

News Updates

Saudi Arabia Aims to Raise Over \$5 Billion in Bond-Market Return –

Saudi Arabia is preparing to return to global capital markets with a bond sale aimed at raising about \$5 billion to help cover financing needs heightened by last year's slide in oil prices, according to people with knowledge of the plan. The kingdom is close to hiring banks for a sale earmarked for as early as this month, the people said, declining to be identified because the matter is private. No final decision on the timing has been made and the country may still put off the sale should market conditions deteriorate, they said. The kingdom's total outstanding debt stands at almost \$228 billion. *(Source: Bloomberg)*

FAB issues five-year \$500m Sukuk –

First Abu Dhabi Bank (FAB) has issued a five-year Sukuk worth \$500 million through FAB Sukuk Company Limited, according to a press release on Monday. The Sukuk was issued at MS+90bps and with an all-in yield of 1.411%, marking the lowest yield on any five-year MENA bank USD issuance. The transaction, which is the first global Sukuk issuance this year, was three times oversubscribed, as it attracted a total orderbook of circa \$1.5 billion. *(Source: Bloomberg)*

Dubai Aerospace Mandates Banks for USD 144A/RegS Senior Unsecured Notes –

Dubai Aerospace Enterprise Ltd. Mandates Goldman Sachs International and Morgan Stanley as active joint bookrunners and Credit Agricole CIB, Emirates NBD Capital, Fifth Third Securities, Goldman Sachs International, HSBC, JPMorgan, Mizuho Securities, Morgan Stanley, Natixis and Truist Securities as joint bookrunners and joint lead managers and Deutsche Bank as co-manager to arrange a series of fixed income investor calls from Jan. 11. A Rule 144A / Regulation S U.S.\$ fixed rate 4 and/or 7 year senior unsecured benchmark bond offering under a \$2.5b GMTN Program, expected to be rated Baa3 by Moody's and BBB- by Fitch, will follow subject to market conditions. *(Source: Bloomberg)*

Fed Officials See Strong Economic Rebound, Fanning Talk of Taper

Federal Reserve officials said that more fiscal support and the mass distribution of vaccines could lead to a strong U.S. economic recovery in the second half, setting the stage for a discussion of potential tapering of bond buying before year's end. The Fed last month signaled interest rates would stay near zero at least through 2023 and said it would keep buying bonds at a \$120 billion monthly pace until it has seen “substantial further progress” toward its goals for employment and inflation. “I'm open to that” potential late-2021 tapering, Fed Atlanta Bank President Raphael Bostic told reporters after a speech earlier in the day. “A lot of it will depend on how the virus and the vaccine distribution goes. But if it goes well -- if we learn quickly -- I think there is some good upside potential.” *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.84	-0.34	KSA	2025	1.15	0.05
Abu Dhabi	2030	1.63	-0.46	KSA	2030	2.14	-0.92
Abu Dhabi	2050	2.93	-3.32	KSA	2050	3.49	-3.83
Bahrain	2026	3.30	-0.20	Oman	2025	4.00	0.43
Bahrain	2030	4.95	-1.36	Oman	2029	5.36	0.32
Bahrain	2047	6.19	-1.01	Oman	2048	6.79	-0.63
Dubai	2029	2.51	0.18	Qatar	2025	0.90	-0.22
Kuwait	2022	0.32	-0.29	Qatar	2030	1.69	-0.55
Kuwait	2027	1.21	-0.72	Qatar	2050	3.00	-3.02

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	B2	NR	B
Morocco	Ba1	BBB-	BB+
US	Aaa	AA+u	AAA
UK	Aa2	AAu	AA-
China	A1	A+	A+

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.50	8.08	-0.12	-0.73
S&P MENA Bond and Sukuk Index	2.07	NA	0.08	-0.87
Bloomberg Emerging Markets USD Index	3.62	6.80	-0.22	-1.02
Bloomberg Global Aggregate Index	0.89	7.42	-0.50	-0.96

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	12/1/2021	31/12/2020	12/1/2021	31/12/2020	12/1/2021	31/12/2020
KIBOR	1.4375	1.4375	1.6875	1.6875	1.9375	1.9375
SAIBOR	0.8175	0.8175	0.8675	0.8700	0.9400	0.9413
BHIBOR	2.2333	2.2500	2.5000	2.5333	2.6667	2.6833
QATAR	1.0140	1.1206	1.1122	1.1960	1.2810	1.3636
AEIBOR	0.4215	0.5125	0.5086	0.4908	0.5700	0.6538
EURIBOR	-0.5500	-0.5450	-0.5300	-0.5260	-0.5100	-0.4990
LIBOR	0.2244	0.2384	0.2465	0.2576	0.3296	0.3419

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1986	-0.05	3.2
2-Year	0.2187	0.05	10.6
5-Year	0.5795	0.16	34.8
7-Year	0.8552	0.12	30.6
10-Year	1.1515	0.12	24.4
30-Year	1.6239	-0.07	15.8

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3034	0.0000	-0.03
SAR	3.7523	0.0000	0.00
BHD	0.3770	0.0053	0.01
QAR	3.6421	0.0027	-0.01
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.14	0.00
5-Year	0.51	0.00
10-Year	1.15	-0.01
30-Year	1.88	0.06

UK Gilts

	Yield %	1D Δ (%)
	-0.13	-0.02
	-0.04	-0.06
	0.30	-0.26
	0.90	-0.84

German Bunds

	Yield %	1D Δ (%)
	-0.67	-0.02
	-0.74	-0.05
	-0.59	-0.21
	-0.10	-1.07

Source: Bloomberg