

News Updates

Moody's downgrades Burgan Bank's long-term bank deposit ratings to Baa1 and affirms BCA at ba2; changes outlook to stable – Moody's Investors Service ("Moody's") has downgraded Burgan Bank K.P.S.C. (Burgan)'s long-term bank deposit ratings to Baa1 from A3, its Counterparty Risk Ratings (CRRs) to A3/P-2 from A2/P-1, its Counterparty Risk (CR) Assessment to A3(cr)/P-2(cr) from A2(cr)/P-1(cr) and its Adjusted Baseline Credit Assessment (Adjusted BCA) to ba2 from ba1. The bank's short-term deposit ratings were affirmed at P-2 and its standalone Baseline Credit Assessment (BCA) was affirmed at ba2. Concurrently, the rating agency also downgraded Burgan Senior SPC Limited's, Burgan's funding vehicle, guaranteed senior unsecured long-term debt rating to Baa1 from A3 and the guaranteed senior unsecured MTN program rating to (P)Baa1 from (P)A3. The outlook on the long-term bank deposit and the guaranteed senior unsecured ratings was changed to stable from negative. Today's rating action follows the downgrade to Ba2 (negative) from Ba1 (negative) of the corporate family rating (CFR) of Burgan's parent, Kuwait Projects Company (Holding) K.S.C.P. (KIPCO) on 19 August 2021 and reflects KIPCO's weakened capacity to provide extraordinary support to Burgan, in case of need. (Source: Moody's)

Egypt taps banks for debt financing plans - sources – Egypt is looking to hire banks to advise it on its funding strategy for the current fiscal year, which is expected to include a euro-denominated bond issue, sources said. The government has issued a request for proposals to banks that are due to respond by the end of this week, two of the sources familiar with the matter said. Officials at the ministry of finance did not immediately respond to requests for comment. The request to banks comes ahead of what could be busy months for emerging markets amid expectations of policy tightening from the U.S. Federal Reserve. Egypt, one of the Middle East's most indebted countries, has issued euro-denominated bonds in 2018 and 2019 and has \$2.5 billion in bonds due in January next year. It also plans to offer sukuk, or Islamic bonds, starting next year, the finance ministry said this week, as it seeks to diversify its funding base. (Source: Reuters)

U.S. Treasury yields rise with Fed's Powell speech in focus – U.S. Treasury yields rose to almost two-week highs on Wednesday ahead of a speech later in the week by Federal Reserve Chair Jerome Powell that will be scoured for any new clues on when the U.S. central bank is likely to begin paring bond purchases. The move higher may have been exacerbated by algorithmic traders selling Treasuries after the 10-year yields broke above their 200-day moving average. Powell will speak virtually on Friday at the Fed's annual economic symposium at Jackson Hole, Wyoming. In choppy trading, benchmark 10-year yields gained six basis points to 1.349%, the highest since Aug. 13, and above the 200-day moving average of 1.326%. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.70	-0.73	KSA	2025	1.05	-0.52
Abu Dhabi	2030	1.83	-2.55	KSA	2030	2.16	-1.61
Abu Dhabi	2050	3.00	-4.49	KSA	2050	3.46	-3.51
Bahrain	2026	3.93	-4.19	Oman	2025	3.25	2.50
Bahrain	2030	5.67	-7.05	Oman	2029	4.98	2.59
Bahrain	2047	7.09	-11.36	Oman	2048	6.64	1.21
Dubai	2029	2.46	-0.57	Qatar	2025	0.90	-1.52
Kuwait	2022	0.13	-1.50	Qatar	2030	1.94	-3.26
Kuwait	2027	1.23	-1.89	Qatar	2050	3.12	-5.36

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.58	8.08	-0.12	0.74
S&P MENA Bond and Sukuk Index	2.17	NA	-0.18	0.28
Bloomberg Emerging Markets USD Index	3.88	6.80	-0.02	0.11
Bloomberg Global Aggregate Index	1.04	7.42	-0.31	-2.58

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	26/8/2021	31/12/2020	26/8/2021	31/12/2020	26/8/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7957	0.8175	0.8443	0.8700	0.9143	0.9413
BHIBOR	1.5417	2.2500	1.6667	2.5333	1.8333	2.6833
QATAR	1.1500	1.1206	1.2000	1.1960	1.3116	1.3636
AEIBOR	0.2526	0.5125	0.4900	0.4908	0.4369	0.6538
EURIBOR	-0.5490	-0.5450	-0.5270	-0.5260	-0.4950	-0.4990
LIBOR	0.1218	0.2384	0.1580	0.2576	0.2369	0.3419

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1647	-0.01	-14.4
2-Year	0.3221	-0.02	62.8
5-Year	0.9098	-0.27	111.6
7-Year	1.1349	-0.82	73.4
10-Year	1.3447	-1.31	45.3
30-Year	1.6629	-1.10	18.6

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3009	0.0332	0.78
SAR	3.7512	-0.0027	0.03
BHD	0.3770	0.0000	0.00
QAR	3.6416	0.0000	-0.01
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

Commodities

	USD	YTD Δ (%)
Gold	1,788.70	-6.41
Silver	23.81	-10.67
Copper	425.05	20.62
Nat. Gas	3.92	44.47
Aluminum	2,610.50	30.54
Crude Oil	71.86	40.76

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.24	0.00
5-Year	0.83	0.03
10-Year	1.33	0.09
30-Year	1.94	0.11

UK Gilts

	Yield %	1D Δ (%)
2-Year	0.14	-0.03
5-Year	0.30	-0.15
10-Year	0.59	-0.66
30-Year	1.02	-1.69

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.74	0.00
5-Year	-0.78	0.00
10-Year	-0.57	0.00
30-Year	0.04	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	26-Aug 2021	31-Dec 2020	
Kuwait	46.07	40.69	
KSA	50.96	63.77	
Abu Dhabi	40.96	36.03	
Dubai	77.13	104.06	
Qatar	40.56	36.70	
Bahrain	245.00	233.58	
Oman	239.78	353.60	
Iraq	568.10	542.74	
Egypt	349.13	330.47	
Morocco	94.78	102.56	
Turkey	371.29	299.47	
US	7.70	11.52	
UK	7.95	15.13	
China	34.29	26.70	
Japan	16.28	14.74	
Germany	8.97	9.09	
France	19.02	14.42	