

News Updates

S&P Global Ratings introduces Saudi Arabia national credit rating scale – S&P Global Ratings introduced a new credit rating scale--the Kingdom of Saudi Arabia national credit rating scale (KSA scale) --for the assignment of credit ratings to issuers domiciled in Saudi Arabia. The new national credit rating scale will facilitate credit-risk comparisons among KSA-related issuers and issuances. The KSA scale is designed for issuers based in Saudi Arabia and for local currency-denominated capital markets debt, bank loans, and shariah-compliant obligations issued in Saudi Arabia. It complements the existing global rating scale and may offer finer credit risk differentiation within Saudi Arabia for issuers, counterparties, intermediaries, investors, and insurers involved in Saudi Arabia's financial markets by providing independent opinions of relative creditworthiness. S&P Global Ratings has assigned Saudi National Bank (SNB), the first in the Kingdom, its 'ksaAAA' long-term Saudi Arabia national scale issuer credit rating. 'ksaAAA' is the highest issuer credit rating assigned according to Saudi Arabia national scale. *(Source: S&P Global Ratings)*

Saudi banks' investments in gov't bonds exceed \$126bln in October – The banks operating in Saudi Arabia have invested SAR 474.39 billion in government-issued bonds in October 2021, up 9.9% year-on-year (YoY) from SAR 431.58 billion. On a monthly basis, the banks' investment in the government's bonds rose by about 1.3% in October 2021, compared to SAR 468.38 billion in September 2021, according to the monthly statistical bulletin published by the Saudi Central Bank (SAMA). During the first ten months of 2021, the banks' investments in the government's bonds jumped by 8.2%, when compared to SAR 438.37 billion by the end of 2020. *(Source: Mubasher)*

Oil Pushes Higher as Traders Weigh Omicron Risks, OPEC+ Meeting – Oil rose as investors weighed risks to the near-term outlook, including the impact of the omicron virus variant and upcoming OPEC+ meeting. West Texas Intermediate was 1.2% higher, set for a back-to-back daily gain after plunging on Friday amid concern the new coronavirus variant would pummel energy demand. Drugmaker Pfizer Inc. said it will know within two to three weeks how well its existing vaccine holds up against the new strain. Oil has sunk about 15% in November, set for the biggest monthly loss since March 2020, when the onset of the pandemic crushed global consumption. Investors are now seeking clues about the challenge posed by omicron, and how producers will respond. The Organization of Petroleum Countries and its allies will decide on Thursday whether to pause a run of monthly supply hikes. *(Source: Bloomberg)*

Yields rise as virus variant concerns ease – U.S. Treasury yields mostly rose and the curve steepened on Monday amid a waning flight-to-safety bid that had been triggered by the detection of a new coronavirus variant last week, leading to the market's biggest rally since the onset of the pandemic. The benchmark 10-year yield, which dropped as low as 1.473% on Friday and rose as high as 1.565% earlier on Monday, was last up 3.6 basis points at 1.5209%. Yields move inversely to prices. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.33	-3.09	KSA	2025	1.54	-2.65
Abu Dhabi	2030	2.12	-4.90	KSA	2030	2.42	-3.81
Abu Dhabi	2050	3.03	-5.44	KSA	2050	3.55	-5.18
Bahrain	2026	4.09	-5.34	Oman	2025	3.70	0.76
Bahrain	2030	5.79	-7.54	Oman	2029	5.22	0.82
Bahrain	2047	7.41	-14.66	Oman	2048	6.99	-3.06
Dubai	2029	2.64	-2.08	Qatar	2025	1.37	-3.62
Kuwait	2022	0.00	-2.43	Qatar	2030	2.25	-5.70
Kuwait	2027	1.49	-4.16	Qatar	2050	3.21	-6.90

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.86	8.08	-0.04	-0.19
S&P MENA Bond and Sukuk Index	2.38	NA	-0.29	-0.45
Bloomberg Emerging Markets USD Index	4.57	6.80	-0.13	-2.73
Bloomberg Global Aggregate Index	1.26	7.42	-0.23	-4.78

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	30/11/2021	31/12/2020	30/11/2021	31/12/2020	30/11/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8457	0.8175	0.8971	0.8700	0.9686	0.9413
BHIBOR	1.5167	2.2500	1.6017	2.5333	1.7667	2.6833
QATAR	1.1599	1.1206	1.2104	1.1960	1.3426	1.3636
AEIBOR	0.3775	0.5125	0.5111	0.4908	0.7250	0.6538
EURIBOR	-0.5720	-0.5450	-0.5370	-0.5260	-0.4940	-0.4990
LIBOR	0.1754	0.2384	0.2460	0.2576	0.4104	0.3419

USD Swap Rates				Currencies			Commodities			
Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	0.3372	0.37	75.2	KWD	0.3027	0.0000	0.21	Gold	1,789.90	-6.48
2-Year	0.7376	1.28	272.9	SAR	3.7519	0.0000	0.00	Silver	22.96	-14.15
5-Year	1.2696	-0.31	195.3	BHD	0.3771	0.0000	-0.01	Copper	433.40	23.11
7-Year	1.4201	-0.99	116.9	QAR	3.6421	0.0110	0.00	Nat. Gas	4.84	60.94
10-Year	1.5404	-1.55	66.5	OMR	0.3850	0.0000	0.01	Aluminum	2,645.25	31.77
30-Year	1.6723	-1.43	19.3	AED	3.6731	0.0000	0.00	Crude Oil	73.85	45.92

US Treasuries			UK Gilt		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.49	0.00	0.48	-0.08	-1.78	0.00
5-Year	1.15	0.02	0.64	-0.17	-0.77	-0.05
10-Year	1.48	0.16	0.86	-0.33	-0.48	-0.16
30-Year	1.84	0.42	0.94	-0.47	-0.02	0.02

	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-Nov 2021	31-Dec 2020
Kuwait	47.57	40.69
KSA	52.23	63.77
Abu Dhabi	43.49	36.03
Dubai	89.39	104.06
Qatar	44.44	36.70
Bahrain	289.14	233.58
Oman	256.54	353.60
Iraq	668.35	542.74
Egypt	502.25	330.47
Morocco	88.46	102.56
Turkey	502.17	299.47
US	14.91	11.52
UK	9.17	15.13
China	50.60	26.70
Japan	16.60	14.74
Germany	8.01	9.09
France	18.88	14.42