

News Updates

Abu Dhabi royals-owned real estate firm sells \$350m sukuk – The Private Department of Sheikh Mohamed Bin Khalid Al Nahyan LLC (PD), a relatively small real estate player in Abu Dhabi owned by members of its ruling family, sold \$350 million in five-year Islamic bonds on Wednesday at 5.5%, a document showed. The sukuk were tightened from initial price guidance of around 5.75% after orders of more than \$900 million, the document from one of the banks showed. The company, which owns a portfolio that is focused 90% in the United Arab Emirates capital with the rest in neighbouring Dubai, will use the proceeds to fund capital expenditure and acquisitions, S&P Global Ratings has said. Two sources familiar with the matter had told Reuters the sukuk would largely refinance existing loans, one of them adding the sale would likely be around \$500 million. S&P assigned PD a grade 'BB' long-term issuer rating, constrained by its "limited portfolio size in a fragmented and weak Abu Dhabi real estate market and its high leverage," but "supported by good asset quality, locational advantage, and strong shareholders." (Source: Zawya)

Oman bonds rise after it seeks IMF technical assistance – Omani government bonds rose on Wednesday on news the Gulf country had asked the International Monetary Fund for technical assistance to help it develop a medium-term debt strategy and bolster its fiscal structure, three fund managers said. Oman's bonds due in 2051 were up 1.38 cents to 102.23 cents on the dollar at 1511 GMT on Wednesday, while bonds maturing in 2048 rose roughly the same to trade at 100.12 cents on the dollar, data from Refinitiv's Tradeweb showed. Oman, a relatively small oil producer, has one of the weakest economies in the hydrocarbon-rich Gulf and is the region's only country besides Bahrain with "junk" ratings. Bahrain's bonds were largely flat on Wednesday. (Source: Reuters)

Treasury yields continue fall on economic jitters – U.S. Treasury yields continued on their downward trajectory on Wednesday, with 10-year yields on track for a seventh straight session of declines on worries the economic recovery may be softening while investors assessed the minutes from the Federal Reserve's June meeting for clues to its policy path. The streak of declines for the 10-year note is the longest since a nine-session drop that ended on March 3, 2020, as the COVID-19 pandemic in the U.S. was gaining speed. Recent data on the labor market and services sector has given investors pause that the economy may not be strengthening as initially anticipated and some underlying weakness may be emerging. On Wednesday, the Labor Department said job openings edged up in May while hiring dipped, indicating the economy continues to struggle with labor shortages. Analysts also pointed to volatility in the oil market, where crude had a run-up in price until faltering on Tuesday after OPEC producers canceled a meeting, and worries about the spread of the Delta variant of the coronavirus contributed to the risk-off environment. Also cited for the decline were a market that had been largely positioned short and a break on Tuesday of technical support levels on the 10-year. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.70	-0.47	KSA	2025	1.08	-0.49
Abu Dhabi	2030	2.00	-3.68	KSA	2030	2.28	-2.52
Abu Dhabi	2050	3.02	-5.07	KSA	2050	3.50	-4.08
Bahrain	2026	3.64	-2.71	Oman	2025	3.30	2.50
Bahrain	2030	5.49	-5.50	Oman	2029	4.99	2.50
Bahrain	2047	6.83	-8.71	Oman	2048	6.77	-0.34
Dubai	2029	2.42	-0.22	Qatar	2025	0.93	-1.34
Kuwait	2022	0.12	-1.20	Qatar	2030	2.06	-3.96
Kuwait	2027	1.35	-2.24	Qatar	2050	3.17	-6.06

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.61	8.08	0.22	-0.01
S&P MENA Bond and Sukuk Index	2.20	NA	0.09	-0.50
Bloomberg Emerging Markets USD Index	3.82	6.80	0.13	-0.35
Bloomberg Global Aggregate Index	1.06	7.42	0.05	-2.81

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	8/7/2021	31/12/2020	8/7/2021	31/12/2020	8/7/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7929	0.8175	0.8443	0.8700	0.9143	0.9413
BHIBOR	1.6417	2.2500	1.7333	2.5333	1.8667	2.6833
QATAR	1.1331	1.1206	1.2109	1.1960	1.3424	1.3636
AEIBOR	0.3875	0.5125	0.4810	0.4908	0.5200	0.6538
EURIBOR	-0.5390	-0.5450	-0.5130	-0.5260	-0.4890	-0.4990
LIBOR	0.1349	0.2384	0.1664	0.2576	0.2423	0.3419

USD Swap Rates

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.1646	0.00	-14.5	KWD	0.3010	0.0332	0.75	Gold	1,796.60	-5.73
2-Year	0.2965	0.30	49.9	SAR	3.7514	-0.0027	0.02	Silver	25.96	-2.37
5-Year	0.8625	0.39	100.6	BHD	0.3770	0.0000	0.01	Copper	430.00	21.92
7-Year	1.0883	0.08	66.3	QAR	3.6419	0.0000	0.01	Nat. Gas	3.59	32.12
10-Year	1.3006	-0.19	40.6	OMR	0.3850	0.0000	0.00	Aluminum	2,487.25	24.75
30-Year	1.6303	-0.97	16.3	AED	3.6730	0.0000	0.00	Crude Oil	73.35	43.26

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.22	0.00	0.05	-0.02	-0.71	0.00
5-Year	0.78	0.00	0.25	0.11	-0.70	0.00
10-Year	1.31	0.05	0.60	0.36	-0.45	0.00
30-Year	1.93	0.34	1.12	1.04	0.18	0.00

Currencies

Commodities

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	B3	NR	B
Morocco	Ba1	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+
USD 5Yr CDS	8-Jul 2021	31-Dec 2020	
Kuwait	45.57	40.69	
KSA	55.69	63.77	
Abu Dhabi	39.36	36.03	
Dubai	82.28	104.06	
Qatar	40.21	36.70	
Bahrain	212.71	233.58	
Oman	243.48	353.60	
Iraq	506.76	542.74	
Egypt	330.55	330.47	
Morocco	90.38	102.56	
Turkey	388.04	299.47	
US	7.19	11.52	
UK	7.72	15.13	
China	36.75	26.70	
Japan	16.05	14.74	
Germany	8.78	9.09	
France	19.36	14.42	