

## News Updates

**Oman expects public debt to top \$56bn by end-2021** – Oman expects its public debt to reach around 21.7 billion rials (\$56.37 billion) by the end of 2021, with international borrowing making up 76% of total public debt, a finance ministry document showed. That would mean a rise of about 23% since end-2019, when the figure stood at 17.6 billion, according to a government bond prospectus. Oman expects a 2021 budget deficit of 2.24 billion rials as public spending of 10.88 billion tops revenue of 8.64 billion, the finance ministry document showed. To make up the shortfall the government aims to raise about 1.6 billion through borrowing and draw 600 million from its reserves. Rated below investment grade by all major credit ratings agencies, Oman has piled on debt at breakneck pace in recent years and faces a tough repayment schedule. *(Source: Bloomberg)*

**Oman Plans 2021 Borrowing as Oil Price, Virus Batter Economy** – Oman's government will finance most of its budget shortfall in 2021 by borrowing to plug a fiscal gap battered by a decline in oil prices and the coronavirus pandemic. Oman has taken measures such as reduced spending and plans to impose a 5% value-added tax in 2021. It will implement developmental projects valued at 371 million rials as part of the effort to redirect resources toward “national priorities,” according to the Oman News Agency. The sultanate's economy is estimated to have shrunk 10% in 2020, according to projections from the International Monetary Fund, among the steepest in the Gulf. Bond spreads in the nation have increased in 2020 compared to neighbors and “while financial buffers remain ample in Kuwait, Qatar, Saudi Arabia and the United Arab Emirates, they are significantly weaker in Bahrain and Oman,” according to a report by the fund. The largest oil exporter outside of OPEC, Oman has been hammered by the coronavirus pandemic as well as lower crude prices and has raised the possibility of assistance from its Gulf neighbors. The country is rated at junk levels by three of the leading rating firms. The sovereign has three bonds maturing through 2023. This year, its \$1.5 billion issuance matures in June. *(Source: Bloomberg)*

**Oil Climbs Above \$49 Before OPEC+ Meeting on Production Levels** – Oil rose for a fourth day - aided by a falling dollar -- before the OPEC+ alliance meets to decide whether it can keep lifting output as surging coronavirus infections smother the global energy demand recovery. Futures in New York climbed past \$49 a barrel after rising 0.6% last week. The alliance returned 500,000 barrels a day to the market this month and meets on Monday to decide on production levels for February. The outlook for the first half is very mixed and there are still many downside risks to juggle, OPEC Secretary-General Mohammad Barkindo said at a meeting on Sunday. *(Source: Bloomberg)*

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.75	0.00	KSA	2025	1.17	0.00
Abu Dhabi	2030	1.57	0.00	KSA	2030	2.02	0.00
Abu Dhabi	2050	2.74	0.00	KSA	2050	3.26	0.00
Bahrain	2026	3.26	0.00	Oman	2025	4.12	0.00
Bahrain	2030	4.76	0.00	Oman	2029	5.41	0.00
Bahrain	2047	6.10	0.00	Oman	2048	6.74	0.00
Dubai	2029	2.51	0.00	Qatar	2025	0.84	0.00
Kuwait	2022	0.05	0.00	Qatar	2030	1.62	0.00
Kuwait	2027	1.07	0.00	Qatar	2050	2.83	0.00

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.46	8.08	0.04	0.00
S&P MENA Bond and Sukuk Index	2.00	NA	0.09	9.16
Bloomberg Emerging Markets USD Index	3.50	6.80	0.09	0.00
Bloomberg Global Aggregate Index	0.83	7.42	-0.04	0.00

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	4/1/2021	31/12/2020	4/1/2021	31/12/2020	4/1/2021	31/12/2020
KIBOR	1.4375	1.4375	1.6875	1.6875	1.9375	1.9375
SAIBOR	0.8175	0.8175	0.8700	0.8700	0.9413	0.9413
BHIBOR	2.2500	2.2500	2.5333	2.5333	2.6833	2.6833
QATAR	0.9701	1.1206	1.0692	1.1960	1.3127	1.3636
AEIBOR	0.4250	0.5125	0.5106	0.4908	0.6185	0.6538
EURIBOR	-0.5450	-0.5450	-0.5260	-0.5260	-0.4990	-0.4990
LIBOR	0.2384	0.2384	0.2576	0.2576	0.3419	0.3419

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1928	0.03	0.2
2-Year	0.1993	0.23	0.8
5-Year	0.4408	1.17	2.5
7-Year	0.6697	1.52	2.3
10-Year	0.9434	1.81	2.0
30-Year	1.4204	1.84	1.3

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3033	0.0000	0.00
SAR	3.7517	0.0053	0.01
BHD	0.3771	0.0000	0.00
QAR	3.6414	0.0055	0.00
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.12	-0.01
5-Year	0.37	-0.07
10-Year	0.94	-0.23
30-Year	1.68	-0.67

Source: Bloomberg

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.19	0.00
5-Year	-0.10	0.06
10-Year	0.19	0.18
30-Year	0.74	0.69

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.76	0.00
5-Year	-0.76	0.00
10-Year	-0.63	0.00
30-Year	-0.17	0.00

## 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

	4-Jan 2021	31-Dec 2019
Kuwait	40.70	36.700
KSA	63.31	56.915
Abu Dhabi	36.39	36.090
Dubai	103.84	91.005
Qatar	37.06	36.705
Bahrain	226.03	175.995
Oman	343.42	234.400
Iraq	540.12	383.680
Egypt	323.83	277.420
Morocco	102.98	91.435
Turkey	298.81	282.130
US	11.57	10.810
UK	15.30	16.210
China	27.01	31.205
Japan	14.58	21.042
Germany	9.10	7.080
France	14.23	16.130