

News Updates

Many bondholders at Dubai's Emirates REIT oppose \$400m Sukuk conversion plan – Dubai-based real estate fund operator Emirate REIT's plans to issue a new debt offering is meeting "significant resistance" from a "majority" of its existing bondholders, highly placed sources have told 'Gulf News'. These bondholders have called a virtual meeting later today to discuss the options available to them, including legal means, these sources add. "We believe that there is a widely recognized view that the company (Emirates REIT) proposal, in its current form, largely fails to address the long-standing concerns regarding other core issues," said a source at one bondholder holding exposure in a \$400 million, five-year Sukuk issued in late 2017. These bondholders represent some of the biggest names in the global and local institutional investment space. (Source: Gulf News)

Tunisia central bank governor sees no alternative to IMF deal, warns of 'Venezuelan scenario' – Tunisia's central bank governor said on Friday there was no alternative to the country agreeing a program with the International Monetary Fund, warning that central bank financing of the budget would lead to a "Venezuelan scenario." Tunisia, which has seen its debt burden rise and economy shrink by 8.8% in 2020, with the fiscal deficit at 11.4% of output, has started talks with the International Monetary Fund on a package of financial assistance. Central bank governor Marouan Abassi said central bank financing of the budget would send inflation out of control. "The central bank cannot open again the financing of the budget because inflation will rise uncontrollably and will be in three digits, and we will see a Venezuelan scenario repeated in Tunisia," he said. Years of hyperinflation in Venezuela have led to economic crisis in the once-prosperous OPEC nation. (Source: Bloomberg)

Fed's Daly Says Inflation Pressures Likely to Ease in 2022 – Factors pushing U.S. inflation higher are likely to ebb at the start of 2022, said Federal Reserve Bank of San Francisco President Mary Daly. "There's just going to be a sequence of these temporary factors that are going to persist probably through the end of the year," Daly said Friday in an interview with Bloomberg News. "They will start to roll off at the beginning of next year. How many of them will roll off or whether other bottlenecks will emerge as we start to get the economy back into shape and get back into recovery is hard to say." Daly, a voter this year on monetary policy, said she expects inflation to remain elevated through the end of 2021 and that a variety of pressures are adding to price increases right now, including supply-chain constraints in shipping and semiconductor manufacturing and the so-called base effect of comparing this year's prices to last year's pandemic-induced declines. Fed officials last month held interest rates near zero and vowed to maintain their massive monthly asset purchases until achieving "substantial further progress" on employment and inflation. There's a range of views among officials about when that test will be met. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.90	-1.09	KSA	2025	1.27	-0.97
Abu Dhabi	2030	2.02	-3.77	KSA	2030	2.42	-3.44
Abu Dhabi	2050	3.20	-8.22	KSA	2050	3.69	-7.12
Bahrain	2026	3.41	-1.47	Oman	2025	3.29	2.74
Bahrain	2030	5.55	-5.61	Oman	2029	4.90	3.16
Bahrain	2047	6.96	-10.03	Oman	2048	6.75	-0.15
Dubai	2029	2.48	-0.77	Qatar	2025	0.96	-1.19
Kuwait	2022	0.09	-0.94	Qatar	2030	2.11	-4.29
Kuwait	2027	1.47	-2.76	Qatar	2050	3.38	-9.46

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.68	8.08	0.05	-1.17
S&P MENA Bond and Sukuk Index	2.31	NA	0.00	-2.04
Bloomberg Emerging Markets USD Index	3.86	6.80	0.06	-1.74
Bloomberg Global Aggregate Index	1.15	7.42	0.01	-2.80

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	23/5/2021	31/12/2020	23/5/2021	31/12/2020	23/5/2021	31/12/2020
KIBOR	1.5000	1.4375	1.6875	1.6875	2.0000	1.9375
SAIBOR	0.7914	0.8175	0.8414	0.8700	0.9143	0.9413
BHIBOR	1.4333	2.2500	1.5367	2.5333	1.6833	2.6833
QATAR	1.1700	1.1206	1.2333	1.1960	1.3633	1.3636
AEIBOR	0.3456	0.5125	0.4800	0.4908	0.4267	0.6538
EURIBOR	-0.5430	-0.5450	-0.5130	-0.5260	-0.4790	-0.4990
LIBOR	0.1470	0.2384	0.1788	0.2576	0.2596	0.3419

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1707	-0.07	-11.3
2-Year	0.2500	0.04	26.4
5-Year	0.9114	0.68	112.0
7-Year	1.2671	0.07	93.6
10-Year	1.5933	-0.57	72.2
30-Year	2.0269	-0.71	44.6

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3010	0.1495	0.76
SAR	3.7502	0.0000	0.04
BHD	0.3770	0.0000	0.00
QAR	3.6413	0.0000	0.00
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

Commodities

	USD	YTD Δ (%)
Gold	1,878.90	-1.41
Silver	27.49	3.59
Copper	448.10	27.07
Nat. Gas	2.91	11.30
Aluminum	2,351.25	18.20
Crude Oil	66.44	29.03

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.15	-0.01
5-Year	0.82	-0.04
10-Year	1.62	0.05
30-Year	2.37	0.07

UK Gilts

	Yield %	1D Δ (%)
2-Year	0.03	0.01
5-Year	0.35	0.03
10-Year	0.83	0.06
30-Year	1.40	0.41

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.67	0.00
5-Year	-0.63	0.06
10-Year	-0.26	0.17
30-Year	0.44	0.41

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+
USD 5Yr CDS	23-May 2021	31-Dec 2020	
Kuwait	46.27	40.69	
KSA	62.27	63.77	
Abu Dhabi	41.98	36.03	
Dubai	86.26	104.06	
Qatar	41.94	36.70	
Bahrain	192.18	233.58	
Oman	248.61	353.60	
Iraq	511.43	542.74	
Egypt	321.67	330.47	
Morocco	85.69	102.56	
Turkey	397.56	299.47	
US	7.34	11.52	
UK	9.43	15.13	
China	38.75	26.70	
Japan	15.67	14.74	
Germany	9.41	9.09	
France	21.67	14.42	