

News Updates

Dubai Aerospace Enterprise plans to redeem \$500m of senior notes – Dubai Aerospace Enterprise (DAE), one of the world’s biggest aircraft leasing companies, said on Monday that it will redeem its 5.75 percent \$500 million (1.8 billion dirhams) senior notes due on 2023. The redemption date is set for March 1, 2021. The outstanding principal amount as of the date of the redemption notice was about \$456.1 million. Senior notes are debts that the company must repay before most other debts. Wells Fargo Bank is the trustee and paying agent for the notes. DAE, owned by the Investment Corporation of Dubai, said the notes will be redeemed in accordance with the terms and conditions of the applicable indenture at a redemption price equal to 102.875 percent of the principal amount plus accrued and unpaid interest. Reuters reported last month that DAE is looking to sell benchmark bonds with maturities of four and/or seven years. (Source: Zawayia)

DAE prices \$300m senior unsecured notes due 2024 – Dubai Aerospace Enterprise (DAE) has priced 1.625% senior unsecured notes due 2024 at \$300 million, according to a press release on Monday. Under DAE’s \$2.5 billion global medium-term note programme, the notes will be issued by DAE Funding at a price of 99.427%. The net proceeds from the notes, which will mature on 15 February 2024, will be used for general corporate purposes, including redemption of certain outstanding debt securities issued by DAE Funding. (Source: Mubasher)

Oil prices rise as producers commit to output restraint – Oil prices rose around 1% on Tuesday after major producers showed they were cutting crude output in line with their commitments on restraint, supporting a market thrown out of kilter by weak demand during the coronavirus pandemic. Brent crude was up 51 cents, or 0.9%, at \$56.86 a barrel by 0134 GMT, while U.S. oil gained 53 cents, or 1%, to \$54.08 a barrel. Both contracts rose more than 2% in the previous session. OPEC crude production increased for a seventh month in January, a Reuters survey found, after the group and its allies agreed to ease supply curbs further, but the growth was smaller than expected. The Organization of the Petroleum Exporting Countries was pumping 25.75 million barrels per day (bpd) in January, the survey found, up 160,000 bpd from December. (Source: Zawayia)

Biden Will Push for Big Stimulus Even After ‘Productive’ Meeting – President Joe Biden intends to continue pushing for a large pandemic relief bill, even if he has to bypass Senate Republicans, his press secretary said, hours after what one Republican senator called a “very productive” meeting Monday on stimulus options. The Republican plan reduces the stimulus checks proposed by Biden from \$1,400 to \$1,000 with tighter income limits, eliminates Biden’s minimum-wage increase, and includes just \$20 billion for schools -- compared to \$170 billion in the White House plan. The GOP proposal also offers less generous unemployment benefits and omits \$350 billion in emergency funding for state and local governments sought by Democrats. (Source: Bloomberg)

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GCC Sovereign Yields

| Sovereigns | Maturity | Yield % | Price Δ (YTD %) | Sovereigns | Maturity | Yield % | Price Δ (YTD %) |
|------------|----------|---------|-----------------|------------|----------|---------|-----------------|
| Abu Dhabi | 2025 | 0.83 | -0.35 | KSA | 2025 | 1.17 | -0.13 |
| Abu Dhabi | 2030 | 1.71 | -1.19 | KSA | 2030 | 2.16 | -1.26 |
| Abu Dhabi | 2050 | 2.89 | -2.75 | KSA | 2050 | 3.47 | -3.56 |
| Bahrain | 2026 | 3.32 | -0.37 | Oman | 2025 | 3.42 | 2.56 |
| Bahrain | 2030 | 5.07 | -2.25 | Oman | 2029 | 5.13 | 1.83 |
| Bahrain | 2047 | 6.39 | -3.50 | Oman | 2048 | 6.75 | -0.13 |
| Dubai | 2029 | 2.41 | 0.60 | Qatar | 2025 | 0.91 | -0.38 |
| Kuwait | 2022 | 0.44 | -0.49 | Qatar | 2030 | 1.77 | -1.34 |
| Kuwait | 2027 | 1.22 | -0.89 | Qatar | 2050 | 2.97 | -2.53 |

