

News Updates

Bahrain Sells \$2 Billion Dollar Bonds to Yield-Hungry Buyers – Bahrain sold \$2 billion of bonds, taking advantage of investors' appetite for yield as it seeks to plug one of the widest budget deficits in the region. The smallest economy among the six Gulf Cooperation Council members priced the dollar-denominated bonds in three parts on Wednesday, according to a person familiar with the matter, who asked not to be named. The seven-year notes priced at 4.25%, down from initial price talk in the area of 4.875%. The 12-year securities sold at 5.25%, down from initial price thoughts of around 5.75%. The 30-year notes yield 6.25%, down from initial price talk near 6.75%. The International Monetary Fund projects Bahrain's budget deficit will reach about 9.2% of gross domestic product this year. (Source: Bloomberg)

Saudi's NCB tightens guidance for Tier 1 sukuk, orders top \$4.8bn – National Commercial Bank, Saudi Arabia's biggest lender, has tightened the price guidance for Tier 1 US dollar-denominated sukuk by 37.5 basis points to around 3.75%, a document showed on Wednesday. NCB is seeking to raise \$1 billion through the perpetual Islamic bonds, two financial sources said. It has received over \$4.8 billion in orders for the sukuk, according to the document from one of the banks arranging the deal, which is expected to close later on Wednesday. (Source: Bloomberg, Business Recorder)

Saudi Arabia closes January domestic sukuk issuance worth \$790m – The National Debt Management Center closed the January 2021 issuance under the Saudi Arabian Government SAR-denominated sukuk program, the Ministry of Finance said in a statement today, Jan. 20, 2021. The issue size was set at SR2.96 billion (\$790 million), and the sukuk issuances were divided into two tranches as follows: The first tranche, with a size of SR2.08 billion and a total tranche size of SR2.08 billion, matures in 2028. The second tranche, with a size of SR880 million and a total tranche size of SR880 million, matures in 2033. (Source: Arab News)

Riyad Bank starts offering Tier 2 Sukuk – Riyadh Bank began on Wednesday offering SAR-denominated Tier 2 capital-eligible Sukuk by way of a private placement in Saudi Arabia. The amount of the issue and number of Sukuk will be determined as per market conditions, according to a statement to the Saudi Stock Exchange (Tadawul). The offering end date is 9 February 2021. Each of the minimum subscription value, Sukuk offer price, and Sukuk par value amounts to SAR 1 million. Moreover, the Sukuk has a maturity period of 10 years callable at year 5, subject to the terms and conditions of the Sukuk. On Tuesday, the bank said it plans to set up a domestic SAR-denominated Sukuk issuance programme of up to SAR 10 billion and issue senior and/or subordinated Sukuk including the issuance of Tier 2 capital-eligible Sukuk. (Source: Zawya)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.83	-0.32	KSA	2025	1.20	-0.13
Abu Dhabi	2030	1.67	-0.80	KSA	2030	2.21	-1.53
Abu Dhabi	2050	2.90	-2.81	KSA	2050	3.48	-3.61
Bahrain	2026	3.39	-0.64	Oman	2025	3.79	1.31
Bahrain	2030	5.18	-2.99	Oman	2029	5.44	-0.22
Bahrain	2047	6.43	-4.06	Oman	2048	6.87	-1.59
Dubai	2029	2.49	0.33	Qatar	2025	0.93	-0.37
Kuwait	2022	0.30	-0.31	Qatar	2030	1.77	-1.18
Kuwait	2027	1.18	-0.70	Qatar	2050	2.98	-2.62

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.52	8.08	0.04	-0.64
S&P MENA Bond and Sukuk Index	2.07	NA	-0.01	-0.77
Bloomberg Emerging Markets USD Index	3.62	6.80	0.08	-0.99
Bloomberg Global Aggregate Index	0.87	7.42	0.06	-0.67

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	21/1/2021	31/12/2020	21/1/2021	31/12/2020	21/1/2021	31/12/2020
KIBOR	1.4375	1.4375	1.6875	1.6875	1.9375	1.9375
SAIBOR	0.8175	0.8175	0.8675	0.8700	0.9400	0.9413
BHIBOR	2.2333	2.2500	2.5167	2.5333	2.6833	2.6833
QATAR	1.0217	1.1206	1.1134	1.1960	1.2983	1.3636
AEIBOR	0.4263	0.5125	0.5694	0.4908	0.6643	0.6538
EURIBOR	-0.5480	-0.5450	-0.5280	-0.5260	-0.5020	-0.4990
LIBOR	0.2236	0.2384	0.2359	0.2576	0.3130	0.3419

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1973	0.07	2.5
2-Year	0.2053	0.06	3.8
5-Year	0.5232	0.26	21.7
7-Year	0.7906	0.07	20.8
10-Year	1.0861	0.03	17.4
30-Year	1.5720	-0.05	12.1

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.3029	0.0000	0.13
2-Year	3.7515	0.0000	0.01
5-Year	0.3770	0.0000	0.00
7-Year	3.6412	0.0110	0.01
10-Year	0.3850	0.0000	0.00
30-Year	3.6731	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.13	0.00
5-Year	0.44	0.00
10-Year	1.08	0.02
30-Year	1.83	0.05

Source: Bloomberg

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.13	-0.02
5-Year	-0.04	-0.04
10-Year	0.30	-0.15
30-Year	0.88	-0.57

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.67	0.00
5-Year	-0.76	0.02
10-Year	-0.62	0.03
30-Year	-0.12	0.07

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

	21-Jan 2021	31-Dec 2020
Kuwait	41.69	40.69
KSA	64.57	63.77
Abu Dhabi	41.97	36.03
Dubai	102.81	104.06
Qatar	42.33	36.70
Bahrain	222.79	233.58
Oman	316.94	353.60
Iraq	568.03	542.74
Egypt	309.26	330.47
Morocco	94.29	102.56
Turkey	332.00	299.47
US	10.56	11.52
UK	15.85	15.13
China	29.63	26.70
Japan	13.49	14.74
Germany	9.99	9.09
France	14.56	14.42