

News Updates

Saudi Arabia ends the year with local sukuk issuance of \$110.5mln – The Saudi government offered denominated sukuk in Saudi riyals worth SR415 million (\$110.5 million) for the December issuance, the National Debt Management Center announced on Tuesday. The issuance comes under the Kingdom's riyal-denominated sukuk program. The first tranche had a size of SR200 million and matures in 2029 while the second tranche was valued at SR215 million and matures in 2031. The Kingdom collected a total amount of SR74.8 billion of sukuk in monthly issuances for the previous 11 months. Now, it obtained a total value of SR75.2 billion financing from Sukuk. The Kingdom's public debt stood at SR948.3 billion at the end of this year's third quarter, according to the ministry's latest quarterly budget report. Domestic debt accounted for 59.1 percent while external debt made up 40.9 percent of the debt. In its 2022 budget statement, the ministry predicted that public debt will reach SR938 billion next year. *(Source: Arab News)*

Moody's maintains Saudi Re's A3 rating; outlook stable – Moody's Investors has affirmed the insurance financial strength rating (IFSR) of Saudi Reinsurance Company (Saudi Re) at 'A3', with a stable outlook. The rating reflects the company's strong market position as the only reinsurer in Saudi Arabia, in addition to its asset quality strength and continuous expansion in the target markets of Asia, Africa, and Lloyd's in UK, according to a press release on Tuesday. As for the stable outlook, Moody's expected that Saudi Re would continue enhancing its profitability, alongside maintaining strong assets quality, capital adequacy, and adequate level of reserves. *(Source: Mubasher)*

CB: Lebanon needs \$12-15 billion to kickstart recovery – Lebanon needs to receive 12 to 15 billion dollars from its partners to kickstart its economic recovery and shore up fast-diminishing foreign currency reserves, Central Bank Governor Riad Salameh said yesterday. Lebanon is grappling with an unprecedented economic crisis branded by the World Bank as one of the planet's worst in modern times. More than 80 percent of the population lives in poverty and the currency has lost more than 90 percent of its black market value amid political squabbling that has delayed an agreement with the International Monetary Fund. "Our quota in the International Monetary Fund is 4 billion," Salameh said in an AFP interview. "If countries add to it, we could reach 12 to 15 billion, an amount that could help start Lebanon's recovery and restore confidence," he said. Lebanon defaulted on its debt for the first time last year but political leaders have continued to resist key reforms demanded by donors to unlock necessary funds. *(Source: Kuwait Times)*

Morocco's central bank keeps benchmark interest rate at 1.5% – Morocco's central bank held its benchmark interest rate at an all-time low of 1.5% on Tuesday, saying its monetary policy was accommodative and consistent with the economic outlook. The inflation forecast was revised upwards to 1.4% in 2021 and 2.1 next year, the bank said in a statement following its quarterly meeting, citing the impact of imported inflation on foodstuff and fuel prices. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.22	-2.90	KSA	2025	1.47	-2.54
Abu Dhabi	2030	1.96	-4.01	KSA	2030	2.24	-2.42
Abu Dhabi	2050	2.92	-3.57	KSA	2050	3.40	-2.78
Bahrain	2026	4.14	-5.59	Oman	2025	3.31	1.84
Bahrain	2030	5.62	-6.56	Oman	2029	4.72	4.05
Bahrain	2047	7.30	-13.64	Oman	2048	6.55	2.31
Dubai	2029	2.53	-1.62	Qatar	2025	1.35	-3.73
Kuwait	2022	-0.35	-2.36	Qatar	2030	2.08	-4.73
Kuwait	2027	1.58	-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	-0.15	0.82
S&P MENA Bond and Sukuk Index	2.39	NA	-0.21	0.38
Bloomberg Emerging Markets USD Index	4.33	6.80	0.01	-1.94
Bloomberg Global Aggregate Index	1.29	7.42	-0.39	-4.84

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	22/12/2021	31/12/2020	22/12/2021	31/12/2020	22/12/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8929	0.8175	0.9457	0.8700	1.0357	0.9413
BHIBOR	1.5167	2.2500	1.6017	2.5333	1.7667	2.6833
QATAR	1.1250	1.1206	1.2000	1.1960	1.3400	1.3636
AEIBOR	0.4025	0.5125	0.5014	0.4908	0.7975	0.6538
EURIBOR	-0.5880	-0.5450	-0.5540	-0.5260	-0.5180	-0.4990
LIBOR	0.2143	0.2384	0.3166	0.2576	0.5319	0.3419

USD Swap Rates				Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)	
1-Year	0.5196	0.29	169.9	KWD	0.3028	0.0000	0.18	Gold	1,788.90
2-Year	0.9105	-0.24	360.3	SAR	3.7552	-0.0027	-0.07	Silver	22.54
5-Year	1.3341	0.21	210.3	BHD	0.3770	0.0027	0.00	Copper	433.60
7-Year	1.4407	0.46	120.1	QAR	3.6416	-0.0082	-0.01	Nat. Gas	3.88
10-Year	1.5474	0.57	67.2	OMR	0.3850	0.0000	0.00	Aluminum	2,744.00
30-Year	1.7043	0.90	21.6	AED	3.6730	0.0000	0.00	Crude Oil	74.11

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.66	0.01	0.59	-0.15	NA	NA
5-Year	1.22	0.00	0.71	-0.38	-0.74	-0.09
10-Year	1.47	-0.03	0.87	-0.91	-0.45	-0.46
30-Year	1.87	-0.15	1.05	-2.52	0.03	-2.15

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	22-Dec 2021	31-Dec 2020
Kuwait	40.55	40.69
KSA	50.22	63.77
Abu Dhabi	43.03	36.03
Dubai	90.28	104.06
Qatar	42.72	36.70
Bahrain	291.68	233.58
Oman	244.19	353.60
Iraq	517.72	542.74
Egypt	496.60	330.47
Morocco	85.33	102.56
Turkey	598.24	299.47
US	10.20	11.52
UK	8.80	15.13
China	41.43	26.70
Japan	16.26	14.74
Germany	7.67	9.09
France	18.27	14.42