

## News Updates

### Moody's changes Bahrain's outlook to negative, affirms B2 ratings –

Moody's Investors Service ("Moody's") has today changed the outlook on the Government of Bahrain to negative from stable and has affirmed its B2 long-term issuer and senior unsecured ratings. The change of outlook to negative reflects increased downside risks to Bahrain's ratings stemming from a larger than earlier expected weakening in fiscal metrics and ongoing uncertainty around the timing and the size of the augmentation of the financial support package for Bahrain from the fellow Gulf Cooperation Council (GCC) sovereigns. The very large fiscal deterioration during 2020 will make a path toward stabilizing the government's debt burden at a sustainable level significantly more challenging than Moody's had previously expected. The oil price and economic shock triggered by the coronavirus pandemic and persistently high off-budget spending, which Moody's expects to continue in the next several years, account for the increased downside risks. (Source: Bloomberg)

### Abu Dhabi's Taqa raises \$1.5bn through bond sale to fund growth –

Abu Dhabi National Energy Company, or Taqa, raised \$1.5 billion through a dual-tranche bond issue to fund its low-carbon growth plans and buy back some of its outstanding corporate bonds. The company raised debt through two \$750 million tranches. A seven-year note has an interest rate of 2 per cent, the lowest Taqa has achieved on its bond sales, the company said in a statement on Sunday to the Abu Dhabi Securities Exchange. A longer 30-year tranche has a coupon rate of 3.4 per cent and is Taqa's first Formosa bond, listed jointly in Taipei and London to tap demand from Taiwanese investors.. (Source: The National UAE)

### Bond Market's Inflation Bulls Get Powell Go-Ahead to Double Down

– The Treasury market's inflation bulls seem to have gotten a green light from Federal Reserve Chair Jerome Powell to double down on wagers that price pressures will only intensify in the months ahead. The renewed interest for the reflation trade follows Powell's reaffirmation this week of the central bank's intention to let the world's biggest economy run hot for some time as it recovers from the pandemic. The Fed's unwavering commitment to ultra-loose policy in the face of robust economic data is what caught traders' attention. It took on added significance as it coincided with signs infections are ebbing again in the U.S., and as President Joe Biden unveiled plans for trillions more in fiscal spending. (Source: Reuters)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.92	-1.10	KSA	2025	1.37	-1.31
Abu Dhabi	2030	2.08	-4.26	KSA	2030	2.50	-4.18
Abu Dhabi	2050	3.25	-9.07	KSA	2050	3.78	-8.52
Bahrain	2026	3.35	-1.16	Oman	2025	3.35	2.57
Bahrain	2030	5.42	-4.85	Oman	2029	4.97	2.78
Bahrain	2047	6.98	-10.14	Oman	2048	6.73	0.20
Dubai	2029	2.69	-1.52	Qatar	2025	1.02	-1.29
Kuwait	2022	0.18	-0.79	Qatar	2030	2.20	-4.86
Kuwait	2027	1.51	-2.82	Qatar	2050	3.45	-10.69

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.74	8.08	0.07	-1.88
S&P MENA Bond and Sukuk Index	2.36	NA	0.11	-2.68
Bloomberg Emerging Markets USD Index	3.89	6.80	0.13	-2.20
Bloomberg Global Aggregate Index	1.13	7.42	-0.21	-3.25

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	02/5/2021	31/12/2020	02/5/2021	31/12/2020	02/5/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7957	0.8175	0.8429	0.8700	0.9157	0.9413
BHIBOR	1.3250	2.2500	1.4000	2.5333	1.6667	2.6833
QATAR	1.0954	1.1206	1.1905	1.1960	1.3564	1.3636
AEIBOR	0.3560	0.5125	0.5000	0.4908	0.6663	0.6538
EURIBOR	-0.5350	-0.5450	-0.5210	-0.5260	-0.4810	-0.4990
LIBOR	0.1764	0.2384	0.2049	0.2576	0.2811	0.3419

## USD Swap Rates

Currencies				Commodities						
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.2086	-0.09	8.4	KWD	0.3011	-0.0332	0.71	Gold	1,767.70	-7.10
2-Year	0.2785	-0.21	40.8	SAR	3.7503	-0.0027	0.04	Silver	25.87	-2.49
5-Year	0.9435	-1.09	119.4	BHD	0.3770	0.0000	0.01	Copper	446.80	26.70
7-Year	1.3061	-0.97	99.5	QAR	3.6414	0.0082	0.00	Nat. Gas	2.93	12.26
10-Year	1.6290	-0.87	76.1	OMR	0.3850	0.0000	0.00	Aluminum	2,390.50	20.35
30-Year	2.0445	0.06	45.8	AED	3.6730	0.0000	0.00	Crude Oil	66.76	29.66

## US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.16	0.01	0.07	0.00	-0.67	0.00
5-Year	0.85	0.09	0.38	-0.01	-0.67	0.04
10-Year	1.63	0.09	0.84	-0.03	-0.33	0.09
30-Year	2.30	0.07	1.34	0.13	0.35	0.05

## 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+
<b>USD 5Yr CDS</b>	<b>02-May 2021</b>	<b>31-Dec 2020</b>	
Kuwait	46.76	40.69	
KSA	64.73	63.77	
Abu Dhabi	44.18	36.03	
Dubai	92.84	104.06	
Qatar	43.93	36.70	
Bahrain	188.34	233.58	
Oman	266.20	353.60	
Iraq	498.05	542.74	
Egypt	321.80	330.47	
Morocco	93.75	102.56	
Turkey	415.82	299.47	
US	8.08	11.52	
UK	10.75	15.13	
China	36.43	26.70	
Japan	15.67	14.74	
Germany	9.81	9.09	
France	19.96	14.42	