

## News Updates

**Kuwait remains among strongest sovereign countries** – The credit rating agency "Fitch" said the negative outlook of Kuwait's sovereign rating reflects the near-term liquidity risks associated with the imminent depletion of liquid assets in the General Reserve Fund in the absence of the government's parliamentary mandate to borrow, reports Al-Rai daily. Fitch added this risk is rooted in the political and institutional stalemate, which also explains the lack of meaningful reforms to address the double-digit fiscal deficit, and the expected weakness in Kuwait's balance sheet and external budgets, although it will remain among the strongest sovereign countries rated by the agency. Fitch pointed out that without passing a law allowing the issuance of new debt, the liquidity of the General Reserve Fund could be drained in the near term without taking further measures to renew it, adding that the depletion of the fund's liquidity would sharply limit the government's ability to meet spending commitments and could lead to major economic disruption. The rating agency believes that a new debt law will be passed and that the government will renew the resources of the General Reserve Fund again to avoid depletion even if no new legislation is passed by the National Assembly, expressing confidence that the debt service will continue in any case in the appropriate time, however, there is still a degree of uncertainty. (Source: Arab Times)

**Moody's raises Saudi Arabia's outlook to 'stable'** – Ratings agency Moody's on Friday changed Saudi Arabia's outlook to "stable" from "negative", saying it was likely the government would reverse most of its 2020 debt increase while preserving fiscal buffers. The ratings agency affirmed the country's rating at 'A1'. The Moody's report also highlighted Saudi's moderate debt burden that was lower than most similarly rated sovereigns, as well as economic strength underpinned by the country's highly competitive position in the oil market. The largest Arab economy recorded a budget surplus of 6.7 billion riyals (\$1.79 billion) in the third quarter this year, as higher oil prices fueled its first quarterly surplus since 2019. (Source: Reuters)

**Qatar Affirmed at AA- by S&P** – S&P Global Ratings affirmed its 'AA-/A-1+' long- and short-term foreign and local currency sovereign credit ratings on Qatar. The outlook is stable. The stable outlook reflects the rating agency's view that Qatar's fiscal and external buffers should continue to benefit from the country's status as one of the world's largest exporters of liquefied natural gas over the next two years, against a backdrop of high global energy demand. (Source: S&P Global Ratings)

**Tunisia Central Bank Says Talks With IMF Have Resumed** – Tunisia has resumed technical talks with the International Monetary Fund, after an official request submitted by Tunisian Prime Minister Najla Bouden this week, the nation's central bank said in a statement. Tunisian central bank governor Marwan Abbasi, Economy Minister Samir Saied and Finance Minister Sihem Nemsia met remotely Nov. 4 with IMF officials, to discuss proposed economic reforms. (Source: Bloomberg)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.06	-2.28	KSA	2025	1.29	-1.64
Abu Dhabi	2030	1.99	-4.03	KSA	2030	2.30	-2.85
Abu Dhabi	2050	2.97	-4.45	KSA	2050	3.48	-3.99
Bahrain	2026	3.71	-3.80	Oman	2025	3.13	2.49
Bahrain	2030	5.30	-4.64	Oman	2029	4.62	4.72
Bahrain	2047	6.88	-9.20	Oman	2048	6.46	3.45
Dubai	2029	2.42	-0.66	Qatar	2025	1.19	-2.97
Kuwait	2022	-0.07	-2.03	Qatar	2030	2.10	-4.68
Kuwait	2027	1.49	-3.65	Qatar	2050	3.13	-5.55

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.68	8.08	0.35	0.86
S&P MENA Bond and Sukuk Index	2.32	NA	0.31	0.07
Bloomberg Emerging Markets USD Index	4.29	6.80	0.32	-1.24
Bloomberg Global Aggregate Index	1.19	7.42	0.43	-3.63

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	7/11/2021	31/12/2020	7/11/2021	31/12/2020	7/11/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8343	0.8175	0.8814	0.8700	0.9514	0.9413
BHIBOR	1.5000	2.2500	1.5583	2.5333	1.7667	2.6833
QATAR	1.1417	1.1206	1.2050	1.1960	1.3250	1.3636
AEIBOR	0.2915	0.5125	0.5158	0.4908	0.7086	0.6538
EURIBOR	-0.5670	-0.5450	-0.5360	-0.5260	-0.4950	-0.4990
LIBOR	0.1428	0.2384	0.2209	0.2576	0.3575	0.3419

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.2756	-1.09	43.2	KWD	0.3017	0.0000	0.53	Gold	1,816.80	-4.94
2-Year	0.6007	-3.46	203.7	SAR	3.7508	0.0080	0.02	Silver	24.16	-9.37
5-Year	1.1487	-6.34	167.1	BHD	0.3770	0.0000	-0.01	Copper	434.30	23.24
7-Year	1.3261	-7.61	102.6	QAR	3.6417	-0.0055	-0.01	Nat. Gas	5.52	89.36
10-Year	1.4772	-8.52	59.6	OMR	0.3850	0.0000	0.00	Aluminum	2,537.75	26.48
30-Year	1.6726	-7.89	19.3	AED	3.6730	0.0000	0.00	Crude Oil	82.74	63.49

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.40	0.05	0.39	0.18	-1.15	-0.01
5-Year	1.06	0.27	0.56	0.40	-0.73	0.06
10-Year	1.45	0.70	0.84	0.85	-0.43	0.39
30-Year	1.89	1.77	1.01	2.95	0.03	2.59

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	7-Nov 2021	31-Dec 2020
Kuwait	46.52	40.69
KSA	45.90	63.77
Abu Dhabi	38.69	36.03
Dubai	82.93	104.06
Qatar	39.55	36.70
Bahrain	260.68	233.58
Oman	239.03	353.60
Iraq	451.31	542.74
Egypt	437.66	330.47
Morocco	90.07	102.56
Turkey	399.01	299.47
US	12.99	11.52
UK	8.18	15.13
China	47.73	26.70
Japan	17.15	14.74
Germany	8.13	9.09
France	19.49	14.42