

## News Updates

**Abu Dhabi Offers Second Dollar Bond for 2021 Amid Low Yields –** Abu Dhabi returned to international debt markets for the second time this year with a two-part dollar-denominated offering to take advantage of low borrowing costs. The oil-rich capital of the United Arab Emirates sold \$3 billion in 10- and 30-year maturities on Wednesday. The 10-year \$1.75 billion tranche priced at 63 basis points over Treasuries, down from an initial price target of 90 basis points. Abu Dhabi also sold \$1.25 billion in a 30-year tranche that priced at a 3% yield. Dovish comments from Federal Reserve Chair Jerome Powell have stoked demand for risky assets, while disappointing U.S. jobs data has dimmed the odds that the central bank will speed up the rollback of its massive bond-buying program, keeping a lid on borrowing costs. The yield on Abu Dhabi's bond due 2028, which the emirate sold in May, is trading near its all-time low of 1.56% reached at the end of August. The wealthiest of the seven sheikdoms that make up the UAE, Abu Dhabi has the third-highest debt ratings of AA and Aa2 from S&P Global Ratings and Moody's Investors Service, respectively. (Source: Bloomberg)

**Sukuk Sales May Decline in 2021 on Higher Oil, Moody's Says –** Sales of Islamic bonds will be “flat or slightly lower” in 2021 following five years of growth, as higher oil prices reduce sovereign funding needs among Gulf Cooperation Council countries, according to Moody's Investors Service. Total gross short- and long-term sukuk issuance in 2021 is set to amount to between \$190 billion and \$200 billion following the record \$205 billion raised in 2020. They see sales of \$90 billion to \$100 billion in the second half of the year amid continued economic recovery, improved liquidity in debt markets and strong investor demand. Reduced sukuk offerings by GCC governments was partly offset by stronger activity in the corporate sector and increased issuance from Southeast Asia. Still, the sukuk market will likely maintain its long-term growth trend, backed by new entrants, low penetration and innovative new Islamic products, such as green and sustainable securities. “Green sukuk issuance will also accelerate as governments promote sustainable policy agendas and as demand for sustainable investments encourages new issuers to consider green sukuk as an alternative financing tool,” analysts including Dubai-based Ashraf Madani wrote in a report (Source: Bloomberg)

**Egypt Has Crisis Experience to Handle a Fed Taper, Minister Says –** Egypt's finance minister voiced confidence in his country's ability to cope should the U.S. Federal Reserve start tapering its pandemic stimulus, a risk because that may undercut the North African nation's appeal among investors. “We are closely monitoring” how the Fed's decision could affect the cost of borrowing, Mohamed Maait said in an interview with Bloomberg TV. “We are taking into consideration our experience with such a situation,” he said, recalling the more than \$20 billion that left the country over the past three years as a result of volatility in emerging markets and the impact of the Covid-19 pandemic. “We have to be ready, always,” Maait said. (Source: Bloomberg)

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## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.75	-0.93	KSA	2025	1.08	-0.69
Abu Dhabi	2030	1.82	-2.51	KSA	2030	2.16	-1.70
Abu Dhabi	2050	3.00	-4.74	KSA	2050	3.49	-4.08
Bahrain	2026	3.76	-3.63	Oman	2025	3.16	2.71
Bahrain	2030	5.45	-5.31	Oman	2029	4.77	3.92
Bahrain	2047	6.83	-8.58	Oman	2048	6.46	3.56
Dubai	2029	2.46	-0.63	Qatar	2025	0.94	-1.72
Kuwait	2022	0.06	-1.65	Qatar	2030	1.90	-3.04
Kuwait	2027	1.21	-1.92	Qatar	2050	3.13	-5.50

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.56	8.08	0.02	0.91
S&P MENA Bond and Sukuk Index	2.17	NA	0.01	0.29
Bloomberg Emerging Markets USD Index	3.85	6.80	0.07	0.53
Bloomberg Global Aggregate Index	1.06	7.42	-0.07	-2.57

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	09/09/2021	31/12/2020	09/09/2021	31/12/2020	09/09/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7957	0.8175	0.8443	0.8700	0.9143	0.9413
BHIBOR	1.5667	2.2500	1.6333	2.5333	1.8250	2.6833
QATAR	1.0252	1.1206	1.1126	1.1960	1.3334	1.3636
AEIBOR	0.3700	0.5125	0.6225	0.4908	0.5179	0.6538
EURIBOR	-0.5430	-0.5450	-0.5180	-0.5260	-0.4960	-0.4990
LIBOR	0.1160	0.2384	0.1481	0.2576	0.2200	0.3419

## USD Swap Rates

			Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)
1-Year	0.1587	0.16	-17.6	KWD	0.3005	0.0000	Gold	1,790.20 -6.33
2-Year	0.3113	0.03	57.4	SAR	3.7508	-0.0027	Silver	23.96 -10.13
5-Year	0.8996	-0.22	109.2	BHD	0.3770	0.0000	Copper	424.05 20.33
7-Year	1.1391	-0.49	74.0	QAR	3.6420	-0.0027	Nat. Gas	4.93 79.97
10-Year	1.3613	-0.65	47.1	OMR	0.3850	0.0000	Aluminum	2,779.35 38.98
30-Year	1.6985	-0.89	21.1	AED	3.6731	0.0000	Crude Oil	72.66 42.75

## US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.22	0.00	0.20	-0.04	-0.76	0.00
5-Year	0.80	0.03	0.39	-0.10	-0.73	0.00
10-Year	1.33	0.09	0.74	-0.06	-0.48	0.00
30-Year	1.95	0.23	1.08	-0.09	0.16	0.00

## UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.22	0.00	0.20	-0.04	-0.76	0.00
5-Year	0.80	0.03	0.39	-0.10	-0.73	0.00
10-Year	1.33	0.09	0.74	-0.06	-0.48	0.00
30-Year	1.95	0.23	1.08	-0.09	0.16	0.00

## German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.22	0.00	0.20	-0.04	-0.76	0.00
5-Year	0.80	0.03	0.39	-0.10	-0.73	0.00
10-Year	1.33	0.09	0.74	-0.06	-0.48	0.00
30-Year	1.95	0.23	1.08	-0.09	0.16	0.00

## Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	A1	A+	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+
<b>USD 5Yr CDS</b>	<b>9-Sep 2021</b>	<b>31-Dec 2020</b>	
Kuwait	46.09	40.69	
KSA	47.96	63.77	
Abu Dhabi	38.78	36.03	
Dubai	82.84	104.06	
Qatar	38.47	36.70	
Bahrain	243.94	233.58	
Oman	233.85	353.60	
Iraq	516.01	542.74	
Egypt	341.57	330.47	
Morocco	89.64	102.56	
Turkey	364.55	299.47	
US	7.84	11.52	
UK	7.75	15.13	
China	32.55	26.70	
Japan	16.50	14.74	
Germany	9.00	9.09	
France	17.57	14.42	