

News Updates

Boubyan Bank Perp Non-Call 6 Tier1 \$ RegS Sukuk IPTs at 4.250% Area – Boubyan Bank mandates Citi, NBK Capital and Standard Chartered Bank as joint global coordinators and, together with ADIB, Boubyan Capital, Emirates NBD Capital, Kamco Invest, KIB and KFH Capital as joint lead managers and joint bookrunners, to arrange a global investor conference call, along with a series of fixed income investor calls. An offering of fixed rate USD-denominated Regulation S PNC6 Basel III compliant Tier 1 Capital Certificates (the “New Capital Certificates”) will follow, subject to market conditions. Boubyan has announced an invitation to the holders of its outstanding RegS only \$250 million Perpetual Tier 1 Capital Certificates issued by Boubyan Tier 1 Capital SPC Limited (the “Existing Capital Certificates”) to tender such Existing Capital Certificates for cash, subject to the successful settlement of the issue of the New Capital Certificates and other conditions described in the Tender Offer Memorandum dated March 22. Citi, Standard Chartered Bank and NBK Capital are appointed as joint dealer managers. IPTs are around the 4.250% area. (Source: Bloomberg)

Saudi Real Estate Refinance Co sells domestic Sukuk – Saudi Real Estate Refinance Co (SRC), modelled on US mortgage finance firm Fannie Mae, has issued SAR 4 billion (\$1.07 billion) in a two-tranche private placement of Sukuk last week, the company’s chief executive, Fabrice Susini, told Reuters. The issuance was SRC’s third in the local currency, but the first to be guaranteed by the Saudi finance ministry. Moreover, the company plans to issue Sukuk denominated in US dollars by the end of this year. (Source: Mubasher)

NCB to redeem SAR 2.7bn Tier 1 Sukuk – The National Commercial Bank (NCB) on Sunday said it will redeem its SAR 2.7 billion Tier 1 Sukuk on 23 March 2021, in full and at par value. The Sukuk was offered through private placement on 23 December 2015, for an amount of SAR 2.7 billion, qualifying as Tier 1 subordinated capital in accordance with the Basel III framework, the bank said in a statement to the Saudi Stock Exchange (Tadawul). (Source: Mubasher)

Fed’s Kaplan Estimates First U.S. Rate Increase Will Be in 2022 – Dallas Federal Reserve President Robert Kaplan said he is among policy makers estimating that the central bank will have to raise interest rates next year. “There were some dots starting increases in 2022. And, you know, I’m one of those dots. Yes, absolutely,” Kaplan said in an interview on CNBC television Tuesday, referring to the Fed’s dot plot, which it uses to signal its outlook for the path of interest rates. The dot plot from the March 17 meeting shows that officials expect no change in policy this year and borrowing costs near zero through 2023, based on median estimates, but four voters see an increase next year. The Fed kept its benchmark rate on hold for an eighth straight meeting after sweeping into emergency action amid the Covid-19 pandemic just over a year ago with a full percentage-point cut. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.04	-1.30	KSA	2025	1.39	-1.19
Abu Dhabi	2030	2.15	-4.65	KSA	2030	2.49	-3.98
Abu Dhabi	2050	3.31	-9.94	KSA	2050	3.85	-9.40
Bahrain	2026	3.37	-0.90	Oman	2025	3.48	2.27
Bahrain	2030	5.68	-6.40	Oman	2029	5.07	2.18
Bahrain	2047	6.96	-10.10	Oman	2048	6.89	-1.87
Dubai	2029	2.73	-1.88	Qatar	2025	1.13	-1.44
Kuwait	2022	0.25	-0.62	Qatar	2030	2.21	-4.85
Kuwait	2027	1.59	-3.17	Qatar	2050	3.43	-10.19

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.79	8.08	0.14	-2.75
S&P MENA Bond and Sukuk Index	2.39	NA	0.17	-3.42
Bloomberg Emerging Markets USD Index	3.93	6.80	0.15	-3.01
Bloomberg Global Aggregate Index	1.12	7.42	0.03	-3.70

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	24/3/2021	31/12/2020	24/3/2021	31/12/2020	24/3/2021	31/12/2020
KIBOR	1.5000	1.4375	1.6875	1.6875	1.9375	1.9375
SAIBOR	0.7963	0.8175	0.8438	0.8700	0.9163	0.9413
BHIBOR	1.6583	2.2500	1.7583	2.5333	2.1350	2.6833
QATAR	1.1309	1.1206	1.1945	1.1960	1.3156	1.3636
AEIBOR	0.3983	0.5125	0.5838	0.4908	0.6375	0.6538
EURIBOR	-0.5380	-0.5450	-0.5180	-0.5260	-0.4910	-0.4990
LIBOR	0.1905	0.2384	0.2041	0.2576	0.2763	0.3419

USD Swap Rates

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.2045	-0.02	6.2	KWD	0.3020	0.0000	0.43	Gold	1,733.70	-8.89
2-Year	0.2575	-0.25	30.2	SAR	3.7506	0.0027	0.04	Silver	25.23	-4.71
5-Year	0.8993	-2.07	109.1	BHD	0.3771	-0.0053	-0.01	Copper	404.00	14.64
7-Year	1.2740	-2.55	94.6	QAR	3.6420	-0.0027	0.00	Nat. Gas	2.51	-1.06
10-Year	1.6072	-2.90	73.7	OMR	0.3850	0.0000	0.00	Aluminum	2,203.40	11.16
30-Year	2.0390	-3.20	45.4	AED	3.6730	0.0000	0.00	Crude Oil	60.77	17.36

US Treasuries

	Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.14	0.01		0.03	0.05		-0.68	0.00
5-Year	0.79	0.11		0.32	0.19		-0.74	0.04
10-Year	1.59	0.28		0.76	0.56		-0.46	0.25
30-Year	2.29	0.67		1.28	1.16		0.23	0.92

UK Gilts

German Bunds

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	24-Mar 2021	31-Dec 2020
Kuwait	47.37	40.69
KSA	68.18	63.77
Abu Dhabi	47.87	36.03
Dubai	97.84	104.06
Qatar	47.87	36.70
Bahrain	201.04	233.58
Oman	288.15	353.60
Iraq	532.35	542.74
Egypt	296.21	330.47
Morocco	91.60	102.56
Turkey	460.95	299.47
US	10.09	11.52
UK	12.20	15.13
China	32.56	26.70
Japan	15.33	14.74
Germany	8.61	9.09
France	15.44	14.42