

News Updates

Kuwait sovereign debt at KD 4.1bn – The size of the sovereign debt owed by Kuwait in the form of international and local bonds amounts to KD 4.1 billion, with maturities from 2022 to 2028, reports Al-Rai daily. According to informed sources, the first international bond will be due on Kuwait in March 2022 at a value of KD 1.07 billion, which is the same date on which a local bond will mature at about KD 550 million. This means that the State Treasury will have to pay about KD 1.61 billion next March. The sources stressed that international bonds amount to KD 2.44 billion in total, or 59.5 percent, while the local bonds constitute 40.5 percent, with a balance of KD 1.66 billion. They revealed that the Kuwait Investment Authority (KIA) invested in the giant pharmaceutical company "Pfizer" and in the electric car manufacturer "Tesla". It also has many shares, which achieved an unprecedented rise in their prices during the past fiscal year through its portfolios and not through direct ownership. The sources clarified that Kuwait's investments in the two giant companies came through the sectoral distribution of their portfolios, and the indicators they target from these sectors. They highlighted that the rate of stock portfolios constituted about 55 percent of the total assets of the sovereign fund in the last fiscal year, while the share of real estate investments was close to five percent, adding that cash and deposits constituted an influential share with a balance of approximately 20 percent of the total assets of the sovereign fund for these period. (Source: Arab Times)

Tunisian president calls on banks to reduce interest rates – Tunisian President Kais Saied called on banks on Saturday to reduce interest rates, saying the measure was needed to help improve social and economic conditions in the country. Saied invoked emergency powers on Sunday to seize control of government, remove the prime minister and freeze parliament. His foes have called it a coup, an accusation he has denied. On Saturday, he said corrupt people had left the country on the verge of bankruptcy, adding in a meeting with the Banks Association, "I urge you to stand with the Tunisian people by lowering interest rates as much as possible." Tunisia, which has seen its debt burden rise and economy shrink by 8.8% last year in real terms, has started talks with the International Monetary Fund to seek a financial assistance package. (Source: National Post)

Turkey Inflation Outlook Opens Gap for Late 2021 Rate Cut – Turkey's central bank raised its inflation expectations but projected a significant drop in price growth in the final quarter that could open a window later this year for the interest-rate cut sought by President Recep Tayyip Erdogan. Consumer-price inflation will finish 2021 at 14.1%, compared with a previous forecast of 12.2%, Governor Sahap Kavcioglu said Thursday as he unveiled the second inflation report of his central banking career. Most economists were expecting the bank's year-end prediction to be above 15%, after rising global commodity prices and a lira just shy of record lows pushed the inflation rate to 17.5% in June. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.67	-0.50	KSA	2025	1.08	-0.44
Abu Dhabi	2030	1.85	-2.79	KSA	2030	2.20	-1.85
Abu Dhabi	2050	2.98	-4.40	KSA	2050	3.45	-3.34
Bahrain	2026	3.88	-3.73	Oman	2025	3.29	2.38
Bahrain	2030	5.61	-6.18	Oman	2029	4.91	3.05
Bahrain	2047	6.94	-9.75	Oman	2048	6.59	1.83
Dubai	2029	2.47	-0.45	Qatar	2025	0.92	-1.38
Kuwait	2022	0.22	-1.42	Qatar	2030	1.97	-3.43
Kuwait	2027	1.24	-1.87	Qatar	2050	3.13	-5.46

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.58	8.08	0.02	0.53
S&P MENA Bond and Sukuk Index	2.15	NA	0.03	0.10
Bloomberg Emerging Markets USD Index	3.94	6.80	0.03	-0.44
Bloomberg Global Aggregate Index	0.99	7.42	-0.02	-1.92

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	1/8/2021	31/12/2020	1/8/2021	31/12/2020	1/8/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7943	0.8175	0.8443	0.8700	0.9143	0.9413
BHIBOR	1.5917	2.2500	1.7167	2.5333	1.8667	2.6833
QATAR	0.9500	1.1206	1.0500	1.1960	1.2500	1.3636
AEIBOR	0.3703	0.5125	0.5725	0.4908	0.7933	0.6538
EURIBOR	-0.5440	-0.5450	-0.5230	-0.5260	-0.5020	-0.4990
LIBOR	0.1178	0.2384	0.1531	0.2576	0.2351	0.3419

USD Swap Rates

	Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.1475	-1.02	-23.4	KWD	0.3005	0.0499
2-Year	0.2608	-1.85	31.9	SAR	3.7504	0.0053
5-Year	0.7825	-4.25	82.0	BHD	0.3770	0.0000
7-Year	1.0170	-4.45	55.4	QAR	3.6417	0.0000
10-Year	1.2512	-4.61	35.2	OMR	0.3850	0.0026
30-Year	1.6528	-3.07	17.9	AED	3.6730	0.0000

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.18	0.04	0.05	0.02	-0.71	-0.01
5-Year	0.69	0.22	0.26	0.06	-0.83	0.01
10-Year	1.22	0.45	0.56	0.05	-0.61	0.08
30-Year	1.89	0.69	0.99	0.13	0.01	0.51

Currencies

	USD	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
Gold	1,817.20	-4.92		Silver	25.55	-3.92	
Copper	448.25	27.09		Nat. Gas	3.91	44.32	
Aluminum	2,603.00	30.36		Crude Oil	75.41	47.72	

UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.18	0.04	0.05	0.02	-0.71	-0.01
5-Year	0.69	0.22	0.26	0.06	-0.83	0.01
10-Year	1.22	0.45	0.56	0.05	-0.61	0.08
30-Year	1.89	0.69	0.99	0.13	0.01	0.51

Commodities

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Copper	448.25	27.09		Nat. Gas	3.91	44.32	
Aluminum	2,603.00	30.36		Crude Oil	75.41	47.72	

German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.18	0.04	0.05	0.02	-0.71	-0.01
5-Year	0.69	0.22	0.26	0.06	-0.83	0.01
10-Year	1.22	0.45	0.56	0.05	-0.61	0.08
30-Year	1.89	0.69	0.99	0.13	0.01	0.51

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

	1-Aug 2021	31-Dec 2020
Kuwait	46.06	40.69
KSA	55.62	63.77
Abu Dhabi	41.32	36.03
Dubai	86.15	104.06
Qatar	41.81	36.70
Bahrain	239.95	233.58
Oman	240.15	353.60
Iraq	542.97	542.74
Egypt	349.30	330.47
Morocco	92.67	102.56
Turkey	381.60	299.47
US	7.20	11.52
UK	8.54	15.13
China	38.42	26.70
Japan	16.27	14.74
Germany	8.55	9.09
France	18.71	14.42