

News Updates

Emirates Islamic Bank mandates banks for USD 5Y Reg S Senior Sukuk – Emirates Islamic Bank PJSC ("Emirates Islamic") has mandated Emirates NBD Capital and Standard Chartered Bank as global coordinators, and Abu Dhabi Islamic Bank, Bank ABC, Dubai Islamic Bank, Emirates NBD Capital, HSBC, The Islamic Corp. for the Development of the Private Sector, KFH Capital and Standard Chartered Bank as JLMs and bookrunners. A benchmark fixed rate USD-denominated Regulation S only 5Y senior unsecured Sukuk offering under EI Sukuk Co.'s \$2.5b certificate issuance program will follow subject to market conditions. *(Source: Bloomberg)*

Fitch places six Qatari banks on rating watch negative – Excessive reliance on external funding in the Qatari banking sector has prompted Fitch Ratings to place six Qatari banks on Rating Watch Negative. This means that the ratings agency has a negative outlook for the banks and might decrease their current credit ratings in the near future. The six banks are Qatar International Islamic Bank, Dukhan Bank, Doha Bank, Al Khaliji Bank, Qatar Islamic Bank and Ahli Bank Qatar. Fitch said that non-resident funding in the country's banking system reached \$193 billion at the end of August, which was 48 percent of the sector's liabilities — compared with \$121 billion and 38 percent at the end of 2018. At the same time, foreign assets held by the banks remained relatively stable. Both of these developments led the net external debt to jump to a significant \$133 billion, or 82 percent of the gross domestic product forecast for 2021. It was much lower at the end of 2018 — at \$57 billion, or 38 percent of the GDP, Fitch added. Moreover, total assets of the banking system leapt from 212 percent of GDP at the end of 2018 to 302 percent of forecast 2021 GDP. Fitch explained that this outcome, along with the excessive external funding, could hamper the authorities' ability to support the banking sector in case of hardships. *(Source: Arab News)*

Egypt's government projects to go 30% green by 2024 – Egypt aims to make 30 percent of all the government projects green by 2024 and then raise the level to 100 percent by 2030, said Yasmine Fouad, the country's environment minister. Speaking at the Middle East Green Initiative Summit in Riyadh, she said Egypt spent 447 billion Egyptian pounds on 691 green projects in different sectors during the current fiscal. Egypt also became the first country to issue green government bonds in September 2020. "We issued \$750 million in five-year green bonds in order to focus on the climate change projects in transport and sanitation sectors," the minister said. Fouad said the Egyptian government is taking measures to change the overall investment environment by not just only supporting the private sector but also focusing on the banking sector to encourage it to adopt sustainable financing principles. *(Source: Arab News)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.03	-2.10	KSA	2025	1.31	-1.70
Abu Dhabi	2030	2.11	-4.73	KSA	2030	2.42	-3.74
Abu Dhabi	2050	3.16	-7.46	KSA	2050	3.64	-6.47
Bahrain	2026	4.12	-5.21	Oman	2025	3.33	2.01
Bahrain	2030	5.76	-7.37	Oman	2029	4.81	3.49
Bahrain	2047	7.30	-13.55	Oman	2048	6.65	1.09
Dubai	2029	2.50	-1.13	Qatar	2025	1.21	-2.89
Kuwait	2022	-0.22	-1.92	Qatar	2030	2.21	-5.38
Kuwait	2027	1.52	-3.66	Qatar	2050	3.25	-7.56

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.76	8.08	0.03	-0.20
S&P MENA Bond and Sukuk Index	2.36	NA	0.05	-0.85
Bloomberg Emerging Markets USD Index	4.32	6.80	0.07	-1.85
Bloomberg Global Aggregate Index	1.28	7.42	0.00	-4.31

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	26/10/2021	31/12/2020	26/10/2021	31/12/2020	26/10/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8200	0.8175	0.8686	0.8700	0.9429	0.9413
BHIBOR	1.5000	2.2500	1.5583	2.5333	1.7667	2.6833
QATAR	1.1750	1.1206	1.2300	1.1960	1.3375	1.3636
AEIBOR	0.2800	0.5125	0.6700	0.4908	0.6444	0.6538
EURIBOR	-0.5490	-0.5450	-0.5340	-0.5260	-0.4710	-0.4990
LIBOR	0.1249	0.2384	0.1720	0.2576	0.3169	0.3419

USD Swap Rates				Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)	
1-Year	0.2680	0.19	39.2	KWD	0.3015	0.0332	0.60	Gold	1,805.80
2-Year	0.6163	0.32	211.6	SAR	3.7509	0.0000	0.02	Silver	24.50
5-Year	1.2684	0.51	195.0	BHD	0.3770	-0.0027	0.00	Copper	453.80
7-Year	1.4822	0.52	126.4	QAR	3.6420	0.0055	0.00	Nat. Gas	6.06
10-Year	1.6648	0.43	79.9	OMR	0.3850	0.0000	0.00	Aluminum	2,874.00
30-Year	1.8867	0.28	34.6	AED	3.6730	0.0027	0.00	Crude Oil	86.22

US Treasuries			UK Gilt		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.44	0.00	0.64	0.04	-0.77	0.00
5-Year	1.18	-0.02	0.81	0.03	-0.63	0.00
10-Year	1.64	-0.05	1.14	0.04	-0.26	0.00
30-Year	2.09	-0.09	1.35	0.05	0.24	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	Caa1	NR	B-
Morocco	Ba1	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	26-Oct 2021	31-Dec 2020
Kuwait	46.47	40.69
KSA	48.87	63.77
Abu Dhabi	41.39	36.03
Dubai	86.90	104.06
Qatar	41.38	36.70
Bahrain	290.90	233.58
Oman	245.52	353.60
Iraq	453.91	542.74
Egypt	460.80	330.47
Morocco	90.33	102.56
Turkey	456.10	299.47
US	12.09	11.52
UK	7.42	15.13
China	45.25	26.70
Japan	17.33	14.74
Germany	7.99	9.09
France	20.40	14.42