

News Updates

S&P affirms Egypt's credit ratings at B; stable outlook – S&P Global affirmed Egypt's "B/B" sovereign credit rating with a stable outlook, maintaining its rating since April 2020, The National cited S&P's report. The rating agency confirmed the rating despite the disruptive impact of covid-19 on the country's tourism and exports, in addition to the elevated external debt. S&P expects Egypt to meet upcoming payments thanks to its foreign reserves stockpile and access to international debt markets despite high external debt on the back of lower foreign inflows. "We expect that Egypt's foreign exchange reserves and access to domestic and external debt markets will allow it to cover higher external financing needs and coming maturities," S&P said. The agency noted that debt pressure will begin to dissipate in 2022 when the economic recovery begins to pick up steam. S&P expects external and government debt metrics to deteriorate during the current fiscal year, resulted from pressures on the country's key sources of hard currency, "followed by gradual improvement." (Source: Arab Finance)

Turkey Holds Rates as Central Banker Bets Inflation Peaked – Turkey's central bank kept its benchmark interest rate unchanged for a second meeting on Thursday, pledging to maintain its "current" policy stance until there's a significant drop in inflation. Inflation accelerated for a seventh month in April to 17.1%, spurred on by a weak lira and rising global energy prices. But new bank Governor Sahap Kavcioglu predicted the pace of price gains had peaked and would now start dropping to 12.2% by the end of 2021. "Taking into account the high levels of inflation and inflation expectations, the current monetary policy stance will be maintained until the significant fall in the April Inflation Report's forecast path is achieved," the bank said in the statement accompanying the decision. The lira retained its gains against the dollar after the statement and was trading 0.3% higher at 8.3038 at 2:38 p.m. local time. (Source: Bloomberg)

Yellen says U.S. debt ceiling could pinch in summer – U.S. Treasury Secretary Janet Yellen said on Friday the nation could exhaust its ability to borrow this summer even if Treasury takes "extraordinary actions" to buy more time when the nation's debt ceiling comes back into effect at the end of July. Yellen told reporters at the White House that while the Treasury could extend its ability to borrow by employing special measures if Congress did not act to raise the debt ceiling, those steps might buy only a "very limited" amount of time. "It is exceptionally challenging this time to try to figure out just how long those (extraordinary) measures are going to last in part because of higher and more volatile spending and revenue numbers associated with the state of the economy and the pandemic," she said. "We are concerned that there are scenarios that give (a) very limited amount of additional time to use extraordinary measures," Yellen added. "There are scenarios in which some time during the summer" room would run out even after special measures were employed, she said. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.86	-0.91	KSA	2025	1.29	-1.00
Abu Dhabi	2030	2.03	-3.83	KSA	2030	2.41	-3.47
Abu Dhabi	2050	3.17	-7.78	KSA	2050	3.69	-7.09
Bahrain	2026	3.31	-1.08	Oman	2025	3.31	2.68
Bahrain	2030	5.39	-4.62	Oman	2029	4.87	3.43
Bahrain	2047	6.94	-9.86	Oman	2048	6.72	0.18
Dubai	2029	2.59	-1.09	Qatar	2025	0.92	-1.04
Kuwait	2022	0.17	-0.80	Qatar	2030	2.13	-4.34
Kuwait	2027	1.48	-2.70	Qatar	2050	3.35	-8.89

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.67	8.08	0.34	-1.19
S&P MENA Bond and Sukuk Index	2.32	NA	0.07	-2.24
Bloomberg Emerging Markets USD Index	3.82	6.80	0.22	-1.65
Bloomberg Global Aggregate Index	1.11	7.42	0.32	-2.64

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	9/5/2021	31/12/2020	9/5/2021	31/12/2020	9/5/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7929	0.8175	0.8414	0.8700	0.9157	0.9413
BHIBOR	1.3250	2.2500	1.5000	2.5333	1.6667	2.6833
QATAR	1.1875	1.1206	1.2500	1.1960	1.3667	1.3636
AEIBOR	0.4535	0.5125	0.5450	0.4908	0.6125	0.6538
EURIBOR	-0.5290	-0.5450	-0.5140	-0.5260	-0.4830	-0.4990
LIBOR	0.1599	0.2384	0.1928	0.2576	0.2710	0.3419

USD Swap Rates

			Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)	
1-Year	0.1905	-0.55	-1.0	KWD	0.3014	-0.0995	0.61	Gold
2-Year	0.2489	-1.64	25.8	SAR	3.7503	0.0000	0.04	Silver
5-Year	0.8689	-3.64	102.1	BHD	0.3770	0.0000	0.00	Copper
7-Year	1.2286	-2.18	87.7	QAR	3.6410	0.0000	0.01	Nat. Gas
10-Year	1.5592	-0.17	68.5	OMR	0.3850	0.0000	0.00	Aluminum
30-Year	1.9969	2.29	42.4	AED	3.6730	0.0000	0.00	Crude Oil

US Treasuries

	Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.14	0.02		0.02	0.01		-0.66	0.00
5-Year	0.77	0.15		0.31	0.10		-0.68	-0.05
10-Year	1.58	-0.05		0.77	0.16		-0.35	-0.08
30-Year	2.28	-0.67		1.31	0.08		0.35	-0.29

UK Gilts

	Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.14	0.02		0.02	0.01		-0.66	0.00
5-Year	0.77	0.15		0.31	0.10		-0.68	-0.05
10-Year	1.58	-0.05		0.77	0.16		-0.35	-0.08
30-Year	2.28	-0.67		1.31	0.08		0.35	-0.29

German Bunds

	Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.14	0.02		0.02	0.01		-0.66	0.00
5-Year	0.77	0.15		0.31	0.10		-0.68	-0.05
10-Year	1.58	-0.05		0.77	0.16		-0.35	-0.08
30-Year	2.28	-0.67		1.31	0.08		0.35	-0.29

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	9-May 2021	31-Dec 2020	
Kuwait	46.76	40.69	
KSA	62.98	63.77	
Abu Dhabi	43.82	36.03	
Dubai	93.35	104.06	
Qatar	43.72	36.70	
Bahrain	179.31	233.58	
Oman	246.41	353.60	
Iraq	502.48	542.74	
Egypt	315.44	330.47	
Morocco	85.69	102.56	
Turkey	391.24	299.47	
US	8.10	11.52	
UK	10.00	15.13	
China	35.43	26.70	
Japan	15.46	14.74	
Germany	9.90	9.09	
France	21.95	14.42	