

News Updates

Kuwait Sells 290 Million Dinars 91-day Bills; Bid-Cover 9.82 – Kuwait sold 290 million dinars (\$949 million) of bills due Mar 16, 2021 on Dec 15. Investors offered to buy 9.82 times the amount of securities sold. The bills have a yield of 1.125 percent and will settle on Dec 15. *(Source: Bloomberg)*

Moody's announces completion of a periodic review of ratings of United Arab Emirates – The credit profile of the United Arab Emirates (UAE, issuer rating Aa2) is supported by the assumed full backing of the government of Abu Dhabi and its strong balance sheet. The economic strength score of "aa3" takes into account the country's exceptionally high GDP per capita, a very large hydrocarbon endowment, and superior infrastructure; institutions and governance strength scored at "a2" is based on a strong institutional framework and effectiveness, balanced against institutional transparency shortcomings; fiscal strength at "aa1" is derived by Abu Dhabi's very strong government balance sheet which supports the consolidated fiscal accounts of the UAE, and contingent liability risks at emirate level stemming from high government-related entity debt; and "baa" susceptibility to event risk, driven by geopolitics in the form of tensions with Iran that represent a low probability, high impact risk to the UAE economy. *(Source: Bloomberg)*

OPEC Cuts Demand Forecast Before Meeting to Review Supply Hike – OPEC cut forecasts for oil demand again as the group and its allies prepare to weigh up whether they can continue gradually restoring halted supplies. The Organization of Petroleum Exporting Countries reduced projections for global fuel consumption in the first quarter of 2021 by 1 million barrels a day, it said in a monthly report. Demand will increase by just 500,000 barrels from that quarter - the same amount the cartel and its partners agreed they'll add in January. The 23-nation OPEC+ coalition led by Saudi Arabia and Russia will meet on Jan. 4 to consider whether they can press on with further monthly increases. “Uncertainties remain high, mainly surrounding the development of the Covid-19 pandemic and rollout of vaccines, as well as the structural impact of Covid-19 on consumer behaviors, predominantly in transportation sector,” OPEC's Vienna-based secretariat said in the report. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.81	5.22	KSA	2025	1.20	6.68
Abu Dhabi	2030	1.58	9.49	KSA	2030	2.08	10.40
Abu Dhabi	2050	2.72	19.49	KSA	2050	3.26	9.77
Bahrain	2026	3.37	-1.31	Oman	2025	4.29	-1.81
Bahrain	2030	4.71	17.11	Oman	2029	5.58	-1.98
Bahrain	2047	6.11	-3.72	Oman	2048	6.88	-2.67
Dubai	2029	2.61	2.48	Qatar	2025	0.94	6.53
Kuwait	2022	0.16	1.37	Qatar	2030	1.72	11.80
Kuwait	2027	1.09	6.00	Qatar	2050	2.79	23.13

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.50	8.08	0.11	8.27
S&P MENA Bond and Sukuk Index	2.02	NA	0.23	9.01
Bloomberg Emerging Markets USD Index	3.58	6.80	0.13	5.75
Bloomberg Global Aggregate Index	0.84	7.42	0.03	8.48

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	15/12/2020	31/12/2019	15/12/2020	31/12/2019	15/12/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	1.9375	3.1875
SAIBOR	0.8263	2.2314	0.8750	2.2557	0.9450	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.5490	2.2500	1.6164	2.3500	1.8192	2.5333
AEIBOR	0.4875	2.2086	0.6750	2.1914	0.7226	2.2900
EURIBOR	-0.5430	-0.3830	-0.5200	-0.3240	-0.4990	-0.2490
LIBOR	0.2165	1.9084	0.2488	1.9121	0.3359	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1847	0.00	-89.6
2-Year	0.1965	-0.03	-88.4
5-Year	0.4206	-0.08	-75.7
7-Year	0.6324	-0.37	-64.8
10-Year	0.8912	-0.66	-53.0
30-Year	1.3500	-0.77	-35.4

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3044	0.0000	-0.43
SAR	3.7515	-0.0053	0.00
BHD	0.3771	0.0080	0.00
QAR	3.6420	-0.0027	0.01
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.12	0.00
5-Year	0.36	0.01
10-Year	0.89	0.05
30-Year	1.62	0.24

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.11	-0.05
5-Year	-0.07	-0.16
10-Year	0.22	-0.63
30-Year	0.76	-1.29

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.78	-0.02
5-Year	-0.82	-0.04
10-Year	-0.68	-0.14
30-Year	-0.22	-0.84

Source: Bloomberg

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	15-Dec 2020	31-Dec 2019
Kuwait	40.19	36.700
KSA	64.15	56.915
Abu Dhabi	35.63	36.090
Dubai	104.95	91.005
Qatar	36.84	36.705
Bahrain	242.18	175.995
Oman	351.38	234.400
Iraq	501.48	383.680
Egypt	340.11	277.420
Morocco	94.36	91.435
Turkey	374.78	282.130
US	13.19	10.810
UK	16.17	16.210
China	28.01	31.205
Japan	14.70	21.042
Germany	9.38	7.080
France	15.39	16.130