

News Updates

ADCB Says Creditors Approved Debt Restructuring of NMC Group –

Abu Dhabi Commercial Bank (ADCB) says creditors of NMC Group approved the restructuring of the company's debt and issuance of exit instruments. ADCB is expected to receive about 39% of transferable exit instruments in a new \$2.25 billion facility, a debt claim sized to the expected future value of NMC. Participants in the exit instruments will receive interest payment for the facility, which will ultimately be repaid from the proceeds generated from a sale of the underlying business at a later stage. ADCB considers the provisions and interest in suspense for NMC recorded to date to be at an appropriate level. *(Source: Bloomberg)*

Oil drops after OPEC+ reaffirms supply return as demand wavers –

Oil prices fell on Thursday after OPEC+ agreed to keep its policy of gradually returning supply to the market at a time when coronavirus cases around the world are surging and many U.S. refiners, a key source of crude demand, remained offline. Brent crude was down by 16 cents, or 0.2%, at \$71.43 a barrel by 0422 GMT, after dropping 4 cents on Wednesday. U.S. oil fell 23 cents, or 0.3%, to \$68.36 a barrel, after rising 9 cents in the previous session. The Organization of the Petroleum Exporting Countries (OPEC) and other producers including Russia, together known as OPEC+, agreed on Wednesday to continue a policy of phasing out record production reductions by adding 400,000 barrels per day (bpd) each month to the market. However, OPEC+ raised its demand forecast for 2022 while also facing pressure to accelerate production increases from the Biden administration, which said it was "glad" the group had reaffirmed its commitment to raising supply. *(Source: Reuters)*

U.S. Treasury yields steady as U.S. payrolls data awaited – U.S.

Treasury yields hovered around the unchanged mark on Wednesday in low-volume afternoon trading as the market focused on the government's jobs report due out on Friday. The benchmark 10-year yield, which rose as high as 1.334%, was last unchanged at 1.302%. The market is in check "because even if you had a really great idea about what's going to happen next, the jobs report can trump just about anything," said Jim Vogel, senior rates strategist at FHN Financial. August job gains above 500,000 should keep the U.S. Federal Reserve on track to announce or strongly signal at its September meeting plans to taper \$120 billion in monthly purchases of Treasuries and mortgage-backed securities, a Citi Research report said. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.71	-0.75	KSA	2025	1.08	-0.66
Abu Dhabi	2030	1.81	-2.45	KSA	2030	2.13	-1.44
Abu Dhabi	2050	2.97	-4.19	KSA	2050	3.45	-3.39
Bahrain	2026	3.77	-3.65	Oman	2025	3.19	2.64
Bahrain	2030	5.53	-5.81	Oman	2029	4.80	3.70
Bahrain	2047	6.88	-9.30	Oman	2048	6.45	3.64
Dubai	2029	2.44	-0.53	Qatar	2025	0.92	-1.64
Kuwait	2022	0.07	-1.56	Qatar	2030	1.93	-3.20
Kuwait	2027	1.23	-1.88	Qatar	2050	3.11	-5.11

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.56	8.08	0.04	0.96
S&P MENA Bond and Sukuk Index	2.18	NA	-0.02	0.30
Bloomberg Emerging Markets USD Index	3.84	6.80	0.01	0.55
Bloomberg Global Aggregate Index	1.04	7.42	0.12	-2.21

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	02/09/2021	31/12/2020	02/09/2021	31/12/2020	02/09/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7957	0.8175	0.8443	0.8700	0.9143	0.9413
BHIBOR	1.5667	2.2500	1.6333	2.5333	1.8250	2.6833
QATAR	1.0000	1.1206	1.0833	1.1960	1.3250	1.3636
AEIBOR	0.3005	0.5125	0.4700	0.4908	0.4340	0.6538
EURIBOR	-0.5480	-0.5450	-0.5220	-0.5260	-0.5010	-0.4990
LIBOR	0.1196	0.2384	0.1496	0.2576	0.2279	0.3419

USD Swap Rates

Yield %		1D Δ (bps)	YTD Δ (%)	USD		1D Δ (bps)	YTD Δ (%)	USD		YTD Δ (%)
1-Year	0.1567	0.12	-18.6	KWD	0.3008	0.0000	0.83	Gold	1,813.70	-5.10
2-Year	0.3054	0.26	54.4	SAR	3.7510	0.0027	0.03	Silver	24.17	-9.32
5-Year	0.8711	0.76	102.6	BHD	0.3770	0.0027	0.01	Copper	429.15	21.78
7-Year	1.1045	0.81	68.7	QAR	3.6406	0.0165	0.02	Nat. Gas	4.61	68.00
10-Year	1.3238	0.96	43.1	OMR	0.3850	0.0000	0.00	Aluminum	2,682.75	34.15
30-Year	1.6574	1.02	18.2	AED	3.6730	0.0000	0.00	Crude Oil	71.37	40.22

US Treasuries

	Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.21	0.00		0.19	0.05		-0.74	0.00
5-Year	0.78	-0.02		0.36	0.09		-0.75	0.00
10-Year	1.30	-0.06		0.69	0.19		-0.53	0.00
30-Year	1.92	-0.15		1.03	0.52		0.11	0.00

UK Gilts

German Bunds

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	B3	NR	B-
Morocco	Ba1	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+
USD 5Yr CDS	2-Sep 2021	31-Dec 2020	
Kuwait	46.10	40.69	
KSA	49.52	63.77	
Abu Dhabi	39.05	36.03	
Dubai	84.41	104.06	
Qatar	38.95	36.70	
Bahrain	239.76	233.58	
Oman	233.80	353.60	
Iraq	519.77	542.74	
Egypt	342.18	330.47	
Morocco	89.88	102.56	
Turkey	364.01	299.47	
US	7.84	11.52	
UK	7.67	15.13	
China	31.41	26.70	
Japan	16.75	14.74	
Germany	8.32	9.09	
France	18.31	14.42	