco	88.93	102.56
Turkey	539.90	299.47
US	12.23	11.52
UK	9.05	15.13
China	51.84	26.70
Japan	16.66	14.74
Germany	7.53	9.09
France	18.44	14.42