

News Updates

Moody's maintains Egypt's credit rating at B2 with stable outlook –

Moody's announced that it has maintained Egypt's long-term foreign and local currency issuer ratings (credit rating) at B2 with a stable outlook. Moody's has also kept Egypt's foreign currency senior unsecured ratings at B2, and its foreign currency senior unsecured MTN program rating at (P) B2. “The affirmation of the B2 ratings and stable outlook reflects Egypt's continued exposure to volatile financing conditions driven by weak debt affordability and high gross borrowing requirements, balanced against improving shock resilience evidenced during the pandemic as a result of the government's track record of economic and fiscal reform implementation,” Moody's explained. It added that Egypt's broad domestic funding base and renewed build-up of foreign exchange reserves support the country's economy against volatile capital flows as well as backing the government's second wave of economic reforms, which focus on attaining structural reforms. (Source: Ahram Online)

Crude Oil Retreats as Investors Weigh Delta, Iranian Tensions –

Oil fell after four monthly gains as data signaled a slowdown in China and investors monitored the spread of the delta coronavirus variant. West Texas Intermediate retreated 1%, after climbing 2.6% last week. China's economic activity continued to ease in July, implying a more steady recovery this half as growth risks mount. Across the Asia-Pacific, the highly infectious delta variant continues to reverberate, clouding the outlook for mobility. China has seen a small increase in cases, Thailand is set to expand its quasi-lockdown measures, and infections in hot spot Sydney matched a record. While futures dropped, traders also monitored a rise in tensions between Iran and the U.S. Washington has formally blamed Tehran for an attack on an Israel-linked oil tanker, warning of an “appropriate response”. The standoff comes as the two nations are seeking to revive a nuclear accord that, if successful, may pave the way for an end to U.S. sanctions on official Iranian oil flows. (Source: Bloomberg)

Global sustainable bond issuance to reach a record \$850bln in 2021

– Global issuance of green, social and sustainability bonds – or sustainable bonds, collectively – is expected to hit \$850 billion in 2021, a new annual record and a 59 percent jump from 2020, Moody's Investors Service said in a report Thursday. Global issuance of sustainable bonds in the second quarter jumped 66 percent from a year earlier to \$189 billion, the ratings agency said. This consisted of \$94 billion of green bonds, \$46 billion of social bonds and a quarterly record \$49 billion of sustainability bonds. The quarterly issuance total was the third-highest on record, indicating that market momentum is still exceptionally strong. Sustainability-linked bond and loan volumes also continue to surge. After a quarterly record of \$31 billion in the second quarter, sustainability-linked bond volumes could top \$100 billion in 2021, which would bring overall sustainable bond volumes near \$1 trillion for the full year, said Moody's. (Source: Zawya)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.67	-0.50	KSA	2025	1.07	-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	0.20	-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	
	2/8/2021	31/12/2020	2/8/2021	31/12/2020	2/8/2021	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	1.1000	1.1206	1.2000	1.1960	1.3500	1.3636
AEIBOR	0.3065	0.5125	0.4553	0.4908	0.6508	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 (%)		USD	YTD Δ (%)
1-Year	0.1444	-0.31	-25.0	KWD	0.3005	0.0499	0.93	Gold	1,813.50	-5.11
2-Year	0.2540	-0.68	28.4	SAR	3.7510	-0.0027	0.03	Silver	25.53	-4.00
5-Year	0.7701	-1.24	79.1	BHD	0.3770	0.0027	0.00	Copper	449.10	27.33
7-Year	1.0066	-1.04	53.8	QAR	3.6417	0.0000	-0.01	Nat. Gas	3.97	46.31
10-Year	1.2447	-0.65	34.5	OMR	0.3850	0.0000	0.00	Aluminum	2,603.00	30.36
30-Year	1.6516	-0.12	17.8	AED	3.6732	0.0000	0.00	Crude Oil	74.63	46.19

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.18	0.02	0.05	0.02	-0.72	0.00
5-Year	0.68	0.06	0.26	0.06	-0.83	0.00
10-Year	1.22	0.03	0.56	0.05	-0.61	0.00
30-Year	1.90	-0.08	0.99	0.13	0.01	0.00

UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.18	0.02	0.05	0.02	-0.72	0.00
5-Year	0.68	0.06	0.26	0.06	-0.83	0.00
10-Year	1.22	0.03	0.56	0.05	-0.61	0.00
30-Year	1.90	-0.08	0.99	0.13	0.01	0.00

German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.18	0.02	0.05	0.02	-0.72	0.00
5-Year	0.68	0.06	0.26	0.06	-0.83	0.00
10-Year	1.22	0.03	0.56	0.05	-0.61	0.00
30-Year	1.90	-0.08	0.99	0.13	0.01	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	2-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	38.06	26.70	
Japan	16.35	14.74	
Germany	8.55	9.09	
France	18.71	14.42	