

News Updates

Saudi Arabia's sovereign wealth fund plans green debt issuance 'soon' – Saudi Arabia's \$430 billion sovereign wealth fund plans to announce its first green debt issuance as it looks to increase the role that environmental, social and governance principles play in its investments. The Public Investment Fund will announce the green issuance "very soon," Governor Yasir Al-Rumayyan said in a virtual event on Tuesday. The PIF, as the fund is known, is also working with BlackRock Inc. on developing an ESG framework, said Al-Rumayyan, who is also chairman of Saudi Aramco, the world's biggest oil company. A green borrowing by the PIF would be the first for a sovereign wealth fund. and comes as the kingdom, one of the world's largest oil exporters, looks to reshape its reputation on environmental issues. The government is set to announce details of its own environmental plans at a conference next month. In September, the Finance Ministry already appointed HSBC Holdings Plc and JPMorgan Chase & Co. as joint structuring agents for its sustainability financing framework. *(Source: Bloomberg)*

Egypt Plans to Issue Up to \$3 Billion in Eurobonds This Month – Egypt plans to raise \$2.5 billion to \$3 billion this month in its second international bond sale of 2021, two people familiar with the matter said, taking advantage of low borrowing costs before the U.S. Federal Reserve decides when to taper monetary stimulus. It mandated banks including JPMorgan Chase & Co., Citigroup Inc., HSBC Holdings Plc and First Abu Dhabi Bank to manage the issuance, according to the people, who asked not to be identified as the information is confidential. Finance Ministry officials were not immediately available for comment. HSBC declined to comment. There was no immediate comment from the other banks. Emerging-market bond sales are springing back to life as this week's Federal Reserve meeting renewed speculation over imminent tapering, prompting borrowers to raise money while it's still cheap. Egypt tapped international markets for \$3.8 billion in dollar-denominated bonds earlier this year. It sold \$750 million in green bonds last year. The country's external financing needs for the fiscal year ending in June range between \$5 billion and \$7 billion, according to EFG Hermes. *(Source: Bloomberg)*

Lebanon's international creditors urge new govt to begin debt restructuring talks – A group of Lebanon's bondholders, including some of the world's biggest investment funds, urged the new government on Tuesday to begin debt restructuring talks as soon as possible to help address the country's grave financial crisis. Lebanon defaulted on its international debt in March 2020 after years of political upheaval and economic mismanagement left it unable to service a debt burden of more than 170% of GDP. The creditor group said in a statement it "hopes and expects the new government will promote a speedy, transparent and equitable debt restructuring process". The group includes heavyweight funds Amundi, Ashmore, BlackRock, BlueBay, Fidelity, T-Rowe Price as well as a group of smaller hedge funds. It estimates it holds a "blocking stake" of more than 25% in 40% of Lebanon's various bond series, meaning it will be a critical player in any meaningful restructuring. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.74	-0.96	KSA	2025	1.03	-0.53
Abu Dhabi	2030	1.82	-2.51	KSA	2030	2.17	-1.70
Abu Dhabi	2050	2.97	-4.21	KSA	2050	3.43	-3.08
Bahrain	2026	3.83	-3.93	Oman	2025	3.23	2.45
Bahrain	2030	5.47	-5.44	Oman	2029	4.80	3.71
Bahrain	2047	6.97	-9.96	Oman	2048	6.49	3.14
Dubai	2029	2.43	-0.58	Qatar	2025	0.93	-1.80
Kuwait	2022	-0.21	-1.65	Qatar	2030	1.91	-3.08
Kuwait	2027	1.21	-1.99	Qatar	2050	3.10	-4.89

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.54	8.08	0.03	1.14
S&P MENA Bond and Sukuk Index	2.15	NA	0.07	0.62
Bloomberg Emerging Markets USD Index	3.99	6.80	0.00	0.14
Bloomberg Global Aggregate Index	1.06	7.42	0.05	-2.60

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	22/9/2021	31/12/2020	22/9/2021	31/12/2020	22/9/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8057	0.8175	0.8543	0.8700	0.9229	0.9413
BHIBOR	1.5583	2.2500	1.6250	2.5333	1.8000	2.6833
QATAR	1.1375	1.1206	1.2000	1.1960	1.3358	1.3636
AEIBOR	0.3875	0.5125	0.4271	0.4908	0.4465	0.6538
EURIBOR	-0.5450	-0.5450	-0.5280	-0.5260	-0.4890	-0.4990
LIBOR	0.1254	0.2384	0.1525	0.2576	0.2261	0.3419

USD Swap Rates			Currencies			Commodities				
Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)			
1-Year	0.1705	0.12	-11.4	KWD	0.3011	0.0000	0.75	Gold	1,779.50	-6.89
2-Year	0.3316	0.31	67.6	SAR	3.7509	-0.0053	0.02	Silver	22.80	-14.46
5-Year	0.9359	0.32	117.7	BHD	0.3770	-0.0053	0.02	Copper	422.30	19.84
7-Year	1.1577	0.41	76.9	QAR	3.6421	-0.0137	-0.01	Nat. Gas	4.86	77.23
10-Year	1.3535	0.53	46.3	OMR	0.3850	0.0000	0.00	Aluminum	2,840.02	41.74
30-Year	1.6198	0.80	15.5	AED	3.6731	0.0000	0.00	Crude Oil	75.36	48.06

US Treasuries			UK Gilt		German Bunds	
Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)	
2-Year	0.22	0.00	0.27	0.00	-0.77	0.00
5-Year	0.83	-0.02	0.48	0.00	-0.75	0.00
10-Year	1.33	-0.05	0.81	0.00	-0.47	0.00
30-Year	1.86	-0.18	1.12	0.00	0.17	-0.08

	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	B3	NR	B-
Morocco	Ba1	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	22-Sep 2021	31-Dec 2020
Kuwait	48.55	40.69
KSA	51.54	63.77
Abu Dhabi	42.77	36.03
Dubai	88.37	104.06
Qatar	41.83	36.70
Bahrain	254.47	233.58
Oman	240.92	353.60
Iraq	481.99	542.74
Egypt	388.17	330.47
Morocco	95.07	102.56
Turkey	394.44	299.47
US	12.96	11.52
UK	7.96	15.13
China	42.44	26.70
Japan	17.43	14.74
Germany	7.60	9.09
France	18.38	14.42