

## News Updates

**UAE Oil Producer Adnoc May Aim for \$5 Billion of Bonds This Year –** Abu Dhabi's state energy company plans to raise about \$3 billion to \$5 billion from a debut bond sale this year, according to people familiar with the matter. Abu Dhabi National Oil Co. executives told debt investors during a call on Tuesday that they're considering setting up a multi-year bond program of around \$15 billion, said three of the people. The first deal, which will be issued from a new entity called Adnoc Murban, will be used to help refinance the company's existing loans, they said. Adnoc has about \$20 billion of debt, including roughly \$5 billion maturing this year, according to data compiled by Bloomberg. The company declined to comment to Bloomberg on its issuance plans. JPMorgan Chase & Co. and Morgan Stanley managed Tuesday's call. Adnoc Murban was this week given the third-highest rating of AA or its equivalent by Moody's Investors Service, S&P Global Ratings and Fitch Ratings. *(Source: Bloomberg)*

**Lebanon plans to adopt 'realistic exchange rate' in 2022 budget – ministry** – Lebanon plans to adopt a "realistic exchange rate" for the local pound in the 2022 budget, according to a document published by the finance ministry on Wednesday that did not specify a rate. The draft budget put the average exchange rate of the pound in the final quarter of 2021 at 20,000 Lebanese pounds to the dollar, and at 10,083 pounds for the whole of 2021. The total budget deficit in 2022 is forecast at about 2.3% of gross domestic product, compared with an actual deficit of 1.1% in 2021, according to the document. The government will continue to suspend payment on its foreign currency bonds in 2022, according to the finance ministry document. *(Source: Reuters)*

**Oil rises on concerns global political risks could tighten supplies –** Oil rose on Wednesday, reaching \$90 a barrel for the first time in seven years, supported as tight supply and rising political tensions between Russia and Ukraine added to concerns about further disruption in an already-tight market. Brent crude gained \$1.76, or 2%, to settle at \$89.96 a barrel, after surpassing \$90 for the first time since October 2014. U.S. West Texas Intermediate (WTI) crude closed up \$1.75, or 2%, to \$87.35 a barrel. Oil prices edged off their gains in post-settlement trading, retreating with other risk assets like equities after investors interpreted U.S. Federal Reserve Chairman Jerome Powell's comments in a press conference on expected interest rate hikes as somewhat hawkish. *(Source: Reuters)*

**Fed likely to hike rates in March as Powell vows sustained inflation fight** – The Federal Reserve on Wednesday said it is likely to hike interest rates in March and reaffirmed plans to end its bond purchases that month in what U.S. central bank chief Jerome Powell pledged will be a sustained battle to tame inflation. Subsequent interest rate increases and an eventual reduction in the Fed's asset holdings would follow as needed, Powell said, while officials monitor how quickly inflation falls from current multi-decade highs back to the central bank's 2% target. Much was left undecided, he told reporters after the end of the Fed's latest two-day policy meeting, including the pace of subsequent rate hikes or how quickly officials will let its massive balance sheet decline. *(Source: Reuters)*

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.98	-1.49	KSA	2027	2.20	-1.98
Abu Dhabi	2031	2.28	-2.45	KSA	2032	2.65	-2.48
Abu Dhabi	2050	3.22	-4.65	KSA	2050	3.75	-5.10
Bahrain	2028	5.00	-1.92	Oman	2027	4.50	-1.37
Bahrain	2032	6.15	-3.26	Oman	2032	5.62	-2.68
Bahrain	2051	7.30	-5.31	Oman	2051	6.93	-4.41
Dubai	2029	2.71	-1.39	Qatar	2026	1.90	-1.22
Kuwait	2022	-0.51	-0.23	Qatar	2030	2.46	-2.18
Kuwait	2027	2.03	-1.94	Qatar	2050	3.31	-4.26

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.09	8.08	0.00	-2.09
S&P MENA Bond and Sukuk Index	2.68	NA	-0.19	-2.22
Bloomberg Emerging Markets USD Index	4.75	6.80	-0.13	-2.79
Bloomberg Global Aggregate Index	1.53	7.42	-0.30	-1.58

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	27/01/2022	30/12/2021	27/01/2022	30/12/2021	27/01/2022	30/12/2021
KIBOR	1.5000	1.5000	1.7500	1.7500	2.0000	2.0000
SAIBOR	0.9514	0.9057	1.0643	0.9829	1.2071	1.0600
BHIBOR	1.5667	1.5167	1.6500	1.6233	1.7833	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	0.4114	0.3645	0.6999	0.7000	0.8830	0.7396
EURIBOR	-0.5480	-0.5730	-0.5230	-0.5460	-0.4670	-0.4980
LIBOR	0.2676	0.2144	0.4503	0.3451	0.7899	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.8484	3.51	58.6	KWD	0.3024	0.0000	0.05	Gold	1,817.00	-0.76
2-Year	1.3222	3.04	40.5	SAR	3.7522	0.0000	0.10	Silver	23.36	0.03
5-Year	1.7438	-1.00	27.3	BHD	0.3770	0.0000	0.01	Copper	443.60	-0.62
7-Year	1.8378	-1.18	24.5	QAR	3.6416	-0.0082	0.00	Nat. Gas	4.35	16.51
10-Year	1.9130	-1.39	21.0	OMR	0.3850	-0.0026	-0.06	Aluminum	3,108.00	10.80
30-Year	1.9820	-0.44	14.5	AED	3.6731	0.0000	-0.01	Crude Oil	89.27	14.77

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	1.18	-0.06	0.91	-0.04	NA	NA
5-Year	1.68	0.04	1.02	-0.12	-0.62	-0.02
10-Year	1.85	0.18	1.20	-0.28	-0.25	-0.04
30-Year	2.15	0.30	1.33	-1.05	0.21	-0.27

	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	27-Jan 2022	31-Dec 2021
Kuwait	48.49	40.53
KSA	50.03	50.97
Abu Dhabi	47.22	43.09
Dubai	92.85	89.58
Qatar	46.50	42.55
Bahrain	299.54	286.32
Oman	259.82	254.42
Iraq	476.93	507.35
Egypt	555.12	496.58
Morocco	96.73	85.91
Turkey	517.03	555.46
US	10.08	10.01
UK	9.37	8.91
China	48.19	39.86
Japan	16.56	16.23
Germany	6.93	7.53
France	16.57	17.87