

## News Updates

**Fitch Affirms Saudi Electricity Company at 'A-/Stable on New Regulations** – Fitch Ratings has affirmed Saudi Electricity Company's (SEC) Long-Term Issuer Default Rating (IDR) and senior unsecured rating at 'A-'. Fitch has also assigned SEC a Local Currency Long-Term IDR of 'A-' and a National Long Term Rating of 'AA+(sau)'. The Outlook on the Long-Term IDRs is Stable. The affirmation follows announcement of a new regulatory framework for electricity in Saudi Arabia (KSA; A/Negative), which in Fitch's view will strengthen SEC's Standalone Credit Profile (SCP) of 'bbb-', pending implementation and track record. It also reflects the neutral impact on the SCP of SEC's announced conversion of SAR168 billion (USD45 billion) of net liabilities towards the KSA government into an equity-like instrument, as Fitch has treated those liabilities as equity-like already. (Source: Bloomberg)

**Turkey Sells Longer Bonds at Home and Abroad After Overhaul** – Turkey is lengthening its bond maturities on foreign and local markets as it seizes on investor optimism after President Recep Tayyip Erdogan's economic revamp earlier this month. The nation sold \$2.25 billion in 10-year dollar-denominated bonds Tuesday at a 6% yield, 25 basis points lower than the initial price guidance, according to a person familiar with the deal who declined to be identified because they're not authorized to speak publicly. In addition, an auction of the government's first 10-year lira bonds since 2018 elicited demand that was more than double the 1.5 billion liras (\$189 million) placed. Investors are returning to Turkish assets on wagers Erdogan's policies are turning more market-friendly after the ouster of the central bank governor and the resignation of the president's son-in-law as economy minister. The lira surged more than 10% after the changes, and yields on lira-denominated debt of all maturities declined in the run-up to the central bank's long-awaited rate hike last week. (Source: Bloomberg)

**Credit Markets Rally as Oil Rebound Boosts Energy Borrowers** – Credit markets are getting an extra boost from the recent rebound in the price of oil, which continued its rise after hitting an eight-month high. Spreads on investment-grade dollar bonds tightened the most in more than two weeks in Asia, where the bulk of major oil companies are high-grade borrowers. Credit-default swaps on such securities tightened for a third day. Riskier pockets of credit markets also cheered as oil rose toward \$46 a barrel amid vaccine breakthroughs and expectations OPEC+ will delay ramping up production. (Source: Bloomberg)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.84	5.14	KSA	2025	1.18	6.82
Abu Dhabi	2030	1.58	9.58	KSA	2030	2.05	10.77
Abu Dhabi	2050	2.68	20.46	KSA	2050	3.21	10.87
Bahrain	2026	3.42	-1.45	Oman	2025	4.81	-3.63
Bahrain	2030	4.91	15.62	Oman	2029	6.05	-5.06
Bahrain	2047	6.24	-5.17	Oman	2048	7.33	-7.80
Dubai	2029	2.59	2.78	Qatar	2025	0.94	6.62
Kuwait	2022	0.31	1.29	Qatar	2030	1.71	11.88
Kuwait	2027	1.17	5.83	Qatar	2050	2.76	23.99

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.57	8.08	-0.08	7.74
S&P MENA Bond and Sukuk Index	2.04	NA	-0.16	8.77
Bloomberg Emerging Markets USD Index	3.74	6.80	0.04	4.72
Bloomberg Global Aggregate Index	0.88	7.42	0.08	7.30

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	25/11/2020	31/12/2019	25/11/2020	31/12/2019	25/11/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	2.0000	3.1875
SAIBOR	0.8313	2.2314	0.8813	2.2557	0.9488	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.1980	2.2500	1.2727	2.3500	1.4133	2.5333
AEIBOR	0.4244	2.2086	0.5467	2.1914	0.7200	2.2900
EURIBOR	-0.5230	-0.3830	-0.5090	-0.3240	-0.4840	-0.2490
LIBOR	0.2065	1.9084	0.2538	1.9121	0.3356	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2200	0.03	-87.6
2-Year	0.2585	0.05	-84.8
5-Year	0.4646	0.28	-73.1
7-Year	0.6537	0.39	-63.6
10-Year	0.8875	0.49	-53.2
30-Year	1.2940	0.38	-38.1

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.3053	0.0655	-0.70
2-Year	3.7506	0.0000	0.03
5-Year	0.3771	0.0106	0.01
7-Year	3.6420	-0.0027	0.01
10-Year	0.3850	0.0000	0.00
30-Year	3.6730	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.16	0.00
5-Year	0.40	0.00
10-Year	0.88	-0.02
30-Year	1.61	-0.09

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.03	-0.02
5-Year	0.02	-0.07
10-Year	0.33	-0.15
30-Year	0.90	0.05

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.73	-0.01
5-Year	-0.77	-0.06
10-Year	-0.63	-0.18
30-Year	-0.15	-0.51

Source: Bloomberg

## Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	A1	AA-	AA
KSA	A1	A-u	A
UAE	Aa2	NR	NR
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+

## USD 5Yr CDS

	25-Nov 2020	31-Dec 2019
Kuwait	41.18	36.700
KSA	65.13	56.915
Abu Dhabi	35.58	36.090
Dubai	110.00	91.005
Qatar	37.08	36.705
Bahrain	284.41	175.995
Oman	384.74	234.400
Iraq	582.89	383.680
Egypt	367.93	277.420
Morocco	95.11	91.435
Turkey	383.91	282.130
US	12.32	10.810
UK	17.24	16.210
China	28.84	31.205
Japan	14.92	21.042
Germany	9.36	7.080
France	16.25	16.130