Bonds and Sukuk Indices

| Index Name | Yield % | Duration (yrs) | 1D Δ (%) | YTD Δ (%) |
|--------------------------------------|---------|----------------|----------|-----------|
| Bloomberg GCC FI Index | 2.51 | 8.08 | 0.01 | -0.41 |
| S&P MENA Bond and Sukuk Index | 1.62 | NA | -0.07 | -0.64 |
| Bloomberg Emerging Markets USD Index | 3.59 | 6.80 | 0.08 | -0.77 |
| Bloomberg Global Aggregate Index | 0.88 | 7.42 | -0.22 | -1.10 |

Interbank Rates (%)

| | 3 Months | | 6 Months | | 12 Months | |
|---------|----------|------------|----------|------------|-----------|------------|
| | 2/2/2021 | 31/12/2020 | 2/2/2021 | 31/12/2020 | 2/2/2021 | 31/12/2020 |
| KIBOR | 1.4375 | 1.4375 | 1.6875 | 1.6875 | 1.9375 | 1.9375 |
| SAIBOR | 0.8150 | 0.8175 | 0.8650 | 0.8700 | 0.9350 | 0.9413 |
| BHIBOR | 2.2000 | 2.2500 | 2.4667 | 2.5333 | 2.6833 | 2.6833 |
| QATAR | 1.0601 | 1.1206 | 1.1518 | 1.1960 | 1.2956 | 1.3636 |
| AEIBOR | 0.3695 | 0.5125 | 0.4754 | 0.4908 | 0.6050 | 0.6538 |
| EURIBOR | -0.5480 | -0.5450 | -0.5310 | -0.5260 | -0.5120 | -0.4990 |
| LIBOR | 0.2019 | 0.2384 | 0.2233 | 0.2576 | 0.3111 | 0.3419 |

USD Swap Rates

| | Yield % | 1D Δ (bps) | YTD Δ (%) |
|---------|---------|------------|-----------|
| 1-Year | 0.1742 | -0.10 | -9.5 |
| 2-Year | 0.1864 | -0.02 | -5.8 |
| 5-Year | 0.5355 | 0.31 | 24.5 |
| 7-Year | 0.8256 | 0.65 | 26.1 |
| 10-Year | 1.1397 | 1.06 | 23.2 |
| 30-Year | 1.6266 | 1.43 | 16.0 |

Currencies

| | USD | 1D Δ (bps) | YTD Δ (%) |
|-----|--------|------------|-----------|
| KWD | 0.3029 | -0.0330 | 0.13 |
| SAR | 3.7510 | -0.0027 | 0.02 |
| BHD | 0.3770 | -0.0027 | 0.00 |
| QAR | 3.6421 | -0.0082 | -0.01 |
| OMR | 0.3850 | 0.0000 | 0.00 |
| AED | 3.6730 | 0.0000 | 0.00 |

US Treasuries

| | Yield % | 1D Δ (%) |
|---------|---------|----------|
| 2-Year | 0.11 | 0.01 |
| 5-Year | 0.43 | 0.00 |
| 10-Year | 1.09 | -0.06 |
| 30-Year | 1.87 | -0.23 |

UK Gilts

| | Yield % | 1D Δ (%) |
|---------|---------|----------|
| 2-Year | -0.12 | 0.00 |
| 5-Year | -0.04 | 0.03 |
| 10-Year | 0.32 | 0.05 |
| 30-Year | 0.89 | 0.14 |

German Bunds

| | Yield % | 1D Δ (%) |
|---------|---------|----------|
| 2-Year | -0.68 | 0.00 |
| 5-Year | -0.77 | -0.03 |
| 10-Year | -0.61 | -0.02 |
| 30-Year | -0.08 | 0.03 |

Source: Bloomberg

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+ |

| USD 5Yr CDS | 2-Feb 2021 | 31-Dec 2020 |
|-------------|------------|-------------|
| Kuwait | 42.19 | 40.69 |
| KSA | 66.25 | 63.77 |
| Abu Dhabi | 42.68 | 36.03 |
| Dubai | 105.38 | 104.06 |
| Qatar | 43.29 | 36.70 |
| Bahrain | 235.82 | 233.58 |
| Oman | 320.46 | 353.60 |
| Iraq | 486.67 | 542.74 |
| Egypt | 328.32 | 330.47 |
| Morocco | 103.66 | 102.56 |
| Turkey | 302.96 | 299.47 |
| US | 10.00 | 11.52 |
| UK | 15.30 | 15.13 |
| China | 30.14 | 26.70 |
| Japan | 14.19 | 14.74 |
| Germany | 9.40 | 9.09 |
| France | 14.67 | 14.42 |