

News Updates

Sabic Outlook to Negative by Fitch; L-T IDR Rating Affirmed – Sabic's long-term issuer default rating was affirmed by Fitch at A. Outlook to negative from stable. Total amount of public bonds & loans outstanding is 15.2 billion riyals, according to data compiled by Bloomberg. (Source: Bloomberg)

Fitch Rates UAE 4th Highest Grade as It Plans to Issue Debt – Fitch Ratings has assigned the United Arab Emirates its first assessment on Tuesday as the Gulf nation prepares to raise a federal bond. The rating agency assigned the sovereign at AA-, its fourth highest investment grade, with a stable outlook in light of moderate consolidated public debt level, and strong external asset position. It also reflects the likelihood of support from the country's capital Abu Dhabi if needed, analysts including Cedric Julien Berry wrote in a report. Debt ceiling is estimated by Fitch at around 9.7% of economic output, though “authorities indicated that they do not plan to reach that level.” (Source: Bloomberg)

Dubai Islamic Bank Hires Banks for Sukuk Investor Calls – Dubai Islamic Bank PJSC mandates Dubai Islamic Bank, Emirates NBD Capital, First Abu Dhabi Bank, HSBC, Sharjah Islamic Bank, and Standard Chartered Bank as joint lead managers and joint bookrunners to arrange a series of fixed income investor calls commencing Wednesday November 11, 2020. Also organizes global investor call at 11am UKT / 3pm UAE time / 7pm Hong Kong time. Rated A3 by Moody's and A by Fitch. Benchmark fixed rate USD Regulation S Additional Tier 1 perpetual non-call six year unrated Sukuk will follow, subject to market conditions. (Source: Bloomberg)

Uptick in Egypt Inflation Leaves Outlook Split on Rate Move – Inflation in urban parts of Egypt accelerated to its fastest pace in four months, an expected uptick that could make real-interest rates and Covid-19 the key factors when the central bank meets this week. Consumer prices rose 4.5% in October, up from 3.7% the month before, as education expenses eclipsed a fall in food costs, the state statistics agency CAPMAS said Tuesday. Month-on-month inflation reached 1.8%, its quickest pace since July 2019. A rise was predicted in the fourth quarter of 2020 due to inflation being at a low at the same time last year, with analysts divided on how the figure may impact Thursday's rate decision. The Monetary Policy Committee has cut a combined 350 basis points this year, most of them at a March emergency meeting. (Source: Bloomberg)

GCC Sovereign Yields

| Sovereigns | Maturity | Yield % | Price Δ (YTD %) | Sovereigns | Maturity | Yield % | Price Δ (YTD %) |
|------------|----------|---------|-----------------|------------|----------|---------|-----------------|
| Abu Dhabi | 2025 | 0.86 | 5.15 | KSA | 2025 | 1.21 | 6.65 |
| Abu Dhabi | 2030 | 1.60 | 9.58 | KSA | 2030 | 2.07 | 10.62 |
| Abu Dhabi | 2050 | 2.73 | 19.28 | KSA | 2050 | 3.24 | 10.28 |
| Bahrain | 2026 | 3.55 | -1.84 | Oman | 2025 | 4.89 | -3.96 |
| Bahrain | 2030 | 5.08 | 14.33 | Oman | 2029 | 6.01 | -4.83 |
| Bahrain | 2047 | 6.32 | -6.23 | Oman | 2048 | 7.44 | -9.01 |
| Dubai | 2029 | 2.47 | 3.57 | Qatar | 2025 | 0.92 | 6.68 |
| Kuwait | 2022 | 0.38 | 1.28 | Qatar | 2030 | 1.69 | 12.18 |
| Kuwait | 2027 | 1.16 | 5.79 | Qatar | 2050 | 2.81 | 22.87 |

Bonds and Sukuk Indices

| Index Name | Yield % | Duration (yrs) | 1D Δ (%) | YTD Δ (%) |
|--------------------------------------|---------|----------------|----------|-----------|
| Bloomberg GCC FI Index | 2.62 | 8.08 | -0.01 | 7.00 |
| S&P MENA Bond and Sukuk Index | 2.08 | NA | -0.02 | 8.28 |
| Bloomberg Emerging Markets USD Index | 3.85 | 6.80 | -0.03 | 3.81 |
| Bloomberg Global Aggregate Index | 0.94 | 7.42 | -0.21 | 6.12 |

