

News Updates

Commercial Bank of Qatar mandates banks for \$Benchmark 5Y Reg S Bond –

The Commercial Bank PSQC (“CBQ”), Qatar’s 2nd largest conventional bank and 3rd largest bank overall by assets, net loans and customers’ deposits, has mandated Citi as SGC and BofA Securities, Citi, Mizuho, SMBC Nikko and Standard Chartered Bank as JLMs and JBRs to arrange a series of fixed-income investor calls commencing Tuesday May 4, 2021. A benchmark 5Y fixed rate USD-denominated senior unsecured Reg S bond (in registered form) transaction under CBQ’s \$5b Euro MTN program will follow. (Source: Bloomberg)

Turkish Inflation Rose for a Seventh Month Amid Lira Slide –

Turkish inflation accelerated for a seventh month in April as a weak lira and rising global energy prices compounded the impact of a low base a year earlier. Annual inflation climbed to 17.1% from 16.2% the previous month, slightly below the median estimate of 17.3% in a Bloomberg survey of 21 analysts. Prices rose 1.7% from March. Energy prices rose 18.4% on the year, compared with 12.4% in March, on higher oil prices, raising the odds of further spillover into other goods and services inflation. A core inflation index showed prices excluding volatile items such as food and energy also rose an annual 17.8% through April, up from 16.9% in March, a sign of strong inflationary pressures underlying the headline figure. Food prices, which account for roughly one-fourth of the consumer basket, rose 17%, compared with 17.4% the previous month. It still remains well above the central bank’s interim target of 13% set for the year’s end. (Source: Bloomberg)

NY Fed's Williams says brighter outlook not enough to affect monetary policy –

The U.S. economy is poised to grow at the fastest rate in decades this year as it rebounds from the crisis caused by the coronavirus pandemic, but financial conditions are nowhere near the level where the Federal Reserve would consider pulling back its support, New York Fed Bank President John Williams said on Monday. U.S. gross domestic product could increase by around 7% this year after adjusting for inflation, bringing in the fastest growth since the early 1980s, Williams said. But that boom may not be enough to achieve the Fed’s dual mandate for inflation and maximum employment, Williams said. “It’s clear there is a big shift in the economy, and the outlook has improved,” Williams said during a virtual event. “But let me emphasize that the data and conditions we are seeing now are not nearly enough for the FOMC to shift its monetary policy stance.” Fed officials agreed last week to keep interest rates near zero and to continue purchasing \$120 billion a month in bonds until there is “substantial further progress” toward the Fed’s goals for maximum employment and inflation. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.93	-1.08	KSA	2025	1.39	-1.33
Abu Dhabi	2030	2.09	-4.25	KSA	2030	2.52	-4.18
Abu Dhabi	2050	3.25	-8.96	KSA	2050	3.79	-8.48
Bahrain	2026	3.38	-1.16	Oman	2025	3.30	2.75
Bahrain	2030	5.44	-4.96	Oman	2029	4.96	2.80
Bahrain	2047	6.97	-9.99	Oman	2048	6.70	0.53
Dubai	2029	2.68	-1.45	Qatar	2025	1.00	-1.26
Kuwait	2022	0.17	-0.82	Qatar	2030	2.21	-4.89
Kuwait	2027	1.51	-2.84	Qatar	2050	3.46	-10.67

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+

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.75	8.08	0.00	-1.89
S&P MENA Bond and Sukuk Index	2.36	NA	0.01	-2.67
Bloomberg Emerging Markets USD Index	3.91	6.80	-0.03	-2.23
Bloomberg Global Aggregate Index	1.13	7.42	0.21	-3.05

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	04/5/2021	31/12/2020	04/5/2021	31/12/2020	04/5/2021	31/12/2020
KIBOR	1.5000	1.4375	1.6875	1.6875	2.0000	1.9375
SAIBOR	0.7943	0.8175	0.8414	0.8700	0.9157	0.9413
BHIBOR	1.3250	2.2500	1.4000	2.5333	1.6667	2.6833
QATAR	1.1151	1.1206	1.2000	1.1960	1.3521	1.3636
AEIBOR	0.2935	0.5125	0.4975	0.4908	0.6175	0.6538
EURIBOR	-0.5350	-0.5450	-0.5210	-0.5260	-0.4810	-0.4990
LIBOR	0.1764	0.2384	0.2049	0.2576	0.2811	0.3419

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)	Currencies			Commodities			
				USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	0.2109	0.14	9.6	KWD	0.3011	-0.0332	0.71	Gold	1,785.90	-6.14
2-Year	0.2789	0.39	41.0	SAR	3.7503	0.0000	0.04	Silver	26.91	1.42
5-Year	0.9328	1.27	116.9	BHD	0.3770	0.0000	0.01	Copper	450.85	27.85
7-Year	1.2911	1.38	97.2	QAR	3.6420	-0.0027	0.00	Nat. Gas	2.96	13.52
10-Year	1.6098	1.23	74.0	OMR	0.3850	0.0000	0.00	Aluminum	2,390.50	20.35
30-Year	2.0305	0.61	44.8	AED	3.6731	0.0000	0.00	Crude Oil	67.54	31.17

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.16	-0.01	0.06	0.02	-0.66	0.00
5-Year	0.83	-0.05	0.37	0.07	-0.67	-0.01
10-Year	1.61	-0.09	0.82	0.20	-0.33	-0.01
30-Year	2.29	-0.09	1.32	0.42	0.35	0.12

UK Gilts

	Yield %	1D Δ (%)
2-Year	0.06	0.02
5-Year	0.37	0.07
10-Year	0.82	0.20
30-Year	1.32	0.42

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.66	0.00
5-Year	-0.67	-0.01
10-Year	-0.33	-0.01
30-Year	0.35	0.12

USD 5Yr CDS

	04-May 2021	31-Dec 2020
Kuwait	46.77	40.69
KSA	65.73	63.77
Abu Dhabi	44.53	36.03
Dubai	95.03	104.06
Qatar	44.77	36.70
Bahrain	187.12	233.58
Oman	258.98	353.60
Iraq	498.04	542.74
Egypt	322.01	330.47
Morocco	93.40	102.56
Turkey	417.12	299.47
US	8.09	11.52
UK	10.76	15.13
China	36.09	26.70
Japan	15.54	14.74
Germany	9.68	9.09
France	19.93	14.42