

## News Updates

### Saudi Electricity's illiquid bonds unmoved by debt reduction plan –

Saudi Electricity Company's bonds due in 2030 were trading at around 2.2% on Wednesday, flat compared to when the kingdom's electric transmission monopoly said on Monday it had signed a deal with the government to bolster its balance sheet. Financial sources said the lack of immediate reaction in SEC bonds to the plan to convert 167.92 billion riyals (\$45 billion) in state liabilities into a subordinated perpetual financial instrument was because it will take time to materialise and SEC's bonds are illiquid. "There are a lot of reforms and structural changes happening. These will take time to assess and deliver value," Khalid Howladar, head of credit and sukuk advisory at RJ Fleming, told Reuters. The reforms include a new mechanism to determine SEC's required revenue, which will be effective from Jan. 1, 2021, and cancelling government fees. A fund manager said: "The original liabilities were already seen as equity in the market's assessment of credit." The change envisages the "immediate deleveraging" of SEC's \$128 billion balance sheet from a debt-to-equity ratio of 2.2 to a ratio of 0.6, the Saudi Energy Ministry said on Tuesday. The government "is expected to continue supporting the sector and Saudi Electricity Co. on a more structured and transparent basis," SEC's financial adviser HSBC said in the Energy Ministry statement. (Source: Zawya)

### OPEC+ starts meetings to support oil market amid COVID-19 –

The Organization of Petroleum Exporting Countries and allies, known as OPEC+, are holding meetings starting on Monday to highlight ways to support the oil market in 2021 amid the surge of Coronavirus (COVID-19) again and its impact on oil prices and demand, Reuters reported. OPEC+ was planning to raise oil production by 2 million barrels per day (bpd) in January as part of an easing of record supply cuts. However, OPEC+ is considering postponing a rise or further decrease in oil supply, as the oil prices are decreasing due to the COVID-19 outbreak. (Source: Mubasher)

### Pfizer says final data shows coronavirus vaccine is 95% effective –

Pfizer and BioNTech said on Wednesday that a final data analysis found their coronavirus vaccine was 95% effective in preventing COVID-19 and appeared to fend off severe disease, according to CNBC. The drugmakers said the vaccine, called BNT162b2, was highly effective against the virus 28 days after the first dose, and its effectiveness was consistent across all ages, races, and ethnicities. Additionally, the elderly, who are seen as at high risk of severe illness from the coronavirus, saw vaccine effectiveness of more than 94%. (Source: Mubasher)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.81	5.29	KSA	2025	1.18	6.90
Abu Dhabi	2030	1.55	9.92	KSA	2030	1.99	11.23
Abu Dhabi	2050	2.66	20.93	KSA	2050	3.14	12.11
Bahrain	2026	3.51	-1.73	Oman	2025	4.86	-3.87
Bahrain	2030	4.92	15.67	Oman	2029	6.11	-5.47
Bahrain	2047	6.25	-5.48	Oman	2048	7.43	-8.98
Dubai	2029	2.52	3.28	Qatar	2025	0.92	6.74
Kuwait	2022	0.33	1.33	Qatar	2030	1.64	12.54
Kuwait	2027	1.17	5.85	Qatar	2050	2.72	25.10

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.56	8.08	0.15	7.84
S&P MENA Bond and Sukuk Index	2.04	NA	-0.06	8.63
Bloomberg Emerging Markets USD Index	3.78	6.80	0.09	4.47
Bloomberg Global Aggregate Index	0.89	7.42	0.15	7.35

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	19/11/2020	31/12/2019	19/11/2020	31/12/2019	19/11/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	1.9375	3.1875
SAIBOR	0.8363	2.2314	0.8863	2.2557	0.9550	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.0014	2.2500	1.0870	2.3500	1.3181	2.5333
AEIBOR	0.3826	2.2086	0.6142	2.1914	0.7469	2.2900
EURIBOR	-0.5220	-0.3830	-0.5080	-0.3240	-0.4740	-0.2490
LIBOR	<b>0.2310</b>	<b>1.9084</b>	<b>0.2580</b>	<b>1.9121</b>	<b>0.3388</b>	<b>1.9963</b>

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2190	-0.09	-87.6
2-Year	0.2555	-0.21	-84.9
5-Year	0.4473	-1.09	-74.1
7-Year	0.6255	-1.59	-65.2
10-Year	0.8512	-2.04	-55.1
30-Year	1.2617	-2.45	-39.7

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3054	0.0000	-0.75
SAR	3.7506	0.0000	0.03
BHD	0.3771	0.0053	0.00
QAR	3.6421	-0.0055	0.01
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.17	0.01
5-Year	0.38	0.07
10-Year	0.85	0.20
30-Year	1.58	0.58

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.04	-0.02
5-Year	0.01	-0.05
10-Year	0.33	-0.17
30-Year	0.93	-0.47

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.72	0.00
5-Year	-0.76	-0.02
10-Year	-0.62	-0.09
30-Year	-0.15	-0.26

Source: Bloomberg

## Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	A1	AA-	AA
KSA	A1	A-u	A
UAE	Aa2	NR	NR
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	B2	NR	B
Morocco	Ba1	BBB-	BB+
US	Aaa	AA+u	AAA
UK	Aa2	AAu	AA-
China	A1	A+	A+

## USD 5Yr CDS

	19-Nov 2020	31-Dec 2019
Kuwait	40.18	36.700
KSA	68.11	56.915
Abu Dhabi	36.52	36.090
Dubai	112.09	91.005
Qatar	37.55	36.705
Bahrain	310.05	175.995
Oman	404.68	234.400
Iraq	582.90	383.680
Egypt	398.89	277.420
Morocco	107.12	91.435
Turkey	407.97	282.130
US	13.15	10.810
UK	17.63	16.210
China	31.83	31.205
Japan	14.68	21.042
Germany	9.36	7.080
France	16.15	16.130