

## News Updates

### Moody's changes Bahrain's outlook to negative, affirms B2 ratings –

Moody's Investors Service ("Moody's") has today changed the outlook on the Government of Bahrain to negative from stable and has affirmed its B2 long-term issuer and senior unsecured ratings. The change of outlook to negative reflects increased downside risks to Bahrain's ratings stemming from a larger than earlier expected weakening in fiscal metrics and ongoing uncertainty around the timing and the size of the augmentation of the financial support package for Bahrain from the fellow Gulf Cooperation Council (GCC) sovereigns. The very large fiscal deterioration during 2020 will make a path toward stabilizing the government's debt burden at a sustainable level significantly more challenging than Moody's had previously expected. The oil price and economic shock triggered by the coronavirus pandemic and persistently high off-budget spending, which Moody's expects to continue in the next several years, account for the increased downside risks. (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)

### Tunisia to seek \$4 bln IMF loan, PM says –

Tunisia will seek a \$4 billion loan programme from the International Monetary Fund in talks starting next week, Prime Minister Hichem Mechichi told Reuters on Friday, saying politicians faced a "last opportunity" to save the economy. Mechichi said he expected talks to last about two months and had "confidence" Tunisia could secure financial support to help it through an economic crisis that has been aggravated by the COVID-19 pandemic. He said he wanted a three-year loan programme and added that details of an agreement with powerful labour unions, seen as vital to unlock foreign funding, were still being finalised. (Source: Reuters)

## GCC Sovereign Yields

| Sovereigns | Maturity | Yield % | Price Δ (YTD %) | Sovereigns | Maturity | Yield % | Price Δ (YTD %) |
|------------|----------|---------|-----------------|------------|----------|---------|-----------------|
| Abu Dhabi  | 2025     | 0.94    | -1.10           | KSA        | 2025     | 1.39    | -1.33           |
| Abu Dhabi  | 2030     | 2.08    | -4.26           | KSA        | 2030     | 2.52    | -4.18           |
| Abu Dhabi  | 2050     | 3.25    | -9.02           | KSA        | 2050     | 3.80    | -8.61           |
| Bahrain    | 2026     | 3.35    | -1.07           | Oman       | 2025     | 3.34    | 2.57            |
| Bahrain    | 2030     | 5.45    | -4.98           | Oman       | 2029     | 4.97    | 2.78            |
| Bahrain    | 2047     | 6.98    | -10.14          | Oman       | 2048     | 6.73    | 0.20            |
| Dubai      | 2029     | 2.66    | -1.42           | Qatar      | 2025     | 1.02    | -1.29           |
| Kuwait     | 2022     | 0.13    | -0.80           | Qatar      | 2030     | 2.20    | -4.86           |
| Kuwait     | 2027     | 1.50    | -2.84           | Qatar      | 2050     | 3.47    | -10.91          |

## Bonds and Sukuk Indices

| Index Name                           | Yield % | Duration (yrs) | 1D Δ (%) | YTD Δ (%) |
|--------------------------------------|---------|----------------|----------|-----------|
| Bloomberg GCC FI Index               | 2.74    | 8.08           | 0.07     | -1.88     |
| S&P MENA Bond and Sukuk Index        | 2.36    | NA             | 0.11     | -2.68     |
| Bloomberg Emerging Markets USD Index | 3.89    | 6.80           | 0.13     | -2.20     |
| Bloomberg Global Aggregate Index     | 1.13    | 7.42           | -0.21    | -3.25     |

## Interbank Rates (%)

|         | 3 Months  |            | 6 Months  |            | 12 Months |            |
|---------|-----------|------------|-----------|------------|-----------|------------|
|         | 03/5/2021 | 31/12/2020 | 03/5/2021 | 31/12/2020 | 03/5/2021 | 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   | 1.0954    | 1.1206     | 1.1905    | 1.1960     | 1.3563    | 1.3636     |
| AEIBOR  | 0.3860    | 0.5125     | 0.4525    | 0.4908     | 0.5225    | 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 % | Currencies |           |
|---------|---------|------------|-----------|
|         |         | 1D Δ (bps) | YTD Δ (%) |
| 1-Year  | 0.2086  | -0.09      | 8.4       |
| 2-Year  | 0.2807  | 0.22       | 41.9      |
| 5-Year  | 0.9448  | 0.13       | 119.7     |
| 7-Year  | 1.3061  | -0.97      | 99.5      |
| 10-Year | 1.6285  | -0.05      | 76.0      |
| 30-Year | 2.0445  | 0.06       | 45.8      |

## Currencies

|     | USD        |           |      |
|-----|------------|-----------|------|
|     | 1D Δ (bps) | YTD Δ (%) |      |
| KWD | 0.3011     | -0.0332   | 0.71 |
| SAR | 3.7503     | 0.0027    | 0.04 |
| BHD | 0.3770     | 0.0000    | 0.01 |
| QAR | 3.6414     | 0.0082    | 0.00 |
| OMR | 0.3850     | 0.0000    | 0.00 |
| AED | 3.6731     | 0.0000    | 0.00 |

## Commodities

|           | USD      |           |
|-----------|----------|-----------|
|           | Yield %  | YTD Δ (%) |
| Gold      | 1,779.10 | -6.50     |
| Silver    | 26.13    | -1.52     |
| Copper    | 445.00   | 26.19     |
| Nat. Gas  | 2.94     | 12.45     |
| Aluminum  | 2,390.50 | 20.35     |
| Crude Oil | 66.44    | 29.03     |

## US Treasuries

|         | Yield %  |           |
|---------|----------|-----------|
|         | 1D Δ (%) | YTD Δ (%) |
| 2-Year  | 0.16     | 0.01      |
| 5-Year  | 0.85     | 0.01      |
| 10-Year | 1.63     | 0.02      |
| 30-Year | 2.30     | 0.07      |

## UK Gilts

|         | Yield %  |           |
|---------|----------|-----------|
|         | 1D Δ (%) | YTD Δ (%) |
| 2-Year  | 0.07     | 0.00      |
| 5-Year  | 0.38     | -0.01     |
| 10-Year | 0.84     | -0.03     |
| 30-Year | 1.34     | 0.13      |

## German Bunds

|         | Yield %  |           |
|---------|----------|-----------|
|         | 1D Δ (%) | YTD Δ (%) |
| 2-Year  | -0.67    | 0.00      |
| 5-Year  | -0.68    | 0.01      |
| 10-Year | -0.34    | 0.06      |
| 30-Year | 0.34     | 0.27      |

## 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+    |
| <b>USD 5Yr CDS</b> | <b>03-May 2021</b> | <b>31-Dec 2020</b> |       |
| Kuwait             | 46.76              | 40.69              |       |
| KSA                | 65.29              | 63.77              |       |
| Abu Dhabi          | 44.18              | 36.03              |       |
| Dubai              | 92.84              | 104.06             |       |
| Qatar              | 44.37              | 36.70              |       |
| Bahrain            | 188.34             | 233.58             |       |
| Oman               | 266.20             | 353.60             |       |
| Iraq               | 498.05             | 542.74             |       |
| Egypt              | 321.80             | 330.47             |       |
| Morocco            | 93.75              | 102.56             |       |
| Turkey             | 416.36             | 299.47             |       |
| US                 | 8.08               | 11.52              |       |
| UK                 | 10.75              | 15.13              |       |
| China              | 36.36              | 26.70              |       |
| Japan              | 15.67              | 14.74              |       |
| Germany            | 9.80               | 9.09               |       |
| France             | 19.92              | 14.42              |       |