

News Updates

Kuwait's Burgan Bank gets approval for up to \$500 million senior bonds – Kuwait's Burgan Bank has received preliminary approval from the central bank to issue up to \$500 million in senior unsecured bonds, the lender said in a stock exchange filing. The bonds will be issued under Burgan's Euro Medium Term Note Program. They will either have a tenor of five years with a fixed coupon rate or a six-year tenor with an option to redeem the bonds after five years. The six-year option would have a fixed coupon rate for five years then a floating rate for its final year, should the bank not "call" the bonds. Closing the bond sale will allow Burgan "to reinforce its long-term liquidity and regulatory liquidity ratios," it said in the filing. Sales of senior bonds are relatively rare from the Gulf's banks, but Burgan's debt-raising plans follow the country's biggest lender, National Bank of Kuwait, securing \$1 billion last week via six-year senior bonds non-callable for five years. NBK sold the bonds at 90 basis points (bps) over mid-swaps, tightening 20 bps from initial guidance after demand peaked at around \$1.9 billion. The region's banks have closed a string of Additional Tier 1 bond sales this year versus comparatively sparse senior bond issues, taking advantage of historically low rates to shore up core capital, with several breaking pricing records. (Source: Reuters)

Apicorp Hires Banks for USD Benchmark Green Bond – Arab Petroleum Investments Corp., also known as Apicorp, has mandated Credit Agricole CIB as green structuring advisor and Barclays, BofA Securities, Credit Agricole CIB, HSBC, JPMorgan, LBBW, Nomura and Standard Chartered Bank as joint lead managers to arrange a series of fixed income investor calls commencing on Monday, 20 September 2021. A 144A/Reg S USD benchmark green bond transaction with tenor of 5 years under Apicorp's GMTN Programme will follow in the near future, subject to market conditions. Apicorp is a multilateral development bank; rated Aa2 (stable outlook) by Moody's and AA (stable outlook) by Fitch. (Source: Bloomberg)

U.S. Treasury yields seen in tight range, traders eye Fed meeting – U.S. government bond yields ticked higher on Wednesday, in a bounce back as the 10-year yield touched a fresh three-week low following economic data that showed further evidence that inflation had probably peaked. Import prices declined for the first time in 10 months in August, though persistent bottlenecks in the supply chain could, however, keep inflation high. Federal Reserve Chair Jerome Powell has maintained that high inflation is transitory. With no top tier economic data coming in the rest of the week, traders are looking forward to next week's Fed meeting as it prepares to reduce its trove of bond holdings. The yield on 10-year Treasury notes was up 2.3 basis points to 1.302% after earlier touching a three-week low of 1.26%. The yield on the 30-year Treasury bond was up 1.3 basis points to 1.865%. A closely watched part of the U.S. Treasury yield curve measuring the gap between yields on two- and 10-year Treasury notes, seen as an indicator of economic expectations, was at 108.8 basis points. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.73	-0.89	KSA	2025	1.02	-0.49
Abu Dhabi	2030	1.78	-2.29	KSA	2030	2.13	-1.45
Abu Dhabi	2050	2.94	-3.73	KSA	2050	3.44	-3.20
Bahrain	2026	3.74	-3.61	Oman	2025	3.11	2.86
Bahrain	2030	5.41	-5.04	Oman	2029	4.72	4.20
Bahrain	2047	6.86	-8.92	Oman	2048	6.42	4.07
Dubai	2029	2.43	-0.48	Qatar	2025	0.92	-1.71
Kuwait	2022	-0.07	-1.64	Qatar	2030	1.86	-2.74
Kuwait	2027	1.24	-1.97	Qatar	2050	3.08	-4.61

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.53	8.08	0.13	1.26
S&P MENA Bond and Sukuk Index	2.16	NA	-0.12	0.59
Bloomberg Emerging Markets USD Index	3.87	6.80	-0.03	0.76
Bloomberg Global Aggregate Index	1.05	7.42	-0.04	-2.19

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	16/9/2021	31/12/2020	16/9/2021	31/12/2020	16/9/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7971	0.8175	0.8457	0.8700	0.9143	0.9413
BHIBOR	1.5583	2.2500	1.6250	2.5333	1.8000	2.6833
QATAR	1.1341	1.1206	1.2000	1.1960	1.3331	1.3636
AEIBOR	0.3250	0.5125	0.5950	0.4908	0.6562	0.6538
EURIBOR	-0.5480	-0.5450	-0.5220	-0.5260	-0.4880	-0.4990
LIBOR	0.1180	0.2384	0.1479	0.2576	0.2225	0.3419

USD Swap Rates				Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)	
1-Year	0.1635	0.25	-15.1	KWD	0.3008	0.0000	0.85	Gold	1,792.50
2-Year	0.3201	0.27	61.8	SAR	3.7508	-0.0027	0.03	Silver	23.88
5-Year	0.9015	0.18	109.7	BHD	0.3769	0.0000	0.04	Copper	436.90
7-Year	1.1254	-0.15	71.9	QAR	3.6421	0.0000	-0.01	Nat. Gas	5.45
10-Year	1.3309	-0.38	43.8	OMR	0.3850	0.0000	0.00	Aluminum	2,886.30
30-Year	1.6216	-0.12	15.7	AED	3.6731	0.0000	0.00	Crude Oil	75.66

US Treasuries			UK Gilt		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.21	0.00	0.26	-0.07	-0.74	0.00
5-Year	0.80	0.00	0.45	-0.16	-0.73	0.00
10-Year	1.29	0.06	0.78	-0.37	-0.46	0.00
30-Year	1.86	0.05	1.07	-0.80	0.19	0.00

Sovereign Ratings			
	Moody's	S&P	Fitch
Kuwait	A1	A+	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+

USD 5Yr CDS	16-Sep 2021	31-Dec 2020
Kuwait	45.25	40.69
KSA	46.54	63.77
Abu Dhabi	38.43	36.03
Dubai	82.70	104.06
Qatar	37.88	36.70
Bahrain	245.02	233.58
Oman	229.26	353.60
Iraq	491.52	542.74
Egypt	353.51	330.47
Morocco	90.38	102.56
Turkey	371.87	299.47
US	7.84	11.52
UK	7.50	15.13
China	32.72	26.70
Japan	16.42	14.74
Germany	7.30	9.09
France	17.40	14.42