

News Updates

Turkish Consumer Inflation Climbs for Sixth Month on Oil Rally – Higher oil prices and a weak lira pushed Turkey’s consumer inflation higher for a sixth month in March. Annual inflation climbed to 16.2% from 15.6% the previous month. Prices rose 1.1% from February. Energy price increases accelerated to 12.4% from 8.8% on the back of higher Brent oil prices from a year earlier, raising the odds of further spillover into other goods and services inflation. Food prices, which account for roughly one-fourth of the consumer basket, rose 17.4%, compared with 18.4% the previous month. It still remains well above the central bank’s interim target of 11.5% set for the year’s end. A core inflation index showed prices excluding volatile items such as food and energy also rose an annual 16.9% through March, up from 16.2% in February, a sign of strong inflationary pressures underlying the headline figure. (Source: Bloomberg)

Oil Heads for Back-to-Back Gain Near \$60 on Outlook for Demand – Oil pushed toward \$60 a barrel as prospects for faster, vaccine-aided economic growth boosted the outlook for energy demand. West Texas Intermediate rose 0.6% after Tuesday’s 1.2% climb. With vaccines being rolled out at a faster pace, the International Monetary Fund upgraded its global growth forecast to 6% this year. An industry report, meanwhile, showed a decline in American crude stockpiles but a gain in gasoline holdings. Crude has swung around \$60 a barrel in the last few weeks as investors weigh prospects for increased demand against the impact of fresh lockdowns, especially in Europe. Last week, the Organization of Petroleum Exporting Countries and its allies agreed to ease output curbs, betting the global market can absorb the additional supply. Recent U.S. data, including payrolls figures, have pointed to a strong recovery in the world’s biggest economy. “The market is caught between the competing narratives of U.S. growth and Europe’s catch-up recovery, versus the uncertain supply conditions,” said Stephen Innes, chief global market strategist at Axi. “Liquidity is still low across all markets post-Easter, which may be exaggerating moves.” (Source: Bloomberg)

Biden, Touting Fed Independence, Yet to Speak With Powell – President Joe Biden said he hasn’t spoken with Federal Reserve Chair Jerome Powell since taking office more than two months ago, citing respect for the central bank’s independence and marking a sharp turn from his predecessor, Donald Trump. “The Federal Reserve is an independent operation and, starting off my presidency, I want to be real clear that I’m not going to do the kinds of things that have been done in the last administration,” Biden said on Tuesday in response to a question. “I’ve been very fastidious about not talking to them, but I do talk to the secretary of the Treasury,” Janet Yellen, he said. Trump repeatedly applied pressure on Powell and the Fed via Twitter, drawing rebukes from around the world for interfering with the world’s most powerful monetary authority. From 2018 through 2020, Trump attacked Powell for raising rates too fast or not juicing the economy enough to accommodate his trade war with China. In December 2018, he considered firing the Fed chair, an unprecedented move that would have risked roiling markets and compromising the central bank’s independence. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.99	-1.24	KSA	2025	1.42	-1.37
Abu Dhabi	2030	2.12	-4.49	KSA	2030	2.53	-4.34
Abu Dhabi	2050	3.30	-9.71	KSA	2050	3.84	-9.20
Bahrain	2026	3.42	-1.21	Oman	2025	3.46	2.23
Bahrain	2030	5.53	-5.50	Oman	2029	5.22	1.23
Bahrain	2047	7.01	-10.56	Oman	2048	6.94	-2.41
Dubai	2029	2.71	-1.79	Qatar	2025	1.10	-1.44
Kuwait	2022	0.11	-0.62	Qatar	2030	2.24	-5.02
Kuwait	2027	1.57	-3.03	Qatar	2050	3.42	-10.09

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	2.81	8.08	0.30	-2.56
S&P MENA Bond and Sukuk Index	2.42	NA	0.27	-3.16
Bloomberg Emerging Markets USD Index	3.96	6.80	0.22	-2.94
Bloomberg Global Aggregate Index	1.14	7.42	0.39	-3.88

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	7/4/2021	31/12/2020	7/4/2021	31/12/2020	7/4/2021	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	1.2500	2.2500	1.3917	2.5333	1.6417	2.6833
QATAR	1.0380	1.1206	1.1361	1.1960	1.2708	1.3636
AEIBOR	0.3330	0.5125	0.4732	0.4908	0.5413	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 (%)
1-Year	0.2176	0.02	13.0
2-Year	0.2950	0.05	49.1
5-Year	1.0061	0.75	134.0
7-Year	1.3786	0.69	110.6
10-Year	1.6998	0.62	83.7
30-Year	2.1014	0.23	49.9

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3021	0.0662	0.41
SAR	3.7506	0.0000	0.03
BHD	0.3771	0.0000	-0.01
QAR	3.6421	-0.0027	-0.01
OMR	0.3850	0.0026	0.00
AED	3.6731	0.0000	0.00

Commodities

	USD	YTD Δ (%)
Gold	1,739.80	-8.57
Silver	25.17	-4.94
Copper	408.85	16.02
Nat. Gas	2.47	-3.44
Aluminum	2,255.25	13.77
Crude Oil	63.13	22.20

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.16	-0.01
5-Year	0.88	-0.01
10-Year	1.66	-0.05
30-Year	2.33	-0.05

UK Gilts

	Yield %	1D Δ (%)
2-Year	0.06	0.00
5-Year	0.37	-0.04
10-Year	0.79	-0.04
30-Year	1.33	0.14

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.68	0.00
5-Year	-0.72	0.00
10-Year	-0.44	0.00
30-Year	0.23	0.00

USD 5Yr CDS	7-Apr 2021	31-Dec 2020
Kuwait	47.67	40.69
KSA	66.20	63.77
Abu Dhabi	46.23	36.03
Dubai	99.52	104.06
Qatar	46.18	36.70
Bahrain	189.27	233.58
Oman	274.27	353.60
Iraq	554.39	542.74
Egypt	314.65	330.47
Morocco	90.00	102.56
Turkey	432.71	299.47
US	9.26	11.52
UK	10.66	15.13
China	33.68	26.70
Japan	15.67	14.74
Germany	8.72	9.09
France	16.06	14.42