

News Updates

Dana Gas's debts from Egypt drop to a 14-year low – Debts owed to the UAE-based natural gas company Dana Gas from Egypt dropped to below \$30 million, reaching its lowest levels since its commencement of operations in 2007. This followed Egypt's payment of 143 million dirhams (\$39 million) in December. The latest payment raises the company's 2021 Egypt collections by 130 percent to \$184 million compared to \$80 million received last year. "The acceleration of payments will further enhance the country's ability to attract more international investment, which will in turn boost economic growth," CEO, Patrick Allman-Ward, said. This comes in line with the north African state's commitment to settle oil and gas companies' receivables. Since 2007, Dana Gas has invested over \$2 billion in Egypt, with a production of 29,200 barrels of oil equivalent per day. (Source: Arab News)

Brent, WTI edge higher as U.S. crude inventories decline – Oil prices edged higher on Wednesday after rallying overnight as industry data showed a decline in U.S. inventories, boosting demand sentiment. Brent crude rose 16 cents, or 0.2 percent, at \$79.06 a barrel by 0706 GMT. U.S. West Texas Intermediate crude climbed 5 cents, or 0.07 percent, to \$76.03 a barrel. Both contracts are trading near their highest levels in a month, aided by the strength in global equities. Asset classes from oil to equities have clawed back losses from late November, when the Omicron variant of COVID-19 sent investors scurrying for safety. Oil prices have been underpinned by three oil producers declaring forces majeures this month on part of their oil production because of maintenance issues and oilfield shutdowns. Russia is unlikely to hit its May target of pre-pandemic oil output levels due to a lack of spare production capacity but could do so later in the year, analysts and company sources said on Tuesday. Deputy Prime Minister Alexander Novak, in charge of Moscow's ties with the OPEC+ group of oil producers, has said output by May is expected to hit pre-pandemic levels, or about 11.33 million barrels per day of oil and gas condensate, as seen in April 2020. Investors are awaiting an OPEC+ meeting on Jan. 4, at which the alliance will decide whether to go ahead with a planned production increase of 400,000 barrels per day in February. (Source: Reuters)

Treasury Yields Breach Key Levels Amid Global Bond Retreat – Treasuries have come under pressure in low-volume trading that's typical of the last week of the year, with European and Asian bonds also retreating. With no more Federal Reserve buying scheduled until the new year and the last auction of coupon-bearing debt now complete, yields have climbed higher, led by longer-dated notes. The initial selloff came amid a global decline in sovereign debt that started in Europe Wednesday, with 10-year gilt yields breaching 1%. The 10-year Treasury rate rose as much as 7 basis points to 1.55% after the auction Wednesday, breaching the 50-day moving average that has contained it since Nov. 29. The 30-year yield on Tuesday topped its 50-day moving average for the first time in several weeks. Benchmark 10-year yields held at 1.55% in Asia trading Thursday. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.20	-2.90	KSA	2025	1.50	-2.67
Abu Dhabi	2030	1.97	-3.94	KSA	2030	2.25	-2.59
Abu Dhabi	2050	2.98	-4.54	KSA	2050	3.45	-3.52
Bahrain	2026	4.21	-5.72	Oman	2025	3.28	1.87
Bahrain	2030	5.65	-6.83	Oman	2029	4.71	4.02
Bahrain	2047	7.37	-14.10	Oman	2048	6.55	2.33
Dubai	2029	2.51	-1.51	Qatar	2025	1.37	-3.74
Kuwait	2022	-0.28	-2.37	Qatar	2030	2.08	-4.71
Kuwait	2027	1.61	-4.38	Qatar	2050	3.07	-4.61

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.79	8.08	-0.13	0.85
S&P MENA Bond and Sukuk Index	2.40	NA	-0.13	0.21
Bloomberg Emerging Markets USD Index	4.33	6.80	-0.09	-1.84
Bloomberg Global Aggregate Index	1.33	7.42	-0.13	-4.94

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	30/12/2021	31/12/2020	30/12/2021	31/12/2020	30/12/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.9029	0.8175	0.9757	0.8700	1.0557	0.9413
BHIBOR	1.5167	2.2500	1.6233	2.5333	1.7667	2.6833
QATAR	1.1250	1.1206	1.2000	1.1960	1.3250	1.3636
AEIBOR	0.4082	0.5125	0.5775	0.4908	0.7720	0.6538
EURIBOR	-0.5830	-0.5450	-0.5480	-0.5260	-0.4950	-0.4990
LIBOR	0.2179	0.2384	0.3433	0.2576	0.5671	0.3419

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.5529	0.96	187.2	KWD	0.3027	-0.0330	0.21	Gold	1,801.70	-5.87
2-Year	0.9518	0.50	381.2	SAR	3.7541	0.0107	-0.05	Silver	22.75	-14.95
5-Year	1.3849	-0.71	222.1	BHD	0.3770	0.0000	0.00	Copper	440.55	25.14
7-Year	1.5005	-0.56	129.2	QAR	3.6416	-0.0082	-0.01	Nat. Gas	3.90	32.66
10-Year	1.6188	-0.42	74.9	OMR	0.3850	-0.0052	-0.01	Aluminum	2,801.25	39.30
30-Year	1.7896	-0.08	27.6	AED	3.6727	0.0082	0.01	Crude Oil	79.46	57.38

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.74	0.01	0.68	-0.09	NA	NA
5-Year	1.29	0.05	0.82	-0.31	-0.67	-0.05
10-Year	1.54	0.07	1.01	-0.80	-0.34	-0.34
30-Year	1.96	0.09	1.17	-1.95	0.15	-1.93

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	30-Dec 2021	31-Dec 2020
Kuwait	40.53	40.69
KSA	50.97	63.77
Abu Dhabi	43.09	36.03
Dubai	89.58	104.06
Qatar	42.55	36.70
Bahrain	286.32	233.58
Oman	254.42	353.60
Iraq	507.35	542.74
Egypt	496.58	330.47
Morocco	85.91	102.56
Turkey	555.46	299.47
US	10.01	11.52
UK	8.91	15.13
China	39.86	26.70
Japan	16.23	14.74
Germany	7.53	9.09
France	17.87	14.42