

News Updates

Bank Muscat Hires Advisers for USD RegS 5-Year Bond – Bank Muscat has mandated Bank ABC, Bank Muscat, Citi, Emirates NBD Capital, First Abu Dhabi Bank, HSBC, JPMorgan, Mizuho, MUFG and Standard Chartered Bank and as joint lead managers and bookrunners to arrange a global fixed-income investor call and series of small-group and one-on-one investor meetings commencing on Monday, March 8. A benchmark fixed rate USD 5-year RegS senior unsecured bond offering expected to be rated Ba3 by Moody's and BB- by Fitch under Bank Muscat's \$2b EMTN program will follow, subject to market conditions. FCA/ICMA stabilisation applies. (Source: Bloomberg)

Saudi Arabia Oil Attack Could Put U.S. Fed Policy to the Test – Crude's price leap following attacks on Saudi Arabia's oil facilities, claimed by Iran-backed Houthi rebels, could stoke inflationary fires, adding a dollop of precariousness to the U.S. Fed's balancing act between nurturing recovery and containing inflation. WTI rising to \$68 a barrel in Asia implies a \$35 risk premium, according to Bloomberg's analysis. (Source: Bloomberg)

Emerging-Market ETF Investors Pile Into Stocks and Out of Bonds – Exchange-traded fund investors added money to emerging-market stocks while withdrawing from bonds as they weighed the prospects of stronger global growth and a pickup in U.S. yields. U.S.-listed ETFs that invest in developing-nation equities received \$1.6 billion in the week ended March 5, while bond ETFs lost \$838 million, according to data compiled by Bloomberg. That resulted in a net \$753.2 million inflow to emerging markets, compared with \$2 billion the week before, and was the 18th straight week of positive flows in a \$30.3 billion streak. (Source: Bloomberg)

Treasuries Outlook-U.S. yields climb as reflation theme persists – U.S. Treasury yields advanced on Monday, with the belly of the curve leading the way, as investors continued to price in higher inflation and more upbeat prospects for the U.S. economy as it emerges from the coronavirus pandemic. The U.S. 5-year and 7-year note yields were up between five to six basis points, while that of the benchmark 10-year note hit a nearly 13-month high. The break-even inflation rate on 10-year Treasury Inflation Protected Securities, a gauge of expected annual inflation over the next 10 years, climbed to 2.26% on Monday, the highest level since July 2014, from 2.23% last Friday. The breakeven rate was last at 2.22%. The U.S. yield curve was flatter on Monday, with the spread between 2-year and 10-year notes at 143.1 basis points, after hitting its steepest level since September 2015 on Friday. “If the sell-off in rates continues, we may see a repeat of the 2013 experience, pushing yields beyond fair value,” TD Securities said in a research note. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.07	-1.44	KSA	2025	1.45	-1.46
Abu Dhabi	2030	2.20	-5.11	KSA	2030	2.64	-5.18
Abu Dhabi	2050	3.47	-12.50	KSA	2050	3.99	-11.51
Bahrain	2026	3.55	-1.51	Oman	2025	3.63	1.66
Bahrain	2030	5.49	-5.15	Oman	2029	5.33	0.49
Bahrain	2047	6.93	-9.52	Oman	2048	7.04	-3.60
Dubai	2029	2.79	-2.21	Qatar	2025	1.18	-1.54
Kuwait	2022	0.29	-0.60	Qatar	2030	2.31	-5.52
Kuwait	2027	1.58	-2.93	Qatar	2050	3.66	-13.81

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.84	8.08	-0.57	-3.47
S&P MENA Bond and Sukuk Index	2.40	NA	-0.37	-3.91
Bloomberg Emerging Markets USD Index	3.98	6.80	-0.73	-3.88
Bloomberg Global Aggregate Index	1.14	7.42	-0.41	-3.97

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	9/3/2021	31/12/2020	9/3/2021	31/12/2020	9/3/2021	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	0.9168	1.1206	1.0375	1.1960	1.2292	1.3636
AEIBOR	0.3563	0.5125	0.4797	0.4908	0.5867	0.6538
EURIBOR	-0.5370	-0.5450	-0.5140	-0.5260	-0.4870	-0.4990
LIBOR	0.1854	0.2384	0.1959	0.2576	0.2778	0.3419

USD Swap Rates

Currencies				Commodities						
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.1970	0.20	2.3	KWD	0.3024	-0.1158	0.31	Gold	1,686.30	-11.23
2-Year	0.2563	0.19	29.6	SAR	3.7521	-0.0027	-0.01	Silver	25.43	-3.96
5-Year	0.9225	-1.41	114.5	BHD	0.3771	0.0186	-0.02	Copper	411.20	16.69
7-Year	1.2786	-2.04	95.3	QAR	3.6417	-0.0082	-0.01	Nat. Gas	2.65	4.49
10-Year	1.5992	-2.63	72.8	OMR	0.3850	0.0000	0.00	Aluminum	2,145.75	8.51
30-Year	2.0103	-3.44	43.4	AED	3.6730	0.0082	0.01	Crude Oil	68.82	32.91

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.16	0.00	0.09	0.00	-0.64	-0.01
5-Year	0.84	0.07	0.35	0.03	-0.67	-0.07
10-Year	1.57	0.22	0.75	0.01	-0.39	-0.22
30-Year	2.29	0.66	1.28	0.02	0.22	-0.48

Currencies

	USD	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (%)
Gold	1,686.30	-11.23		Silver	25.43	-3.96
Copper	411.20	16.69		Nat. Gas	2.65	4.49
Aluminum	2,145.75	8.51		Crude Oil	68.82	32.91

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Crude Oil	68.82	32.91

UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.16	0.00	0.09	0.00	-0.64	-0.01
5-Year	0.84	0.07	0.35	0.03	-0.67	-0.07
10-Year	1.57	0.22	0.75	0.01	-0.39	-0.22
30-Year	2.29	0.66	1.28	0.02	0.22	-0.48

German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.16	0.00	0.09	0.00	-0.64	-0.01
5-Year	0.84	0.07	0.35	0.03	-0.67	-0.07
10-Year	1.57	0.22	0.75	0.01	-0.39	-0.22
30-Year	2.29	0.66	1.28	0.02	0.22	-0.48

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

	9-Mar 2021	31-Dec 2020
Kuwait	43.87	40.69
KSA	71.09	63.77
Abu Dhabi	49.93	36.03
Dubai	101.11	104.06
Qatar	49.94	36.70
Bahrain	205.85	233.58
Oman	312.53	353.60
Iraq	472.54	542.74
Egypt	293.41	330.47
Morocco	92.86	102.56
Turkey	342.52	299.47
US	10.12	11.52
UK	14.02	15.13
China	34.46	26.70
Japan	14.50	14.74
Germany	8.97	9.09
France	14.47	14.42