

News Updates

Burgan Bank redeemed KD100 Million, Subordinated Tier 2 Bonds issued in 2016 –

Burgan Bank K.P.S.C. successfully redeemed its KD 100 million Subordinated Tier 2 bonds due 9 March 2026 (bonds), in accordance with the terms and conditions of their issuance. The terms and conditions of the bonds' issuance stipulate that Burgan Bank may exercise a call option to redeem the bonds five years from the date of their issuance or on any interest payment date thereafter. The fixed and floating-rate tranches of the redeemed bonds carried coupon rates of 6.00% and 3.95% plus CBK Discount Rate, respectively. The redemption came after a US\$500 million Subordinated Tier 2 Capital Securities issuance in the international debt capital markets in December 2020. The new bonds were priced at a fixed-rate of 2.75% and have an eleven-year tenor with a call option for redemption after six years from the date of their issuance (11NC6) or on any interest payment date thereafter. The new bonds also have an A- rating by Fitch. (Source: Zawya)

Saudi Real Estate Refinance Co sells domestic Sukuk – Saudi Real Estate Refinance Co (SRC), modelled on US mortgage finance firm Fannie Mae, has issued SAR 4 billion (\$1.07 billion) in a two-tranche private placement of Sukuk last week, the company's chief executive, Fabrice Susini, told Reuters. The issuance was SRC's third in the local currency, but the first to be guaranteed by the Saudi finance ministry. Moreover, the company plans to issue Sukuk denominated in US dollars by the end of this year. Founded in 2017, SRC is owned by the Public Investment Fund (PIF) and aims to develop the housing finance market in Saudi Arabia. (Source: Mubasher)

S&P: Domestic credit growth in Saudi Arabia to stay strong –

Domestic credit growth in Saudi Arabia is likely to stay strong in 2021-2022, following the sharp 14 percent year-on-year increase in 2020, said S&P Global Ratings. “We anticipate solid mortgage and retail loan growth, supported by government efforts to meet Vision 2030 targets and strong demand for housing from Saudi nationals. Over the next couple of years, we forecast that mortgage portfolios will expand by about 30 percent a year.” The Public Investment Fund has recently announced investment initiatives that are expected to spur corporate credit growth, mostly in construction-related industries. This will offset the gradual lifting of support aimed at easing the impact of the pandemic, S&P said. The COVID-19 support package included the deferral of loans to small and midsize enterprises. “Overall, we project that credit growth will remain stable at about 10 percent in 2021-2022. This suggests that economic imbalances are in the expansionary phase; we see the risks as intermediate, at this stage.” Under our revised assumptions, domestic private sector credit is likely to consistently exceed 80 percent of GDP in 2021-2022, compared with our earlier expectation of 75 percent,” the report said. (Source: Zawya)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.07	-1.42	KSA	2025	1.44	-1.38
Abu Dhabi	2030	2.22	-5.18	KSA	2030	2.61	-4.92
Abu Dhabi	2050	3.43	-11.79	KSA	2050	3.95	-10.95
Bahrain	2026	3.05	-0.29	Oman	2025	3.64	1.66
Bahrain	2030	5.55	-5.46	Oman	2029	5.23	1.14
Bahrain	2047	6.78	-8.66	Oman	2048	6.94	-2.37
Dubai	2029	2.79	-2.15	Qatar	2025	1.17	-1.52
Kuwait	2022	0.27	-0.56	Qatar	2030	2.30	-5.40
Kuwait	2027	1.59	-2.98	Qatar	2050	3.59	-12.59

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.82	8.08	0.22	-3.25
S&P MENA Bond and Sukuk Index	2.40	NA	0.01	-3.90
Bloomberg Emerging Markets USD Index	3.98	6.80	0.20	-3.69
Bloomberg Global Aggregate Index	1.12	7.42	0.28	-3.70

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	10/3/2021	31/12/2020	10/3/2021	31/12/2020	10/3/2021	31/12/2020
KIBOR	1.5000	1.4375	1.6875	1.6875	1.9375	1.9375
SAIBOR	0.7975	0.8175	0.8438	0.8700	0.9188	0.9413
BHIBOR	1.8917	2.2500	1.9583	2.5333	2.2583	2.6833
QATAR	0.8833	1.1206	1.0167	1.1960	1.1833	1.3636
AEIBOR	0.3366	0.5125	0.4224	0.4908	0.6450	0.6538
EURIBOR	-0.5370	-0.5450	-0.5150	-0.5260	-0.4830	-0.4990
LIBOR	0.1825	0.2384	0.1963	0.2576	0.2803	0.3419

USD Swap Rates

Currencies				Commodities						
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.1911	-0.08	-0.7	KWD	0.3025	-0.0331	0.28	Gold	1,711.40	-9.91
2-Year	0.2414	-0.49	22.0	SAR	3.7515	0.0053	0.01	Silver	25.89	-2.20
5-Year	0.8823	-0.04	105.2	BHD	0.3771	0.0080	-0.02	Copper	402.25	14.15
7-Year	1.2337	0.30	88.5	QAR	3.6419	0.0027	-0.01	Nat. Gas	2.65	4.22
10-Year	1.5530	0.77	67.8	OMR	0.3850	0.0000	0.00	Aluminum	2,142.00	8.32
30-Year	1.9583	1.38	39.7	AED	3.6730	0.0082	0.01	Crude Oil	66.93	29.26

US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.16	0.01	0.07	0.03
5-Year	0.81	-0.01	0.33	0.12
10-Year	1.54	-0.08	0.72	0.31
30-Year	2.25	-0.30	1.24	0.97

Sovereign Ratings

	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	BBB-	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+
USD 5Yr CDS	10-Mar 2021	31-Dec 2020	
Kuwait	44.36	40.69	
KSA	68.76	63.77	
Abu Dhabi	47.80	36.03	
Dubai	103.71	104.06	
Qatar	47.68	36.70	
Bahrain	215.53	233.58	
Oman	310.44	353.60	
Iraq	466.08	542.74	
Egypt	293.42	330.47	
Morocco	91.96	102.56	
Turkey	335.26	299.47	
US	10.15	11.52	
UK	12.72	15.13	
China	34.74	26.70	
Japan	14.14	14.74	
Germany	8.81	9.09	
France	14.45	14.42	