

News Updates

Saudi Wealth Fund Seeks Up to \$7 Billion Loan for New Deals – Saudi Arabia's sovereign wealth fund plans to raise as much as \$7 billion in loans as it seeks cash for new investments, according to people familiar with the matter. The Public Investment Fund has approached international banks to participate in a U.S. dollar revolving facility of between \$5 billion and \$7 billion, the people said, asking not to be identified as the information is private. The PIF aims to complete the fundraising early next year and use the cash for opportunistic investments, they said. The \$347 billion sovereign investor is a key lever for the kingdom's efforts to revive growth after what may be the deepest recession the world's largest crude exporter has experienced since 1987. Handed \$40 billion earlier this year to buy global stocks, the PIF plans to plow the same amount into the domestic economy next year and again in 2022. The loan would be the third time PIF has tapped international banks for funding. Its debut loan raised \$11 billion in 2018, while it repaid a \$10 billion bridge loan in August, two months ahead of schedule. *(Source: Bloomberg)*

Saudi non-oil private sector keeps growing as COVID-19 impact eases – Saudi Arabia's non-oil private sector activity expanded for the third straight month in November as the economy recovers steadily from the impact of the COVID-19 pandemic, a survey showed on Thursday. The seasonally adjusted IHS Markit Saudi Arabia Purchasing Managers' Index (PMI) rose to 54.7 in November from 51.0 in October. The 50.0 mark separates growth from contraction. Output growth accelerated driven by an increase in sales, while employment returned to growth for the first time since January, although only fractionally. "A third successive rise in the Saudi Arabia PMI pointed to an economy getting back on its feet in November," said David Owen, economist at IHS Markit. "Employment started to rise, while business confidence strengthened in the wake of encouraging vaccine news and sharper demand growth. As a result, there was evidence of firms raising investment in anticipation of an uplift in 2021 should the pandemic come to an end," he said. The expansion of the private sector is at the core of Saudi authorities' plans to diversify the economy of the world's biggest oil exporter, hit hard this year by the twin shock of the new coronavirus outbreak and lower oil prices. *(Source: The National)*

Egypt's non-oil private sector growth slows on pandemic worries – Egypt's non-oil private sector activity growth slowed in November and consumer confidence dropped to its lowest in nearly a decade on worries about a resurgence in the coronavirus pandemic, a survey showed on Thursday. IHS Markit's Purchasing Managers' Index (PMI) came in at 50.9, down from 51.4 in October but holding above the 50.0 threshold that separates growth from contraction. "Weaker rises in output and new business suggested a tail-off in the economic recovery in November, although it came after output growth reached its highest in over six years during October," IHS Markit economist David Owen said. *(Source: Zawya)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.83	5.15	KSA	2025	1.25	6.46
Abu Dhabi	2030	1.57	9.66	KSA	2030	2.11	10.16
Abu Dhabi	2050	2.70	20.01	KSA	2050	3.25	9.99
Bahrain	2026	3.27	-1.01	Oman	2025	4.36	-1.98
Bahrain	2030	4.75	16.86	Oman	2029	5.41	-0.96
Bahrain	2047	6.11	-3.90	Oman	2048	6.76	-1.23
Dubai	2029	2.61	2.51	Qatar	2025	0.93	6.52
Kuwait	2022	0.28	1.29	Qatar	2030	1.71	11.88
Kuwait	2027	1.13	5.96	Qatar	2050	2.77	23.73

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.53	8.08	-0.08	8.14
S&P MENA Bond and Sukuk Index	2.06	NA	-0.11	8.79
Bloomberg Emerging Markets USD Index	3.64	6.80	0.03	5.31
Bloomberg Global Aggregate Index	0.89	7.42	-0.18	8.08

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	6/12/2020	31/12/2019	6/12/2020	31/12/2019	6/12/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	1.9375	3.1875
SAIBOR	0.8288	2.2314	0.8775	2.2557	0.9488	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.1453	2.2500	1.2333	2.3500	1.3677	2.5333
AEIBOR	0.3323	2.2086	0.6250	2.1914	0.6000	2.2900
EURIBOR	-0.5320	-0.3830	-0.5120	-0.3240	-0.4900	-0.2490
LIBOR	0.2259	1.9084	0.2558	1.9121	0.3368	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2096	0.05	-88.2
2-Year	0.2312	-0.15	-86.4
5-Year	0.4810	2.89	-72.2
7-Year	0.7047	5.05	-60.8
10-Year	0.9727	7.17	-48.7
30-Year	1.4454	9.52	-30.9

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3045	0.0493	-0.46
SAR	3.7510	0.0000	0.01
BHD	0.3771	0.0000	-0.01
QAR	3.6417	-0.0082	0.00
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.15	0.00
5-Year	0.42	-0.11
10-Year	0.97	-0.55
30-Year	1.73	-1.85

Source: Bloomberg

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.05	-0.03
5-Year	0.02	-0.09
10-Year	0.35	-0.39
30-Year	0.92	-0.76

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.75	0.01
5-Year	-0.77	0.01
10-Year	-0.61	-0.10
30-Year	-0.13	-0.62

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	6-Dec 2020	31-Dec 2019
Kuwait	39.19	36.700
KSA	63.08	56.915
Abu Dhabi	33.98	36.090
Dubai	104.93	91.005
Qatar	34.29	36.705
Bahrain	252.31	175.995
Oman	360.98	234.400
Iraq	505.80	383.680
Egypt	351.00	277.420
Morocco	98.58	91.435
Turkey	349.69	282.130
US	12.57	10.810
UK	16.59	16.210
China	27.65	31.205
Japan	15.11	21.042
Germany	9.54	7.080
France	15.19	16.130