

News Updates

**Warba Bank receives CBK initial approval on issuing Additional Tier 1 Capital Sukuk** – Warba Bank has received an initial approval from Central Bank of Kuwait (CBK) on Wednesday to issue Additional Tier 1 Securities in the amount of \$250 million, based on a company disclosure released today. The final approval on the issuance will be obtained from CBK after submitting the final prospectus of the Sukuk to CBK. Furthermore, Warba Bank has been granted an approval from the CBK to recall its outstanding Additional Tier 1 Capital Sukuk issued by the Bank on 14 March 2017 with an amount of \$250 million. *(Source: Company Disclosure)*

**Moody's upgrades STC's BCA to a1 from a2; affirms A1 issuer rating** – Moody's Investors Service ("Moody's") has today upgraded Saudi Telecom Company's (STC) baseline credit assessment (BCA) to a1 from a2 and affirmed STC's A1 long-term issuer rating. Moody's also affirmed STC Sukuk Company Limited's A1 senior unsecured rating. The outlook on all ratings remains negative. "The upgrade of STC's BCA reflects the company's track record of maintaining a conservative financial profile over the years and its ability to maintain very strong financial metrics", says Julien Haddad, a Moody's Vice President Senior Analyst, and local market analyst on STC. "The upgrade also reflects STC's leading position in the Saudi telecom sector, which has considerable growth opportunities". *(Source: Bloomberg)*

**APICORP launches green bond framework** – The Arab Petroleum Investments Corp. (APICORP) has launched a green bond framework, ahead of plans to raise bonds that are aligned with the environmental, social and governance (ESG) principles. The multilateral development bank headquartered in Saudi Arabia, whose green assets currently account for \$500 million in loans and direct investments, had said this month it would set aside \$1 billion to support green energy projects over the next two years. In its latest statement, APICORP said the new framework will serve as a means to raise green bonds/ sukuk which reinforce its commitment to projects that are aligned with its recently approved ESG policy framework. The investment firm, which is owned by the governments of Organisation of Arab Petroleum Exporting Countries, had committed to measure the ESG footprint of all its assets by the end of 2023 through active engagement with stakeholders. *(Source: Zawya)*

**Powell Says Fed Taper Could Start 'Soon' and End Around Mid-2022** – Federal Reserve Chair Jerome Powell said the U.S. central bank could begin scaling back asset purchases in November and complete the process by mid-2022, after officials revealed a growing inclination to raise interest rates next year. Powell, explaining the U.S. central bank's first steps toward withdrawing emergency pandemic support for the economy, told reporters Wednesday that tapering "could come as soon as the next meeting." That refers to the policy gathering on Nov. 2-3, though he left the door open to waiting longer if needed and stressed that tapering was not meant to start a countdown to liftoff from zero interest rates. Powell said he didn't expect the Fed to begin rate increases until after completing the taper process, which would wrap up "sometime around the middle of next year." The Fed took 10 months to complete the exercise of scaling back bond buying back in 2014. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.77	-1.09	KSA	2025	1.03	-0.57
Abu Dhabi	2030	1.82	-2.57	KSA	2030	2.16	-1.69
Abu Dhabi	2050	2.96	-4.09	KSA	2050	3.42	-2.90
Bahrain	2026	3.93	-4.25	Oman	2025	3.29	2.34
Bahrain	2030	5.50	-5.65	Oman	2029	4.85	3.34
Bahrain	2047	7.03	-10.59	Oman	2048	6.53	2.71
Dubai	2029	2.43	-0.56	Qatar	2025	0.94	-1.84
Kuwait	2022	-0.25	-1.66	Qatar	2030	1.93	-3.29
Kuwait	2027	1.22	-2.05	Qatar	2050	3.10	-4.97

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.55	8.08	-0.04	1.10
S&P MENA Bond and Sukuk Index	2.16	NA	-0.02	0.60
Bloomberg Emerging Markets USD Index	4.00	6.80	0.05	0.19
Bloomberg Global Aggregate Index	1.06	7.42	0.03	-2.57

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	23/9/2021	31/12/2020	23/9/2021	31/12/2020	23/9/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8071	0.8175	0.8557	0.8700	0.9257	0.9413
BHIBOR	1.5583	2.2500	1.6250	2.5333	1.8000	2.6833
QATAR	1.1344	1.1206	1.2000	1.1960	1.3340	1.3636
AEIBOR	0.3842	0.5125	0.4235	0.4908	0.4440	0.6538
EURIBOR	-0.5460	-0.5450	-0.5300	-0.5260	-0.4970	-0.4990
LIBOR	0.1284	0.2384	0.1534	0.2576	0.2241	0.3419

	USD Swap Rates			Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	0.1758	0.29	-8.7	KWD	0.3011	0.0000	0.75	Gold	1,762.70	-7.77
2-Year	0.3632	1.02	83.6	SAR	3.7509	0.0000	0.02	Silver	22.58	-15.29
5-Year	0.9886	3.28	129.9	BHD	0.3770	0.0000	0.02	Copper	420.25	19.25
7-Year	1.1842	2.92	80.9	QAR	3.6421	0.0000	-0.01	Nat. Gas	4.79	74.72
10-Year	1.3555	2.42	46.5	OMR	0.3850	0.0000	0.00	Aluminum	2,933.25	46.39
30-Year	1.5842	1.42	13.0	AED	3.6731	0.0000	0.00	Crude Oil	76.27	49.84

	US Treasuries			UK Gilt		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)	
2-Year	0.25	-0.02	0.27	0.00	-0.71	-0.01	
5-Year	0.88	-0.14	0.48	0.00	-0.73	-0.06	
10-Year	1.32	-0.18	0.80	0.00	-0.45	-0.21	
30-Year	1.82	-0.29	1.12	0.00	0.18	-0.38	

	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	23-Sep 2021	31-Dec 2020
Kuwait	48.90	40.69
KSA	51.64	63.77
Abu Dhabi	41.58	36.03
Dubai	92.62	104.06
Qatar	41.82	36.70
Bahrain	253.50	233.58
Oman	241.09	353.60
Iraq	494.99	542.74
Egypt	394.28	330.47
Morocco	95.00	102.56
Turkey	395.52	299.47
US	12.03	11.52
UK	7.53	15.13
China	42.11	26.70
Japan	16.69	14.74
Germany	7.94	9.09
France	18.41	14.42