

News Updates

Inflation rate in Kuwait highest among the Gulf countries – According to a recent report by MUFG Bank, the second largest Japanese bank, the inflation rate in Kuwait rose significantly and continuously for more than two years to reach the highest among the Gulf countries, even though the country had recorded the lowest rate at the end of the year 2018, reports Al-Anba daily. Comparing the development of inflation rates in the Gulf countries, the report indicated that the inflation rate in Kuwait reached slightly more than three percent on an annual basis, thus leading among the Gulf countries in terms of the inflation rate. With the return of the National Assembly, MP Dr. Abdulaziz Al-Saqabi submitted a parliamentary question regarding the rate of price inflation in Kuwait and the reasons for its rise. *(Source: Arab Times)*

Moody's Raises Saudi Outlook on Improved Fiscal Track Record – Saudi Arabia's credit rating outlook was raised to stable from negative by Moody's Investors Service, citing the kingdom's ability to reverse much of last year's debt increase. Moody's affirmed the sovereign at A1, its fifth-highest grade, according to a statement on Friday. That's higher than Fitch Ratings and S&P Global Ratings. The last time Moody's cut Saudi's outlook, it highlighted weakening fiscal strength stemming from the severe shock to global oil demand and prices triggered by the Covid-19 pandemic. The decision is based on the "assessment of the government's improving track record of fiscal policy effectiveness, evidenced by policy responses in periods of both low and high oil prices, that consistently demonstrate a commitment to fiscal consolidation and longer-term fiscal sustainability," analysts including Lucie Villa said. *(Source: Bloomberg)*

Fitch Affirms the United Arab Emirates at 'AA-'; Outlook Stable – The 'AA-' rating reflects the UAE's moderate consolidated public debt level, strong net external asset position and high GDP per capita. It also reflects the likelihood of support from Abu Dhabi (AA/Stable) in the event of need. Abu Dhabi's sovereign net foreign assets are among the highest of Fitch-rated sovereigns. According to Fitch, these strengths are balanced by weak governance indicators relative to rating peers, the UAE's high dependence on hydrocarbon income and the significant indebtedness of some of the Emirates and their government-related entities. *(Source: Fitch Ratings)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.06	-2.28	KSA	2025	1.29	-1.64
Abu Dhabi	2030	1.99	-4.03	KSA	2030	2.30	-2.85
Abu Dhabi	2050	2.97	-4.45	KSA	2050	3.48	-3.99
Bahrain	2026	3.71	-3.80	Oman	2025	3.13	2.49
Bahrain	2030	5.30	-4.64	Oman	2029	4.62	4.72
Bahrain	2047	6.88	-9.20	Oman	2048	6.46	3.45
Dubai	2029	2.42	-0.66	Qatar	2025	1.18	-2.97
Kuwait	2022	-0.09	-2.03	Qatar	2030	2.10	-4.68
Kuwait	2027	1.49	-3.65	Qatar	2050	3.13	-5.55

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.68	8.08	0.35	0.86
S&P MENA Bond and Sukuk Index	2.32	NA	0.31	0.07
Bloomberg Emerging Markets USD Index	4.29	6.80	0.32	-1.24
Bloomberg Global Aggregate Index	1.19	7.42	0.43	-3.63

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	8/11/2021	31/12/2020	8/11/2021	31/12/2020	8/11/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8357	0.8175	0.8829	0.8700	0.9529	0.9413
BHIBOR	1.5000	2.2500	1.5583	2.5333	1.7667	2.6833
QATAR	1.1479	1.1206	1.2088	1.1960	1.3313	1.3636
AEIBOR	0.2275	0.5125	0.4800	0.4908	0.6136	0.6538
EURIBOR	-0.5670	-0.5450	-0.5360	-0.5260	-0.4950	-0.4990
LIBOR	0.1428	0.2384	0.2209	0.2576	0.3575	0.3419

USD Swap Rates				Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)	
1-Year	0.2788	0.32	44.8	KWD	0.3017	0.0000	0.53	Gold	1,821.30
2-Year	0.6113	1.06	209.0	SAR	3.7512	-0.0027	0.02	Silver	24.37
5-Year	1.1602	1.15	169.8	BHD	0.3770	0.0053	0.00	Copper	436.15
7-Year	1.3375	1.14	104.3	QAR	3.6417	-0.0055	-0.01	Nat. Gas	5.57
10-Year	1.4883	1.11	60.8	OMR	0.3850	0.0000	0.00	Aluminum	2,537.75
30-Year	1.6797	0.71	19.8	AED	3.6730	0.0082	0.01	Crude Oil	83.70

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.41	-0.02	0.39	0.18	-1.19	-0.01
5-Year	1.07	-0.05	0.56	0.40	-0.73	0.06
10-Year	1.47	-0.10	0.84	0.85	-0.43	0.39
30-Year	1.89	-0.11	1.01	2.95	0.03	2.59

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	8-Nov 2021	31-Dec 2020
Kuwait	46.52	40.69
KSA	45.90	63.77
Abu Dhabi	38.69	36.03
Dubai	82.93	104.06
Qatar	39.55	36.70
Bahrain	260.68	233.58
Oman	239.03	353.60
Iraq	451.31	542.74
Egypt	437.66	330.47
Morocco	90.07	102.56
Turkey	399.01	299.47
US	12.99	11.52
UK	8.18	15.13
China	51.71	26.70
Japan	17.16	14.74
Germany	8.13	9.09
France	19.49	14.42