

## News Updates

**Qatar Petroleum grabs \$12.5 bln in emerging market bonds record –** Qatar Petroleum (QP), one of the world's top liquefied natural gas (LNG) suppliers, sold \$12.5 billion in a jumbo four-tranche bond deal on Wednesday, a document showed, its first public bond sale and the biggest issuance out of emerging markets this year. QP tightened the spreads across all four tranches by 30 basis points (bps) after combined orders topped \$41 billion, the document from one of the banks on the deal showed. QP sold \$1.5 billion in a five-year portion at 50 bps over U.S. Treasuries (UST), \$3.5 billion in 10-year paper at 90 bps over UST, \$3.5 billion in 20-year notes at 3.15% and \$4 billion in 30-year Formosa bonds at 3.3%. The bonds landed roughly 10-15 bps wider than the sovereign's curve, which investors likened to Saudi oil giant Aramco's debt compared with Saudi sovereign debt. "The most obvious comparable to QP is Aramco which is roughly 10-15 bps wider than the sovereign. But QP contributes to 80% of Qatar's budget versus 60%" for Aramco's contribution to Saudi Arabia's budget, said Zeina Rizk, executive fixed income director at Arqaam Capital. (Source: National Post)

**Dubai Aerospace Enterprise announces early redemption of 1.25bln of notes –** Aircraft leasing company, Dubai Aerospace Enterprise, announced the early redemption of its \$800 million 4.50 percent senior notes due 2022 and the \$1 billion 5 percent senior notes due 2024. The notes are scheduled to be redeemed on August 2, 2021, the company said in a statement. The outstanding principal amount of the notes as of the date of the redemption notice was approximately 1.25 billion. The notes will be redeemed in accordance with the terms and conditions of the applicable indenture at a redemption price equal to 100 percent of the principal amount of the 4.50 percent notes and 102.500 percent of the principal amount of the 5 percent notes, plus accrued and unpaid interest, if any. In 2021, DAE issued new senior unsecured notes with a combined principal amount of \$2.55 billion, with a weighted average maturity of 4.5 years, and has redeemed or announced for redemption senior unsecured notes with a combined outstanding principal balance of approximately \$1.70 billion. (Source: Zawya)

**Oil Rises Toward \$74 as Market Waits for OPEC+ Output Meeting –** Oil rose toward \$74 a barrel in Asia as the market waited for a meeting later on Thursday at which OPEC+ will decide on production levels. Futures in New York edged higher after closing up 0.7% on Wednesday. A familiar dynamic has emerged in the alliance, with Russia and Kazakhstan proposing boosting supply while Saudi Arabia and its Gulf Arab allies favor a more cautious approach, according to delegates. While the group is expected to return some barrels to the market in August, nervousness over the fast-spreading delta virus variant may limit the increase. (Source: Bloomberg)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.72	-0.52	KSA	2025	1.11	-0.50
Abu Dhabi	2030	1.99	-3.59	KSA	2030	2.31	-2.77
Abu Dhabi	2050	3.04	-5.46	KSA	2050	3.50	-4.04
Bahrain	2026	3.54	-2.31	Oman	2025	3.27	2.62
Bahrain	2030	5.44	-5.14	Oman	2029	4.96	2.79
Bahrain	2047	6.79	-8.22	Oman	2048	6.73	0.12
Dubai	2029	2.42	-0.16	Qatar	2025	0.92	-1.27
Kuwait	2022	0.07	-1.15	Qatar	2030	2.01	-3.71
Kuwait	2027	1.29	-1.96	Qatar	2050	3.20	-6.59

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.60	8.08	0.06	0.01
S&P MENA Bond and Sukuk Index	2.21	NA	0.11	-0.49
Bloomberg Emerging Markets USD Index	3.81	6.80	0.00	-0.59
Bloomberg Global Aggregate Index	1.12	7.42	-0.06	-3.21

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	1/7/2021	31/12/2020	1/7/2021	31/12/2020	1/7/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7929	0.8175	0.8443	0.8700	0.9143	0.9413
BHIBOR	1.6417	2.2500	1.7333	2.5333	1.8667	2.6833
QATAR	0.9979	1.1206	1.0986	1.1960	1.2829	1.3636
AEIBOR	0.3498	0.5125	0.4396	0.4908	0.4595	0.6538
EURIBOR	-0.5410	-0.5450	-0.5130	-0.5260	-0.4800	-0.4990
LIBOR	0.1449	0.2384	0.1609	0.2576	0.2499	0.3419

## USD Swap Rates

	Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.1840	0.00	-4.4	KWD	0.3013	-0.0498
2-Year	0.3322	0.38	67.9	SAR	3.7507	0.0027
5-Year	0.9715	0.66	125.9	BHD	0.3771	-0.0027
7-Year	1.2219	0.35	86.7	QAR	3.6419	-0.0137
10-Year	1.4439	0.13	56.0	OMR	0.3850	0.0000
30-Year	1.7760	0.23	26.7	AED	3.6731	0.0000

## US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.25	-0.01	0.05	0.00	-0.72	0.00
5-Year	0.89	-0.01	0.33	0.08	-0.67	0.00
10-Year	1.47	0.01	0.71	0.23	-0.37	0.00
30-Year	2.09	-0.07	1.23	0.41	0.29	0.00

## 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+

## USD 5Yr CDS

	1-Jul 2021	31-Dec 2020
Kuwait	45.54	40.69
KSA	52.18	63.77
Abu Dhabi	37.33	36.03
Dubai	81.60	104.06
Qatar	37.72	36.70
Bahrain	198.26	233.58
Oman	234.98	353.60
Iraq	493.39	542.74
Egypt	322.93	330.47
Morocco	85.43	102.56
Turkey	381.43	299.47
US	7.18	11.52
UK	8.03	15.13
China	35.40	26.70
Japan	16.29	14.74
Germany	9.12	9.09
France	19.70	14.42