Interbank Rates (%)

| | 3 Months | | 6 Months | | 12 Months | |
|---------|------------|------------|------------|------------|------------|------------|
| | 12/11/2020 | 31/12/2019 | 12/11/2020 | 31/12/2019 | 12/11/2020 | 31/12/2019 |
| KIBOR | 1.4375 | 2.7500 | 1.6875 | 2.9375 | 1.9375 | 3.1875 |
| SAIBOR | 0.8388 | 2.2314 | 0.8888 | 2.2557 | 0.9550 | 2.3071 |
| BHIBOR | 2.2500 | 2.6667 | 2.5333 | 2.7000 | 2.6833 | 2.8333 |
| QATAR | 0.9696 | 2.2500 | 1.0670 | 2.3500 | 1.3190 | 2.5333 |
| AEIBOR | 0.4296 | 2.2086 | 0.6944 | 2.1914 | 0.7991 | 2.2900 |
| EURIBOR | -0.5100 | -0.3830 | -0.5050 | -0.3240 | -0.4720 | -0.2490 |
| LIBOR | 0.2136 | 1.9084 | 0.2430 | 1.9121 | 0.3381 | 1.9963 |

USD Swap Rates

| | Yield % | 1D Δ (bps) | YTD Δ (%) | | USD | 1D Δ (bps) | YTD Δ (%) |
|---------|---------|------------|-----------|-----|--------|------------|-----------|
| 1-Year | 0.2195 | 0.05 | -87.6 | KWD | 0.3059 | -0.0654 | -0.90 |
| 2-Year | 0.2601 | -0.08 | -84.7 | SAR | 3.7510 | -0.0080 | 0.02 |
| 5-Year | 0.4812 | -1.95 | -72.2 | BHD | 0.3771 | 0.0000 | -0.01 |
| 7-Year | 0.6830 | -3.70 | -62.0 | QAR | 3.6419 | 0.0137 | 0.01 |
| 10-Year | 0.9294 | -2.08 | -51.0 | OMR | 0.3850 | 0.0000 | 0.00 |
| 30-Year | 1.3600 | -3.60 | -35.0 | AED | 3.6731 | 0.0000 | 0.00 |

US Treasuries

| | Yield % | 1D Δ (%) | | Yield % | 1D Δ (%) | | Yield % | 1D Δ (%) |
|---------|---------|----------|--|---------|----------|--|---------|----------|
| 2-Year | 0.18 | 0.01 | | -0.02 | 0.00 | | -0.72 | 0.00 |
| 5-Year | 0.43 | 0.13 | | 0.05 | -0.07 | | -0.74 | 0.05 |
| 10-Year | 0.94 | 0.40 | | 0.41 | -0.16 | | -0.57 | 0.20 |
| 30-Year | 1.71 | 0.82 | | 1.01 | -0.56 | | -0.08 | 0.84 |

Source: Bloomberg

Currencies

| | USD | 1D Δ (bps) | YTD Δ (%) |
|-----|--------|------------|-----------|
| KWD | 0.3059 | -0.0654 | -0.90 |
| SAR | 3.7510 | -0.0080 | 0.02 |
| BHD | 0.3771 | 0.0000 | -0.01 |
| QAR | 3.6419 | 0.0137 | 0.01 |
| OMR | 0.3850 | 0.0000 | 0.00 |
| AED | 3.6731 | 0.0000 | 0.00 |

German Bunds

| | Yield % | 1D Δ (%) |
|---------|---------|----------|
| 2-Year | -0.72 | 0.00 |
| 5-Year | -0.74 | 0.05 |
| 10-Year | -0.57 | 0.20 |
| 30-Year | -0.08 | 0.84 |

Sovereign Ratings

| | Moody's | S&P | Fitch |
|-----------|---------|------|-------|
| Kuwait | A1 | AA- | AA |
| KSA | A1 | A-u | A |
| UAE | Aa2 | NR | NR |
| 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 | B2 | NR | B |
| Morocco | Ba1 | BBB- | BB+ |
| US | Aaa | AA+u | AAA |
| UK | Aa2 | AAu | AA- |
| China | A1 | A+ | A+ |

USD 5Yr CDS

| | 12-Nov 2020 | 31-Dec 2019 |
|-----------|-------------|-------------|
| Kuwait | 40.17 | 36.700 |
| KSA | 60.75 | 56.915 |
| Abu Dhabi | 34.91 | 36.090 |
| Dubai | 110.99 | 91.005 |
| Qatar | 35.44 | 36.705 |
| Bahrain | 324.59 | 175.995 |
| Oman | 402.42 | 234.400 |
| Iraq | 580.08 | 383.680 |
| Egypt | 390.27 | 277.420 |
| Morocco | 107.42 | 91.435 |
| Turkey | 398.38 | 282.130 |
| US | 12.84 | 10.810 |
| UK | 18.71 | 16.210 |
| China | 27.62 | 31.205 |
| Japan | 14.90 | 21.042 |
| Germany | 9.20 | 7.080 |
| France | 16.64 | 16.130 |