

News Updates

DIB's shareholders to authorise board to issue senior, additional Tier 1 Sukuk – The shareholders of Dubai Islamic Bank (DIB) will consider authorising the board to issue any senior Sukuk or similar instruments, which are not convertible into shares, at a total amount not exceeding \$7.5 billion. During its upcoming ordinary general meeting (OGM), the company will also allow the board to issue additional Tier 1 non-convertible Sukuk at a total amount not exceeding \$1.5 billion, according to the bank's disclosure to the Dubai Financial Market (DFM). In addition, the company's shareholders will study the board's recommendation to distribute cash dividends, equivalent to 20% of the capital and aggregating to an amount of AED 1.445 billion. It is noteworthy to mention that in 2020, DIB reported a decrease in net profits attributable to the owners to AED 3.293 billion from AED 5.014 billion in 2019. (Source: Mubasher)

Goldman Strategists Say Fed Hike Pricing Getting Close to Limit – Market pricing shows traders are bringing forward forecasts for when the Federal Reserve will raise interest rates amid growing reflation optimism. At the same time, there are limits to how fast the central bank can act. The Fed wants to end asset purchases before commencing rate hikes, which provides a “soft bound -- around late 2022 – as the earliest plausible liftoff time,” according to Goldman Sachs Group Inc. strategists including Praveen Korapaty in New York. Interest-rate swap markets are pricing the first 25 basis point of Fed hikes around mid-2023, versus early 2024 earlier in February. While there's now 50 basis points of increases expected for 2024, any more may be hard to sustain, the strategists wrote in a note. Growing optimism over U.S. stimulus spending, vaccine roll-outs and a global economic recovery has driven up market-based measures of inflation and spurred a selloff in bonds around the world. Benchmark 10-year Treasury yields have jumped almost 20 basis points in just over a week. Read more: Fed's Williams Says Rising Treasury Yields. (Source: Bloomberg)

Brent Oil Climbs Back Near \$64 With Goldman Seeing More Gains – Brent oil resumed gains as the market assessed the fallout from the big freeze across Texas, with Goldman Sachs Group Inc. predicting prices will advance into the \$70s in coming months. Futures in London rose back near \$64 a barrel on Monday after faltering at the end of last week as U.S. production slowly resumed following an easing of temperatures. A robust recovery from the Covid-19 outbreak had pushed prices to the highest settlement in over a year on Wednesday and Goldman sees the rally accelerating as demand outpaces supply from OPEC+, shale and Iran. Saudi Arabia and Russia, meanwhile, are heading toward an OPEC+ meeting next week with differing opinions about adding more supply to the market in April. The kingdom wants to hold output steady, according to delegates, but Moscow is indicating that it still wants to proceed with an increase. Crude has gained more than 20% this year after a pledge from Saudi Arabia last month to deepen production curbs turbo-charged a rally triggered by Covid-19 vaccine breakthroughs. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.82	-0.46	KSA	2025	1.19	-0.24
Abu Dhabi	2030	1.86	-2.30	KSA	2030	2.19	-1.60
Abu Dhabi	2050	3.10	-6.46	KSA	2050	3.58	-5.30
Bahrain	2026	3.33	-0.51	Oman	2025	3.58	1.94
Bahrain	2030	5.12	-2.63	Oman	2029	5.20	1.40
Bahrain	2047	6.55	-5.32	Oman	2048	6.92	-2.09
Dubai	2029	2.48	0.19	Qatar	2025	0.88	-0.37
Kuwait	2022	0.41	-0.59	Qatar	2030	1.92	-2.56
Kuwait	2027	1.35	-1.64	Qatar	2050	3.20	-6.48

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.55	8.08	-0.05	-1.06
S&P MENA Bond and Sukuk Index	2.13	NA	-0.07	-1.50
Bloomberg Emerging Markets USD Index	3.59	6.80	-0.20	-1.25
Bloomberg Global Aggregate Index	1.01	7.42	0.01	-1.94

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	22/2/2021	31/12/2020	22/2/2021	31/12/2020	22/2/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8050	0.8175	0.8500	0.8700	0.9238	0.9413
BHIBOR	2.0667	2.2500	2.3500	2.5333	2.6200	2.6833
QATAR	1.0350	1.1206	1.1277	1.1960	1.2753	1.3636
AEIBOR	0.3288	0.5125	0.4110	0.4908	0.5100	0.6538
EURIBOR	-0.5430	-0.5450	-0.5170	-0.5260	-0.4940	-0.4990
LIBOR	0.1753	0.2384	0.1950	0.2576	0.2865	0.3419

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1714	0.00	-11.0
2-Year	0.2032	0.18	2.7
5-Year	0.7445	3.84	73.1
7-Year	1.1070	4.66	69.1
10-Year	1.4748	5.11	59.4
30-Year	1.9726	5.09	40.7

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3022	0.0827	0.36
SAR	3.7506	0.0000	0.03
BHD	0.3771	0.0027	-0.01
QAR	3.6415	-0.0082	0.00
OMR	0.3850	0.0000	0.00
AED	3.6731	0.0000	0.00

Oil Prices

	Brent Crude
31/12/2016	58.49
31/12/2017	58.08
31/12/2018	56.72
31/12/2019	59.96
31/12/2020	51.68
22/2/2021	63.88

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.11	0.00
5-Year	0.61	-0.16
10-Year	1.39	-0.43
30-Year	2.18	-0.96

UK Gilts

	Yield %	1D Δ (%)
2-Year	0.05	-0.05
5-Year	0.27	-0.31
10-Year	0.70	-0.90
30-Year	1.26	-1.48

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.65	0.00
5-Year	-0.68	-0.05
10-Year	-0.41	-0.34
30-Year	0.21	-1.55

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	Aa3	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	22-Feb 2021	31-Dec 2020
Kuwait	41.68	40.69
KSA	59.82	63.77
Abu Dhabi	40.54	36.03
Dubai	100.59	104.06
Qatar	40.89	36.70
Bahrain	226.10	233.58
Oman	323.46	353.60
Iraq	498.60	542.74
Egypt	299.46	330.47
Morocco	98.91	102.56
Turkey	282.69	299.47
US	10.51	11.52
UK	13.92	15.13
China	28.05	26.70
Japan	13.87	14.74
Germany	8.97	9.09
France	13.70	14.42