

News Updates

Fitch Rates AUB Sukuk Limited's Senior Unsecured Sukuk Final 'BB+' – Fitch Ratings has assigned Ahli United Bank B.S.C.'s (AUB; BB+/Stable/bb/) USD600 million senior unsecured sukuk (maturing on 9 September 2026; ISIN XS2384698051) a final long-term rating of 'BB+'. The sukuk has been issued by through the trustee AUB Sukuk Limited (AUBSL). AUBSL is a special purpose vehicle incorporated in the Cayman Islands and was established solely to issue certificates (sukuk) and enter into the transactions contemplated by the transaction documents. The final rating is the same as the expected rating assigned on 31 August 2021, and follows the receipt of the final documentation confirming the information already provided. (Source: Fitch Ratings)

Yellen again urges Congress to address U.S. debt limit, cites uncertainty – U.S. Treasury Secretary Janet Yellen on Wednesday again urged Congress to tackle the nation's debt ceiling, saying it was unclear how long Treasury's efforts to temporarily finance the U.S. government would last and citing ongoing economic worries over the pandemic. The "most likely outcome is that cash and extraordinary measures will be exhausted during the month of October," Yellen wrote in a letter to lawmakers regarding the limit on U.S. government borrowing. Democrats and Republicans are staring down a historic fiscal crisis if they do not act, which could trigger a catastrophic default on debt repayment obligations or a temporary shutdown of some federal operations. Leaders of the Democratic-led Senate and House of Representatives are expected to force votes to lift the \$28.4 trillion debt limit in late September 8. The nation's current limit was technically breached on July 31, but the Treasury Department circumvented any default by taking what it called "extraordinary measures." Yellen, who has previously warned Congress about a debt default, said the department could not provide a specific estimate of how long those steps would last, citing "uncertainty" and said she would update lawmakers again later. (Source: Reuters)

U.S. Treasury yields higher after inflation data, 10-yr poised for weekly gain – The benchmark U.S. 10-year Treasury yield rose on Friday following its biggest two day drop in about three weeks after economic data indicated high inflation could persist for some time. The producer price index for final demand rose 0.7% last month, the Labor Department said, a tick above the 0.6% estimate. In the 12 months through August, the index has accelerated 8.3%, the largest year-over-year advance since November 2010. Investors have been highly attuned to labor market and inflation data for signs of when the U.S. Federal Reserve may announce plans to begin tapering its massive bond-buying program. But rising COVID-19 cases from the Delta variant threaten to stall the economic recovery, which could alter the Fed's policy path. On Thursday, President Joe Biden announced policies that require most federal employees to get COVID-19 vaccinations and push large employers to have their workers inoculated or tested weekly. (Source: Reuters)

This report has been prepared and issued by Kuwait Financial Centre K.P.S.C. (Markaz) , which is regulated by the Capital Markets Authority and the Central Bank of Kuwait. The report is owned by Markaz and is privileged and proprietary and is subject to copyrights. Sale of any copies of this report is strictly prohibited. This report can not be published. A number of sources which include Bloomberg, Zawya, and daily newspapers were utilized in the creation of this report.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.72	-0.93	KSA	2025	1.08	-0.69
Abu Dhabi	2030	1.81	-2.53	KSA	2030	2.15	-1.62
Abu Dhabi	2050	2.99	-4.69	KSA	2050	3.47	-3.77
Bahrain	2026	3.76	-3.63	Oman	2025	3.09	2.88
Bahrain	2030	5.43	-5.18	Oman	2029	4.75	4.06
Bahrain	2047	6.85	-8.79	Oman	2048	6.44	3.87
Dubai	2029	2.45	-0.59	Qatar	2025	0.88	-1.65
Kuwait	2022	0.06	-1.66	Qatar	2030	1.90	-3.09
Kuwait	2027	1.20	-1.92	Qatar	2050	3.10	-5.09

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.55	8.08	0.06	1.02
S&P MENA Bond and Sukuk Index	2.17	NA	0.03	0.43
Bloomberg Emerging Markets USD Index	3.85	6.80	-0.05	0.57
Bloomberg Global Aggregate Index	1.06	7.42	-0.06	-2.30

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	12/09/2021	31/12/2020	12/09/2021	31/12/2020	12/09/2021	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	1.1500	1.1206	1.2000	1.1960	1.3500	1.3636
AEIBOR	0.4013	0.5125	0.5525	0.4908	0.7000	0.6538
EURIBOR	-0.5440	-0.5450	-0.5190	-0.5260	-0.4950	-0.4990
LIBOR	0.1158	0.2384	0.1494	0.2576	0.2225	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	0.1604	0.24	-16.7	KWD	0.3007	-0.0665	0.85	Gold	1,792.10	-6.23
2-Year	0.3194	0.95	61.5	SAR	3.7506	0.0000	0.03	Silver	23.90	-10.34
5-Year	0.9141	3.11	112.6	BHD	0.3769	0.0027	0.02	Copper	445.20	26.33
7-Year	1.1514	3.86	75.9	QAR	3.6415	-0.0027	0.00	Nat. Gas	4.94	80.15
10-Year	1.3702	4.29	48.1	OMR	0.3850	0.0000	0.00	Aluminum	2,916.50	45.84
30-Year	1.6808	3.27	19.9	AED	3.6730	0.0000	0.00	Crude Oil	72.92	43.26

US Treasuries

	Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.21	0.00		0.23	-0.02		-0.72	-0.01
5-Year	0.82	-0.13		0.42	-0.04		-0.74	-0.04
10-Year	1.34	-0.39		0.76	-0.20		-0.48	-0.24
30-Year	1.93	-0.80		1.08	-0.36		0.15	-0.83

UK Gilts

German Bunds

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	12-Sep 2021	31-Dec 2020							
Kuwait	45.37	40.69							
KSA	47.45	63.77							
Abu Dhabi	38.72	36.03							
Dubai	81.12	104.06							
Qatar	38.54	36.70							
Bahrain	245.97	233.58							
Oman	230.06	353.60							
Iraq	516.25	542.74							
Egypt	341.33	330.47							
Morocco	89.14	102.56							
Turkey	362.27	299.47							
US	7.84	11.52							
UK	7.54	15.13							
China	31.90	26.70							
Japan	16.31	14.74							
Germany	8.23	9.09							
France	17.38	14.42							