

## News Updates

**Fitch Revises OQ's Outlook to Stable; Affirms 'BB-' Rating** – Fitch Ratings has revised OQ S.A.O.C.'s (OQ) Outlook to Stable from Negative and affirmed its 'BB-' Long-Term Issuer Default Rating (IDR). The rating action follows a similar action on OQ's ultimate sole shareholder, the government of Oman (BB-/Stable) via the Oman Investment Authority (OIA). OQ's IDR is equalised with that of Oman and reflects Fitch's view of strong links between OQ and the state. Fitch assessed status, ownership and control, support track record and socio-political implications of default as 'Strong' while financial implications of default are 'Very Strong'. This assessment results in a support score of 40 out of a maximum of 60. (Source: Fitch Ratings)

**Tunisia's outstanding public debt climbs to 102 bln dinars - finance ministry** – Tunisia's outstanding public debt reached nearly 102.2 billion dinars, or 81.5% of GDP, at the end of October 2021, increasing 12% compared with the same period in 2020, the Finance Ministry said in a statement on Friday. Outstanding external debt was around 62 billion dinars, or 49% of GDP, while outstanding domestic debt was around 40.2 billion dinars (32% of GDP). Debt servicing costs reached 11.3 billion dinars during the first 10 months of 2021, the statement added. (Source: Reuters)

**Erdogan Says Turkey Won't Again Tame Inflation With Rate Hikes** – Turkey has abandoned interest-rate hikes as a tool to control inflation, President Recep Tayyip Erdogan said Friday, arguing measures he introduced this week had taken just a day to stabilize the lira. Erdogan made his televised remarks before joining a closed-door meeting in Istanbul with economists and academics to listen to their proposals on the economy. "We've put aside the classical understanding of economics that keeps inflation under control with high interest rates," Erdogan said. The government is now focusing on expanding the economy through investment, employment, production, exports and a current-account surplus, he said. The central bank has slashed its benchmark interest rate since September in a series of cuts encouraged by Erdogan. The moves sent the lira into a tailspin, but the president has stuck to his ground, vowing to turn Turkey into a high-investment economy through cheaper borrowing. (Source: Bloomberg)

**Oil prices ease, focus shifts to next OPEC+ move** – Brent crude futures snapped a three-day rally on Friday in light trading before the Christmas holidays, but the benchmark ended the week higher, with the market focusing on next steps by OPEC+ and the impact of the Omicron variant. Brent crude futures settled 71 cents lower at \$76.14 a barrel at the early close of 1300 GMT, rising by about 3% on the week. Oil prices have recovered this week as fears over the impact of the highly infectious Omicron variant on the global economy receded, with early data suggesting it causes a milder level of illness. The U.S. Federal Reserve said last week it would end its pandemic-era bond purchases in March, paving the way for three interest rate increases that most Fed policymakers now believe will be needed next year. (Source: Reuters)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.21	-2.87	KSA	2025	1.45	-2.51
Abu Dhabi	2030	1.99	-4.02	KSA	2030	2.23	-2.41
Abu Dhabi	2050	2.94	-3.92	KSA	2050	3.44	-3.30
Bahrain	2026	4.21	-5.73	Oman	2025	3.30	1.84
Bahrain	2030	5.64	-6.74	Oman	2029	4.71	4.05
Bahrain	2047	7.40	-14.57	Oman	2048	6.55	2.31
Dubai	2029	2.53	-1.62	Qatar	2025	1.39	-3.77
Kuwait	2022	-0.30	-2.32	Qatar	2030	2.08	-4.62
Kuwait	2027	1.61	-4.34	Qatar	2050	3.03	-4.14

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.79	8.08	0.00	0.85
S&P MENA Bond and Sukuk Index	2.38	NA	-0.02	0.35
Bloomberg Emerging Markets USD Index	4.32	6.80	-0.02	-1.91
Bloomberg Global Aggregate Index	1.31	7.42	0.06	-4.76

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	26/12/2021	31/12/2020	26/12/2021	31/12/2020	26/12/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8957	0.8175	0.9543	0.8700	1.0457	0.9413
BHIBOR	1.5167	2.2500	1.6150	2.5333	1.7667	2.6833
QATAR	1.1250	1.1206	1.2000	1.1960	1.3250	1.3636
AEIBOR	0.4139	0.5125	0.6350	0.4908	0.8400	0.6538
EURIBOR	-0.5870	-0.5450	-0.5440	-0.5260	-0.4940	-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	0.5290	-0.16	174.8	KWD	0.3025	0.0661	0.25	Gold	1,811.70	-5.34
2-Year	0.9280	0.24	369.2	SAR	3.7560	-0.0479	-0.11	Silver	22.94	-14.22
5-Year	1.3544	-0.16	215.0	BHD	0.3770	0.0000	0.00	Copper	439.25	24.77
7-Year	1.4600	-0.02	123.0	QAR	3.6416	-0.0082	-0.01	Nat. Gas	3.73	24.12
10-Year	1.5710	0.24	69.8	OMR	0.3850	-0.0052	-0.01	Aluminum	2,839.50	41.20
30-Year	1.7452	0.45	24.5	AED	3.6727	0.0082	0.01	Crude Oil	76.14	50.80

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.69	0.00	0.62	0.01	NA	NA
5-Year	1.24	0.01	0.75	0.00	-0.71	0.00
10-Year	1.49	0.01	0.92	0.00	-0.40	0.00
30-Year	1.91	0.04	1.09	0.00	0.08	0.00

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	26-Dec 2021	31-Dec 2020
Kuwait	40.51	40.69
KSA	50.96	63.77
Abu Dhabi	42.39	36.03
Dubai	89.57	104.06
Qatar	42.59	36.70
Bahrain	288.10	233.58
Oman	255.50	353.60
Iraq	506.38	542.74
Egypt	496.65	330.47
Morocco	86.20	102.56
Turkey	547.28	299.47
US	10.12	11.52
UK	7.92	15.13
China	40.39	26.70
Japan	16.31	14.74
Germany	7.30	9.09
France	18.87	14.42