

News Updates

Aramco Oil Pipeline Group Readies Multi-Billion Dollar Bond – A group of investors in Saudi Aramco's oil pipelines is preparing to sell billions of dollars of bonds as soon as this week, according to people familiar with the matter. The consortium, led by Washington-based EIG, may raise at least \$4.5 billion, three of the people said. Citigroup Inc. and JPMorgan Chase & Co. will be among the banks managing the sale, the people said, asking not to be named because the matter is private. The debt will be used to refinance a loan of about \$10.5 billion taken on to fund the pipeline investment. EIG and Aramco declined to comment. China's Silk Road Fund and Abu Dhabi sovereign wealth fund Mubadala Investment Co. were also part of the consortium. It paid \$12.4 billion for a 49% stake in an Aramco subsidiary that has leasing rights over the pipelines. The deal was completed in June. (Source: Bloomberg)

Moody's changes outlook on seven Omani banks to stable – Moody's Investors Service has changed the outlook on seven Omani banks to stable from negative. The ratings agency said it has affirmed their long-term local and foreign currency deposit ratings. The banks under review are Bank Muscat, HSBC Bank Oman, Bank Dhofar, National Bank of Oman, Sohar International Bank, Oman Arab Bank and Bank Nizwa. The revisions are based on Moody's expectation that the operating environment for the banks will continue to improve. It has also changed the outlook on Ba3 Omani government's ratings to stable from negative. The higher oil prices have led to a large reduction in external vulnerability and government liquidity pressures and Moody's expects that oil prices will average above \$60/barrel during the next several years, increasing the likelihood that these pressures will remain contained. (Source: Zawya)

U.S. Treasury yield curve flattens as rate hike bets build – Mid-term U.S. Treasury yields resumed their upward march on Monday with five-year yields rising to their highest levels since early 2020 as traders positioned for expected central bank rate hikes. Yields on five-year bonds rose as high as 1.193%, their highest since February 2020, extending a two-week rising streak. They were last up 5.1 basis points at 1.1732%. Meanwhile yields on 30-year U.S. bonds were down slightly, flattening the gap between five-year and 30-year debt to about 86 basis points, the narrowest level since early last year. Raymond James market strategist Ellis Phifer said the higher mid-term yields showed investors positioning for higher rates, while maintaining confidence the U.S. Federal Reserve will be able to control long-term inflation. Yields on benchmark 10-year U.S. debt were up 2.6 basis points at 1.6019%. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.03	-2.07	KSA	2025	1.30	-1.70
Abu Dhabi	2030	2.08	-4.61	KSA	2030	2.42	-3.66
Abu Dhabi	2050	3.16	-7.59	KSA	2050	3.66	-6.67
Bahrain	2026	4.22	-5.52	Oman	2025	3.36	1.97
Bahrain	2030	5.82	-7.70	Oman	2029	4.81	3.50
Bahrain	2047	7.31	-13.61	Oman	2048	6.64	1.27
Dubai	2029	2.48	-1.00	Qatar	2025	1.20	-2.88
Kuwait	2022	-0.16	-1.89	Qatar	2030	2.18	-5.22
Kuwait	2027	1.61	-3.94	Qatar	2050	3.27	-7.74

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.75	8.08	-0.08	-0.29
S&P MENA Bond and Sukuk Index	2.36	NA	-0.04	-0.86
Bloomberg Emerging Markets USD Index	4.28	6.80	0.06	-1.65
Bloomberg Global Aggregate Index	1.26	7.42	-0.17	-4.35

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	19/10/2021	31/12/2020	19/10/2021	31/12/2020	19/10/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8157	0.8175	0.8629	0.8700	0.9371	0.9413
BHIBOR	1.5167	2.2500	1.6250	2.5333	1.8000	2.6833
QATAR	1.1500	1.1206	1.2000	1.1960	1.3500	1.3636
AEIBOR	0.3876	0.5125	0.4800	0.4908	0.5440	0.6538
EURIBOR	-0.5480	-0.5450	-0.5280	-0.5260	-0.4830	-0.4990
LIBOR	0.1236	0.2384	0.1605	0.2576	0.2796	0.3419

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.2348	-0.87	22.0	KWD	0.3019	-0.0331	0.48	Gold	1,774.70	-7.14
2-Year	0.5623	-1.98	184.3	SAR	3.7510	0.0053	0.02	Silver	23.51	-11.80
5-Year	1.2195	-1.95	183.6	BHD	0.3770	0.0053	0.02	Copper	476.00	35.07
7-Year	1.4182	-1.90	116.7	QAR	3.6421	-0.0137	-0.01	Nat. Gas	5.00	78.90
10-Year	1.5861	-1.86	71.4	OMR	0.3850	0.0000	0.00	Aluminum	3,163.00	57.64
30-Year	1.7875	-1.78	27.5	AED	3.6731	0.0000	0.00	Crude Oil	84.52	66.54

US Treasuries			UK Gilt		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.41	0.04	0.70	-0.31	-0.75	0.00
5-Year	1.15	0.09	0.83	-0.35	-0.62	0.00
10-Year	1.58	0.17	1.13	-0.28	-0.29	0.00
30-Year	2.01	0.45	1.37	0.11	0.21	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	Caa1	NR	B-
Morocco	Ba1	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	19-Oct 2021	31-Dec 2020
Kuwait	46.20	40.69
KSA	51.42	63.77
Abu Dhabi	42.84	36.03
Dubai	88.30	104.06
Qatar	42.64	36.70
Bahrain	296.49	233.58
Oman	249.51	353.60
Iraq	453.92	542.74
Egypt	450.79	330.47
Morocco	91.38	102.56
Turkey	451.06	299.47
US	12.40	11.52
UK	8.46	15.13
China	46.99	26.70
Japan	17.25	14.74
Germany	7.90	9.09
France	20.42	14.42