

## News Updates

### Dubai's Biggest Bank Plans Gulf's First Dollar Bond Sale of 2021 –

Emirates NBD PJSC may sell the first dollar- denominated bonds from the Middle East this year amid a bullish trend in the global credit markets. The biggest bank in Dubai hired Industrial & Commercial Bank of China, ING Groep NV, Mizuho Securities Co., Standard Chartered Bank Plc and Emirates NBD Capital to arrange investor calls on Tuesday, according to a person familiar with the matter, who asked not to be identified because the matter is private. The unprecedented monetary stimulus to help economies stung by the coronavirus crisis has brought yields near or below zero and encouraged issuers to offer debt while it remains cheap to do so. Emirates NBD's potential sale also comes amid signs of a resolution to the dispute between Qatar and its neighbors, potentially boosting appetite for assets from the Gulf. Governments and companies in the Gulf will issue about \$120 billion of dollar debt and Islamic securities this year, according to Franklin Templeton. That compares with a record \$126 billion last year. Emirates NBD U.S.\$ Senior, Unsecured IPT is at MS+140bps Area (Source: Bloomberg)

### Saudis Take Charge of Oil Market With Surprise Production Cut –

Saudi Arabia surprised the market with a large cut in crude production, a bold assertion of primacy over the global oil industry that came directly from the kingdom's de-facto ruler. The move papered over cracks in the OPEC+ coalition and was a U-turn from some recent Saudi oil-policy priorities, but those things paled in comparison next to the global impact of the decision. Crude prices jumped to a 10-month high and shares of energy giants in London and shale drillers in Texas surged. Since the start of the week, the oil market has been focused on the meeting between the Organization of Petroleum Exporting Countries and its allies. Since late December, Russia had been pushing for a supply hike of about 500,000 barrels a day for February, and there was reason to think it would prevail. Saudi Arabia shattered those assumptions, pledging an additional unilateral cut of 1 million barrels a day in February and March, while most of the rest of the group kept output steady. (Source: Bloomberg)

### Bond Traders Lean Toward Higher U.S. Yields Amid Georgia Runoff

– Traders are factoring in a greater chance of a Blue Sweep in the U.S. Senate runoff election results in Georgia, with the U.S. yield curve steepening to multi-year highs on the prospect of more-generous government spending. The benchmark 10-year Treasury yield rose four basis points to just under 1%, indicating that traders see the Democrats picking up the two seats. The outcome is seen as having huge implications for Treasury supply this year, as well as the direction of yields. A unified Democratic government is expected to provide a green light for additional fiscal stimulus, spurring more bond issuance and higher yields on longer-maturity Treasuries. (Source: Bloomberg)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.77	-0.07	KSA	2025	1.12	0.20
Abu Dhabi	2030	1.56	0.08	KSA	2030	2.04	-0.07
Abu Dhabi	2050	2.81	-1.26	KSA	2050	3.35	-1.56
Bahrain	2026	3.28	0.03	Oman	2025	4.08	0.17
Bahrain	2030	4.80	-0.32	Oman	2029	5.37	0.31
Bahrain	2047	6.11	-0.05	Oman	2048	6.70	0.40
Dubai	2029	2.46	0.37	Qatar	2025	0.87	-0.05
Kuwait	2022	0.21	-0.14	Qatar	2030	1.64	-0.16
Kuwait	2027	1.15	-0.30	Qatar	2050	2.89	-1.12

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.47	8.08	-0.09	-0.20
S&P MENA Bond and Sukuk Index	2.03	NA	-0.18	-0.37
Bloomberg Emerging Markets USD Index	3.51	6.80	-0.17	-0.15
Bloomberg Global Aggregate Index	0.84	7.42	-0.05	0.10

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	6/1/2021	31/12/2020	6/1/2021	31/12/2020	6/1/2021	31/12/2020
KIBOR	1.4375	1.4375	1.6875	1.6875	1.9375	1.9375
SAIBOR	0.8163	0.8175	0.8675	0.8700	0.9400	0.9413
BHIBOR	2.2500	2.2500	2.5333	2.5333	2.6833	2.6833
QATAR	1.0513	1.1206	1.1387	1.1960	1.4133	1.3636
AEIBOR	0.4825	0.5125	0.5321	0.4908	0.6398	0.6538
EURIBOR	-0.5460	-0.5450	-0.5320	-0.5260	-0.5020	-0.4990
LIBOR	0.2373	0.2384	0.2559	0.2576	0.3406	0.3419

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1899	0.26	-1.4
2-Year	0.2010	0.72	1.6
5-Year	0.4709	2.91	9.5
7-Year	0.7091	3.41	8.3
10-Year	0.9895	3.70	6.9
30-Year	1.4864	3.97	6.0

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3031	0.0660	0.07
SAR	3.7517	0.0000	0.01
BHD	0.3770	-0.0027	0.00
QAR	3.6420	0.0082	0.00
OMR	0.3850	-0.0026	0.00
AED	3.6730	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.13	-0.01
5-Year	0.41	-0.14
10-Year	1.00	-0.37
30-Year	1.75	-1.02

Source: Bloomberg

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.16	-0.03
5-Year	-0.10	-0.06
10-Year	0.21	-0.46
30-Year	0.78	-1.31

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.71	-0.02
5-Year	-0.76	-0.06
10-Year	-0.64	-0.24
30-Year	-0.17	-0.95

## 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	Aa2	AAu	AA-
China	A1	A+	A+

## USD 5Yr CDS

	6-Jan 2021	31-Dec 2020
Kuwait	40.70	36.700
KSA	65.43	56.915
Abu Dhabi	38.28	36.090
Dubai	101.36	91.005
Qatar	39.81	36.705
Bahrain	219.31	175.995
Oman	335.56	234.400
Iraq	551.64	383.680
Egypt	305.72	277.420
Morocco	99.32	91.435
Turkey	313.75	282.130
US	11.60	10.810
UK	14.92	16.210
China	27.93	31.205
Japan	14.03	21.042
Germany	9.15	7.080
France	14.89	16.130