

News Updates

Oil, Virus, Stimulus to Limit Saudi's Recession Rebound – The pandemic hit to Saudi Arabia resulted in the Kingdom last year experiencing its deepest recession since 1987. A recovery is currently underway and Ziad Daoud, from Bloomberg Economics, expects the economy to expand 1.8% in 2021. But three factors could limit the strength of the rebound: oil production, Covid-19 and policy support. The oil sector should shrink 0.6% this year. The lingering effects of the pandemic and the reluctance of OPEC+ to taper output cuts present downside risks. The non-oil sector should expand 3.4% in 2021, largely due to favorable base effects. (Source: Bloomberg)

Moody's affirms ratings of Saudi National Bank and Samba – Moody's Investors Service ("Moody's") has affirmed the long-term and short term local and foreign currency bank deposit ratings of Saudi National Bank (SNB and formerly known as National Commercial Bank) and Samba Financial Group (Samba) at A1/P-1. Moody's has also affirmed the long-term backed senior unsecured MTN program of Samba Funding Limited at (P)A1 and the backed other short-term debt at (P)P-1. The outlook on the banks' ratings remains negative. Subsequent to the action, Moody's also said that it will withdraw the ratings of Samba. This rating action follows the completion of the merger between the two banks on 1 April 2021, where SNB remained as the surviving entity absorbing all the assets and liabilities of Samba which ceased to exist. (Source: Bloomberg)

Dubai Islamic Bank plans to sell AT1 Islamic bonds – Dubai Islamic Bank, the United Arab Emirates' largest Islamic lender, plans to tap the international debt markets with U.S. dollar-denominated Additional Tier 1 (AT1) sukuk, or Islamic bonds, as soon as this week, two sources said on Monday. AT1 bonds, the riskiest debt instruments banks can issue, are designed to be perpetual in nature but issuers can call them after a specified period. DIB, which raised \$1 billion via AT1 sukuk in November, did not immediately respond to a request for comment. Several Gulf lenders have taken advantage of low rates to shore up their Tier 1 capital this year. Saudi Arabia's largest lender, National Commercial Bank, led the way in January by raising \$1.25 billion in AT1 sukuk with the lowest coupon from the region. Other Gulf banks that have issued AT1 bonds or sukuk this year were Qatar's Ahli Bank and Commercial Bank, Kuwait's Boubyan Bank and National Bank of Kuwait. (Source: Zawya)

Egypt seeks to issue bonds for sustainable development – Ministry of Finance is studying the issuance of bonds for sustainable development, and to benefit from Mexico's experience in this offering, Finance Minister Mohamed Maait announced Monday. Maait added during a conference held in Cairo, that the government aims to continue expanding modern financing tools in the field of sustainable development, especially that Egypt was the leader in launching government green bonds in the Middle East and North Africa region in 2020 with an amount of \$750 million to finance or refinance projects with the aim of preserving a green and sustainable economy. (Source: Egypt Today)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.01	-1.28	KSA	2025	1.43	-1.43
Abu Dhabi	2030	2.17	-4.83	KSA	2030	2.56	-4.49
Abu Dhabi	2050	3.32	-10.12	KSA	2050	3.87	-9.74
Bahrain	2026	3.44	-1.28	Oman	2025	3.48	2.14
Bahrain	2030	5.64	-6.13	Oman	2029	5.26	0.83
Bahrain	2047	7.04	-10.97	Oman	2048	7.00	-3.12
Dubai	2029	2.79	-2.10	Qatar	2025	1.10	-1.49
Kuwait	2022	0.28	-0.76	Qatar	2030	2.24	-5.05
Kuwait	2027	1.56	-3.07	Qatar	2050	3.45	-10.62

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.83	8.08	0.10	-2.84
S&P MENA Bond and Sukuk Index	2.44	NA	0.16	-3.42
Bloomberg Emerging Markets USD Index	3.99	6.80	0.18	-3.16
Bloomberg Global Aggregate Index	1.15	7.42	0.12	-4.26

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	6/4/2021	31/12/2020	6/4/2021	31/12/2020	6/4/2021	31/12/2020
KIBOR	1.5000	1.4375	1.6875	1.6875	2.0000	1.9375
SAIBOR	0.7971	0.8175	0.8443	0.8700	0.9171	0.9413
BHIBOR	1.2333	2.2500	1.3917	2.5333	1.6417	2.6833
QATAR	1.0518	1.1206	1.1445	1.1960	1.2833	1.3636
AEIBOR	0.3318	0.5125	0.4739	0.4908	0.5041	0.6538
EURIBOR	-0.5380	-0.5450	-0.5120	-0.5260	-0.4880	-0.4990
LIBOR	0.1998	0.2384	0.2013	0.2576	0.2805	0.3419

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)	Currencies			
				USD	1D Δ (bps)	YTD Δ (%)	
1-Year	0.2182	-0.10	13.4	KWD	0.3021	0.0662	0.41
2-Year	0.3020	-0.47	52.7	SAR	3.7505	0.0000	0.04
5-Year	1.0371	-1.13	141.2	BHD	0.3771	0.0000	-0.01
7-Year	1.4057	-1.57	114.7	QAR	3.6421	0.0110	0.00
10-Year	1.7212	-1.99	86.0	OMR	0.3850	0.0000	0.00
30-Year	2.1132	-2.00	50.7	AED	3.6731	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.16	0.01
5-Year	0.91	0.06
10-Year	1.68	0.17
30-Year	2.33	0.43

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
Gold	1,736.30	-8.75	
Silver	24.98	-5.64	
Copper	409.05	16.08	
Nat. Gas	2.52	-1.29	
Aluminum	2,209.25	11.45	
Crude Oil	62.52	21.02	

Commodities

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UK Guilts

	Yield %	1D Δ (%)
2-Year	0.06	0.05
5-Year	0.36	0.14
10-Year	0.79	0.51
30-Year	1.34	1.17

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.69	0.00
5-Year	-0.73	0.00
10-Year	-0.45	0.00
30-Year	0.22	0.00

Sovereign Ratings

	Sovereign Ratings		
	Moody's	S&P	Fitch
Kuwait	A1	AA-	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	6-Apr 2021	31-Dec 2020	
Kuwait	48.37	40.69	
KSA	67.57	63.77	
Abu Dhabi	46.86	36.03	
Dubai	99.00	104.06	
Qatar	46.98	36.70	
Bahrain	194.54	233.58	
Oman	272.24	353.60	
Iraq	555.45	542.74	
Egypt	318.76	330.47	
Morocco	91.34	102.56	
Turkey	444.37	299.47	
US	9.26	11.52	
UK	10.61	15.13	
China	32.37	26.70	
Japan	15.63	14.74	
Germany	8.58	9.09	
France	16.22	14.42	