

News Updates

Saudi Central Bank Hikes Bill Issuance Cap to 10 Billion Riyals – The Saudi Central Bank more than tripled its weekly bill issuance ceiling to 10 billion riyals (\$2.24 billion) to help banks more efficiently manage their liquidity. Saudi lenders are dealing with a liquidity glut after the central bank provided a raft of support measures in response to the coronavirus. The regulator has provided over 100 billion riyals to local banks in liquidity injections and to cover the costs of loan deferrals for small businesses hit by the pandemic. Central bank moves have been key to stimulating the virus-battered economy after authorities refrained from providing an aggressive fiscal response. (Source: Bloomberg)

IMF Sees Qatar’s Economy Return to Growth, Wider Deficit in 2021 – Growing natural gas production and a rebound in domestic demand will help Qatar return to economic growth next year, according to the International Monetary Fund’s latest assessment of the country’s financial health. Gross domestic product will grow 2.7% in 2021 following a contraction of 2.5% this year, the IMF said in a statement following virtual meetings held with Qatari officials Dec. 6-14. It added that risks to this forecast mainly emanated from the global economic outlook. While Qatar is projecting it will run a budget deficit next year -- a shortfall the IMF pegs at 6% of the country’s GDP -- the fund said that the country’s decision to reprioritize some spending has kept the fiscal gap in check. “Postponing unawarded contracts on non-core, non-World Cup related investment projects and savings in operating spending helped to mitigate the impact from the lower oil price and a slowdown in economic activity,” the IMF said. (Source: Bloomberg)

Fitch affirms UAE’s ADNOC at ‘AA+’ on high output, vast reserves – Fitch Ratings (Fitch) on Sunday affirmed ADNOC Group a standalone credit rating of ‘AA+’ to reflect the energy giant’s high upstream production and vast oil reserves. The ratings agency also cited low cost of production, integration into downstream operations, conservative financial policies, high financial flexibility and strong unit profitability. In line with its Government-Related Entities (GRE) Rating Criteria and Parent and Subsidiary Linkage (PSL) Rating Criteria, Fitch also affirmed a Long-Term Issuer Default Rating (IDR) of ‘AA’ with a Stable Outlook to ADNOC, in line with the sovereign rating of Abu Dhabi, reflecting Fitch’s view of the strong links between ADNOC and the Abu Dhabi government. (Source: Gulf News)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.79	5.27	KSA	2025	1.15	6.96
Abu Dhabi	2030	1.57	9.67	KSA	2030	2.00	11.14
Abu Dhabi	2050	2.71	19.65	KSA	2050	3.21	10.72
Bahrain	2026	3.31	-1.20	Oman	2025	4.23	-1.38
Bahrain	2030	4.72	17.06	Oman	2029	5.42	-1.03
Bahrain	2047	6.09	-3.42	Oman	2048	6.70	-0.50
Dubai	2029	2.56	2.75	Qatar	2025	0.89	6.76
Kuwait	2022	0.24	1.25	Qatar	2030	1.62	12.60
Kuwait	2027	1.10	5.97	Qatar	2050	2.77	23.70

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.45	8.08	0.12	8.73
S&P MENA Bond and Sukuk Index	2.00	NA	0.02	9.19
Bloomberg Emerging Markets USD Index	3.53	6.80	0.04	6.13
Bloomberg Global Aggregate Index	0.85	7.42	-0.16	8.80

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	21/12/2020	31/12/2019	21/12/2020	31/12/2019	21/12/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	1.9375	3.1875
SAIBOR	0.8188	2.2314	0.8700	2.2557	0.9413	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.1000	2.2500	1.2000	2.3500	1.4000	2.5333
AEIBOR	0.4379	2.2086	0.5453	2.1914	0.7311	2.2900
EURIBOR	-0.5370	-0.3830	-0.5200	-0.3240	-0.4980	-0.2490
LIBOR	0.2358	1.9084	0.2585	1.9121	0.3340	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1937	0.02	-89.1
2-Year	0.2036	-0.13	-88.0
5-Year	0.4327	-1.81	-75.0
7-Year	0.6540	-2.21	-63.6
10-Year	0.9239	-2.55	-51.2
30-Year	1.4012	-2.18	-33.0

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.3038	-0.0165	-0.23
2-Year	3.7520	0.0000	-0.01
5-Year	0.3771	-0.0027	0.00
7-Year	3.6415	-0.0027	0.01
10-Year	0.3850	0.0000	-0.01
30-Year	3.6730	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.12	0.01
5-Year	0.37	0.09
10-Year	0.92	0.24
30-Year	1.67	0.55

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.11	0.04
5-Year	-0.05	0.17
10-Year	0.24	0.43
30-Year	0.80	1.06

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.76	0.00
5-Year	-0.77	0.00
10-Year	-0.63	0.00
30-Year	-0.17	0.17

Source: Bloomberg

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	B2	NR	B
Morocco	Ba1	BBB-	BB+
US	Aaa	AA+u	AAA
UK	Aa2	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS

	21-Dec 2020	31-Dec 2019
Kuwait	40.19	36.700
KSA	63.32	56.915
Abu Dhabi	34.99	36.090
Dubai	103.81	91.005
Qatar	36.05	36.705
Bahrain	242.50	175.995
Oman	351.80	234.400
Iraq	500.67	383.680
Egypt	335.74	277.420
Morocco	94.24	91.435
Turkey	319.30	282.130
US	12.89	10.810
UK	15.81	16.210
China	27.07	31.205
Japan	14.52	21.042
Germany	9.19	7.080
France	13.90	16.130