

News Updates

Dubai Islamic Bank gives price guidance for AT1 sukuk – Dubai Islamic Bank, the United Arab Emirates' largest Islamic lender, gave on Tuesday price guidance of between 3.625% and 3.75% for U.S. dollar-denominated Additional Tier 1 sukuk, a document showed. Dubai Islamic Bank, Emirates NBD Capital, First Abu Dhabi Bank, HSBC and Standard Chartered are arranging the deal, expected to close later on Tuesday, the document from one of the banks showed. (Source: Zawya)

X-S&PGR Study Says Sovereign Defaults Reached High In 2020 – Sovereign defaults reached a record high of seven in 2020 as COVID-19 and falling oil prices hurt global credit quality, said S&P Global Ratings today in its "2020 Annual Sovereign Default And Rating Transition Study." Meanwhile, sovereign downgrades rose to their highest tally since 2011 and outnumbered upgrades by a ratio of 10 to 1. With the global economy falling into a sudden recession in the first half of 2020, sovereigns that entered the year with weaker ratings were most exposed to the challenging credit conditions. All of the defaults were from sovereigns rated 'B' or lower, and most downgrades were of speculative-grade sovereigns (rated 'BB+' or lower) from the emerging and frontier markets. (Source: Bloomberg)

U.S. budget deficit hits record high for March as aid swells outlays – The U.S. government posted a March budget deficit of \$660 billion, a record high for the month, as direct payments to Americans under President Joe Biden's stimulus package were distributed, the Treasury Department said on Monday. The deficit for the first six months of the 2021 fiscal year ballooned to a record \$1.706 trillion, compared to a \$743 billion deficit for the comparable year-earlier period. (Source: Reuters)

Fed's Rosengren says U.S. economy should see significant rebound this year – The U.S. economy could see a significant rebound this year thanks to accommodative monetary and fiscal policy, but the labor market still has much room for improvement, Boston Federal Reserve Bank President Eric Rosengren said on Monday. "With labor-market slack still significant, and inflation still below the Federal Reserve's 2 percent target, my perspective is that the current highly accommodative stance of monetary policy is appropriate," Rosengren said during a virtual discussion with business leaders. Coronavirus vaccines' ability to successfully prevent the spread of new variants of the virus would also be important, he said. "Assuming virus variants do not become especially problematic, we should see an unusually strong post-recession recovery," he said. Under a new framework adopted last year, Fed officials will be patient and leave rates near zero until inflation materializes - no longer raising rates in anticipation of higher inflation when the unemployment rate is low, Rosengren said. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.97	-1.14	KSA	2025	1.42	-1.39
Abu Dhabi	2030	2.11	-4.37	KSA	2030	2.56	-4.50
Abu Dhabi	2050	3.26	-9.18	KSA	2050	3.81	-8.74
Bahrain	2026	3.37	-1.00	Oman	2025	3.38	2.52
Bahrain	2030	5.51	-5.31	Oman	2029	5.14	1.65
Bahrain	2047	6.92	-9.50	Oman	2048	6.85	-1.32
Dubai	2029	2.74	-1.78	Qatar	2025	1.09	-1.45
Kuwait	2022	0.20	-0.72	Qatar	2030	2.23	-5.03
Kuwait	2027	1.61	-3.23	Qatar	2050	3.43	-10.15

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.78	8.08	0.06	-2.22
S&P MENA Bond and Sukuk Index	2.40	NA	0.04	-2.89
Bloomberg Emerging Markets USD Index	3.95	6.80	0.13	-2.74
Bloomberg Global Aggregate Index	1.13	7.42	0.05	-3.76

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	13/4/2021	31/12/2020	13/4/2021	31/12/2020	13/4/2021	31/12/2020
KIBOR	1.5000	1.4375	1.6875	1.6875	2.0000	1.9375
SAIBOR	0.7971	0.8175	0.8443	0.8700	0.9171	0.9413
BHIBOR	1.2500	2.2500	1.3917	2.5333	1.6417	2.6833
QATAR	1.1808	1.1206	1.2369	1.1960	1.3293	1.3636
AEIBOR	0.3704	0.5125	0.4479	0.4908	0.5332	0.6538
EURIBOR	-0.5440	-0.5450	-0.5220	-0.5260	-0.4970	-0.4990
LIBOR	0.1875	0.2384	0.2114	0.2576	0.2858	0.3419

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2110	0.02	9.6
2-Year	0.2939	0.54	48.6
5-Year	1.0128	2.85	135.5
7-Year	1.3846	2.96	111.5
10-Year	1.7124	2.91	85.1
30-Year	2.1281	1.99	51.8

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3019	0.0663	0.48
SAR	3.7504	0.0027	0.04
BHD	0.3770	0.0053	0.00
QAR	3.6420	-0.0027	-0.01
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

Commodities

	USD	YTD Δ (%)
Gold	1,724.50	-9.37
Silver	24.84	-6.19
Copper	401.10	13.82
Nat. Gas	2.55	-0.23
Aluminum	2,246.50	13.33
Crude Oil	63.68	23.27

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.17	0.00
5-Year	0.91	-0.13
10-Year	1.70	-0.25
30-Year	2.36	-0.44

UK Gilts

	Yield %	1D Δ (%)
2-Year	0.05	-0.02
5-Year	0.37	-0.06
10-Year	0.81	-0.23
30-Year	1.33	-0.43

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.68	0.00
5-Year	-0.71	-0.03
10-Year	-0.40	-0.11
30-Year	0.27	-0.37

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	13-Apr 2021	31-Dec 2020	
Kuwait	48.14	40.69	
KSA	66.50	63.77	
Abu Dhabi	46.10	36.03	
Dubai	92.56	104.06	
Qatar	46.13	36.70	
Bahrain	188.74	233.58	
Oman	273.80	353.60	
Iraq	542.34	542.74	
Egypt	323.73	330.47	
Morocco	90.25	102.56	
Turkey	440.68	299.47	
US	8.33	11.52	
UK	10.28	15.13	
China	40.59	26.70	
Japan	15.45	14.74	
Germany	9.10	9.09	
France	17.73	14.42	