

## News Updates

**Oman Arab Bank mandates banks for Additional Tier 1 USD Reg S PerpNC5 Bond** – Oman Arab Bank mandates Emirates NBD Capital, First Abu Dhabi Bank, Kamco Invest, Standard Chartered Bank, and Ubhar Capital as joint bookrunners and joint lead managers to arrange a global investor conference call and a series of fixed-income investor calls commencing Tuesday the 25th May 2021. A benchmark fixed rate resettable USD Regulation S Additional Tier 1 perpetual non-call five-year unrated bond will follow, subject to market conditions. Oman Arab Bank is rated Ba3 by Moody's. (Source: Bloomberg)

**Bondholders hire Rothschild to help oppose Dubai fund revamp** – A group of creditors has hired financial adviser Rothschild and law firm Clifford Chance to help oppose the terms of a proposal by Dubai-listed Emirates REIT to exchange \$400 million in Islamic bonds for new instruments, sources said. Emirates REIT, a sharia-compliant real estate investment trust, last week offered to exchange unsecured Islamic bonds, or sukuk, for secured ones to bolster its balance sheet. A group of bondholders including local and international funds, as well as regional banks, and representing around 40% of the sukuk holders, met on Sunday to appoint advisers and prepare a counter offer, three sources familiar with the matter said. (Source: Reuters)

**S&P: Egypt, Ghana, Kenya Among Most Vulnerable to Rising Rates** – Egypt, Ghana, South Africa and Kenya are the most vulnerable among 20 emerging-market sovereigns in case of a shock scenario where refinancing costs will rise by 300bps, according to S&P Global Ratings. Egypt could see its interest expenditure rise by 1.3 percentage points of GDP in the first year in this scenario, while South Africa could see a 1.3 percentage point increase, Ghana and Kenya may see a 0.9 percentage point rise. The four countries are already refinancing at market rates above their average cost of debt, and face high rollover ratios as a share of GDP. In 2021 Ghana is set to use 56.5% of its tax revenue to finance interest payments. Egypt, India, and Nigeria face interest costs that exceed 30% of state revenues. (Source: Bloomberg)

**Turkey removes one of four deputy central bank governors** – Turkey removed one of four central bank deputy governors on Tuesday, two months after President Tayyip Erdogan fired the central bank governor. Oguzhan Ozbas was removed from his post, and Semih Tumen was appointed to replace him, according to an overnight decree published in the official gazette. Tumen currently serves as an adviser to Erdogan and is the head of the economics department at Ankara's TED University. He worked at various positions at the Central Bank of Turkey from 2002 to 2018. In March, Erdogan sacked central bank chief Naci Agbal, two days after a sharp interest rate hike to head off inflation, replacing him with a former ruling party lawmaker and critic of tight monetary policy. The move sparked a plunge in the Turkish lira. Later that month, another deputy governor was replaced. (Source: Reuters)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.87	-0.95	KSA	2025	1.29	-0.97
Abu Dhabi	2030	2.02	-3.75	KSA	2030	2.39	-3.17
Abu Dhabi	2050	3.22	-8.41	KSA	2050	3.71	-7.32
Bahrain	2026	3.43	-1.53	Oman	2025	3.25	2.84
Bahrain	2030	5.53	-5.51	Oman	2029	4.90	3.18
Bahrain	2047	6.92	-9.69	Oman	2048	6.77	-0.34
Dubai	2029	2.55	-1.00	Qatar	2025	0.97	-1.24
Kuwait	2022	0.15	-0.94	Qatar	2030	2.12	-4.27
Kuwait	2027	1.47	-2.72	Qatar	2050	3.39	-9.47

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.67	8.08	0.04	-1.13
S&P MENA Bond and Sukuk Index	2.29	NA	0.17	-1.88
Bloomberg Emerging Markets USD Index	3.85	6.80	0.08	-1.65
Bloomberg Global Aggregate Index	1.14	7.42	0.19	-2.61

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	25/5/2021	31/12/2020	25/5/2021	31/12/2020	25/5/2021	31/12/2020
KIBOR	1.5000	1.4375	1.6875	1.6875	2.0000	1.9375
SAIBOR	0.7914	0.8175	0.8414	0.8700	0.9143	0.9413
BHIBOR	1.4667	2.2500	1.5367	2.5333	1.7000	2.6833
QATAR	1.1035	1.1206	1.1817	1.1960	1.3007	1.3636
AEIBOR	0.3000	0.5125	0.4949	0.4908	0.4737	0.6538
EURIBOR	-0.5430	-0.5450	-0.5130	-0.5260	-0.4790	-0.4990
LIBOR	0.1470	0.2384	0.1788	0.2576	0.2596	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	0.1641	0.02	-14.8	KWD	0.3010	0.1495	0.76	Gold	1,881.90	-1.25
2-Year	0.2420	0.15	22.3	SAR	3.7503	0.0000	0.04	Silver	27.72	4.47
5-Year	0.8893	-0.06	106.8	BHD	0.3770	0.0000	0.01	Copper	456.75	29.52
7-Year	1.2460	0.01	90.3	QAR	3.6421	0.0000	0.00	Nat. Gas	2.90	10.92
10-Year	1.5712	-0.08	69.8	OMR	0.3850	0.0000	0.00	Aluminum	2,367.05	18.99
30-Year	2.0062	-0.28	43.1	AED	3.6731	0.0000	0.00	Crude Oil	68.66	33.35

## US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.00	0.02	0.01	-0.67	0.00
5-Year	0.80	0.00	0.34	0.07	-0.64	0.00
10-Year	1.60	0.00	0.81	0.21	-0.27	0.00
30-Year	2.30	0.07	1.36	0.51	0.41	0.00

## UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.00	0.02	0.01	-0.67	0.00
5-Year	0.80	0.00	0.34	0.07	-0.64	0.00
10-Year	1.60	0.00	0.81	0.21	-0.27	0.00
30-Year	2.30	0.07	1.36	0.51	0.41	0.00

## German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.00	0.02	0.01	-0.67	0.00
5-Year	0.80	0.00	0.34	0.07	-0.64	0.00
10-Year	1.60	0.00	0.81	0.21	-0.27	0.00
30-Year	2.30	0.07	1.36	0.51	0.41	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	B3	NR	B
Morocco	Ba1	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	25-May 2021	31-Dec 2020
Kuwait	46.25	40.69
KSA	62.48	63.77
Abu Dhabi	41.96	36.03
Dubai	86.06	104.06
Qatar	41.82	36.70
Bahrain	191.69	233.58
Oman	248.48	353.60
Iraq	504.25	542.74
Egypt	325.35	330.47
Morocco	89.76	102.56
Turkey	395.38	299.47
US	7.35	11.52
UK	9.04	15.13
China	37.48	26.70
Japan	15.93	14.74
Germany	9.24	9.09
France	22.52	14.42