

## News Updates

**Kuwait's Ahli United Bank sells \$600 million Islamic bond** – Kuwait's Ahli United Bank has sold \$600 million in Additional Tier 1 Islamic bonds at 3.875%, a document showed on Wednesday. Pricing on the bond tightened from an initial price guidance of around 4.375% after the debt sale attracted more than \$1.7 billion in orders, the document from one of banks on the deal showed. Additional Tier 1 (AT1) bonds are designed to be perpetual in nature, but issuers can redeem or "call" them after a specified period. Ahli United Bank's AT1 sukuk will be non-callable for 5-1/2 years. Kuwait's Ahli United, nearly three-quarters owned by Bahrain's Ahli United Bank, hired Citi, HSBC, Standard Chartered, Abu Dhabi Islamic Bank, Kamco Invest, KFH Capital and Kuwait International Bank to arrange the deal. (Source: Reuters)

**Moody's affirms Saudi Arabia's rating at A1 with negative outlook** – Moody's Investors Services maintained Saudi Arabia's credit rating at A1, with a negative outlook, citing external shocks due to COVID-19 pandemic. According to a Ministry of Finance statement, the agency stressed that the structural reforms in the Kingdom led to narrowing the fiscal deficit in Q1, adding that the non-oil sector continues to recover, backed by the strong growth of infrastructure of real estate products. The agency also said that plans to diversify the economy in the Kingdom will contribute to raising growth in the medium to long term, in addition to the structural and organizational reforms that supported improvement in the competitive ability. Moody's expects Saudi real GDP growth to reach 1.6% and 5% in 2021 and 2022, respectively. Moreover, the agency lowered its forecast for fiscal deficit from 6.2% to 4.7% of GDP in 2021. The current account surplus was projected to hit nearly 3.4% of GDP, compared to the previous forecast of 2.9% in its latest report. Debt is projected to reach 30.6% and 30.9% of GDP in 2021 and 2022, respectively, Moody's added. (Source: Bloomberg)

**Alinma Bank hires JPMorgan Saudi Arabia for riyal sukuk** – Alinma Bank has mandated Alinma Investment Company and JPMorgan Saudi Arabia to sell a sukuk in Saudi riyals. The size of the offering will depend on market conditions, it said in a filing to the Tadawul stock exchange on Wednesday. "The purpose of the potential offer is to strengthen the bank's capital base in accordance with the Basel III framework agreement," it said in the filing. Saudi Aramco on Wednesday launched its first US dollar-denominated sukuk, which will be issued in three tranches, according to a term sheet seen by Reuters. (Source: Zawya)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.69	-0.40	KSA	2025	1.11	-0.39
Abu Dhabi	2030	1.97	-3.45	KSA	2030	2.25	-2.15
Abu Dhabi	2050	3.11	-6.66	KSA	2050	3.58	-5.41
Bahrain	2026	3.43	-1.69	Oman	2025	3.24	2.80
Bahrain	2030	5.37	-4.54	Oman	2029	4.79	3.91
Bahrain	2047	6.84	-8.73	Oman	2048	6.64	1.22
Dubai	2029	2.58	-0.99	Qatar	2025	0.84	-0.88
Kuwait	2022	-0.02	-0.93	Qatar	2030	2.02	-3.58
Kuwait	2027	1.40	-2.39	Qatar	2050	3.29	-8.08

## 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	2.60	8.08	0.24	-0.33
S&P MENA Bond and Sukuk Index	2.23	NA	0.21	-1.21
Bloomberg Emerging Markets USD Index	3.75	6.80	0.28	-0.58
Bloomberg Global Aggregate Index	1.09	7.42	0.16	-2.15

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	10/6/2021	31/12/2020	10/6/2021	31/12/2020	10/6/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7914	0.8175	0.8414	0.8700	0.9143	0.9413
BHIBOR	1.6417	2.2500	1.7233	2.5333	1.8667	2.6833
QATAR	1.1759	1.1206	1.2380	1.1960	1.3622	1.3636
AEIBOR	0.4104	0.5125	0.5025	0.4908	0.5180	0.6538
EURIBOR	-0.5430	-0.5450	-0.5160	-0.5260	-0.4880	-0.4990
LIBOR	<b>0.1280</b>	<b>0.2384</b>	<b>0.1546</b>	<b>0.2576</b>	<b>0.2408</b>	<b>0.3419</b>

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)	Currencies			Commodities			
				USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	0.1460	0.02	-24.2	KWD	0.3008	0.0333	0.83	Gold	1,888.00	-0.93
2-Year	0.2215	0.04	12.0	SAR	3.7510	0.0000	0.03	Silver	27.83	4.87
5-Year	0.8168	-0.35	90.0	BHD	0.3770	-0.0133	0.00	Copper	450.85	27.85
7-Year	1.1476	-0.87	75.3	QAR	3.6420	0.0055	0.00	Nat. Gas	3.16	17.50
10-Year	1.4519	-1.27	56.9	OMR	0.3850	0.0026	0.00	Aluminum	2,472.80	24.31
30-Year	1.8582	-1.56	32.5	AED	3.6730	0.0000	0.00	Crude Oil	71.79	39.81

## US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.00	0.05	0.02	-0.70	0.00
5-Year	0.75	0.03	0.31	0.09	-0.70	0.00
10-Year	1.48	0.13	0.73	0.42	-0.37	0.00
30-Year	2.15	0.37	1.26	0.94	0.31	0.00

## UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.00	0.05	0.02	-0.70	0.00
5-Year	0.75	0.03	0.31	0.09	-0.70	0.00
10-Year	1.48	0.13	0.73	0.42	-0.37	0.00
30-Year	2.15	0.37	1.26	0.94	0.31	0.00

## German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.00	0.05	0.02	-0.70	0.00
5-Year	0.75	0.03	0.31	0.09	-0.70	0.00
10-Year	1.48	0.13	0.73	0.42	-0.37	0.00
30-Year	2.15	0.37	1.26	0.94	0.31	0.00

## USD 5Yr CDS

	10-Jun 2021	31-Dec 2020
Kuwait	46.27	40.69
KSA	56.34	63.77
Abu Dhabi	38.32	36.03
Dubai	84.42	104.06
Qatar	39.28	36.70
Bahrain	191.47	233.58
Oman	238.87	353.60
Iraq	474.39	542.74
Egypt	314.65	330.47
Morocco	81.47	102.56
Turkey	380.74	299.47
US	7.34	11.52
UK	9.07	15.13
China	35.63	26.70
Japan	15.80	14.74
Germany	9.33	9.09
France	20.60	14.42