

## News Updates

**Gulf Bank Redeems 100 Million-Dinar Tier 2 Subordinated Bonds –** Gulf Bank has successfully redeemed the Tier 2 Subordinated Debt Bonds of KD 100 million, previously issued on 30 May 2016. These bonds had a ten-year tenor and a call option for redemption on any interest payment date falling on or after the fifth anniversary of the issue date. The Central Bank had approved the call option on April 18, 2021. Moreover, having obtained the final approval of the Central Bank of Kuwait for the Bank's issuance of compliant Tier 2 bonds at a maximum of KD 50 million, Gulf Bank has also obtained regulatory approval for Tier 2 bonds of up to KD 50 million. (Source: Boursa Kuwait)

**Kuwait International Bank to sell its total exposure to NMC –** Kuwait International Bank (KIB) has announced it will sell its exposure to NMC Healthcare, which was placed into administration last year. In a statement to Boursa Kuwait, the Kuwaiti lender said it would sell the exposure, aggregating to \$74.11 million, for \$13.25 million, subject to due diligence requirements. The buyer was not named in the bourse filing. NMC was placed into administration in September 2020. (Source: Zawya)

**Qatar Petroleum hires banks for June jumbo bond sale –** Qatar Petroleum (QP) has hired international banks for a multi-billion dollar debut public bond sale by the end of June, two sources said, as lower oil and gas prices prompt Gulf energy firms to raise cash. QP, a top liquefied natural gas (LNG) supplier, appointed BofA Securities, Citi, Goldman Sachs, HSBC, JPMorgan and MUFG to lead the deal of up to \$10 billion, the sources told Reuters. More banks are expected to be involved at a later stage, the sources said, with one adding that the QP bond issue was expected to be a "meaningful" so-called jumbo deal. Gulf energy groups have been exploring a variety of ways to raise cash after they were pummeled last year by the COVID-19 pandemic and oil prices collapsing. This year's resolution to Qatar's three-year-old dispute with Saudi Arabia and three other Arab countries will benefit Qatar's economy and advantages could ripple through the whole region as it recovers from the dual shock. QP, which is wholly owned by the Qatari government, plans to vastly expand its capacity in coming years. (Source: Zawya)

**Brent Oil Tops \$70 as OPEC+ Flags Tightening Market Before Meet –** Brent oil advanced above \$70 a barrel after the OPEC+ alliance forecast a tightening global market ahead of a production policy meeting. Futures in London rose as much as 1.4% after posting a second straight monthly gain. The oil glut built up during the pandemic has almost gone and stockpiles will slide rapidly in the second half of the year, according to an assessment of the market from an OPEC+ committee. The coalition is expected to ratify a scheduled output increase for July when it meets later Tuesday. A robust recovery in the U.S. and Europe has given OPEC+ the confidence that global markets can absorb additional barrels, despite a Covid-19 comeback in parts of Asia and the prospect of more supply from Iran should a nuclear deal be revived. (Source: Bloomberg)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.83	-0.86	KSA	2025	1.26	-0.88
Abu Dhabi	2030	2.00	-3.66	KSA	2030	2.35	-2.90
Abu Dhabi	2050	3.18	-7.81	KSA	2050	3.67	-6.72
Bahrain	2026	3.43	-1.54	Oman	2025	3.39	2.31
Bahrain	2030	5.53	-5.56	Oman	2029	5.03	2.32
Bahrain	2047	6.95	-9.84	Oman	2048	6.88	-1.66
Dubai	2029	2.60	-1.08	Qatar	2025	0.93	-1.15
Kuwait	2022	0.00	-0.90	Qatar	2030	2.05	-3.81
Kuwait	2027	1.45	-2.65	Qatar	2050	3.33	-8.69

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.65	8.08	0.01	-0.88
S&P MENA Bond and Sukuk Index	2.26	NA	0.01	-1.61
Bloomberg Emerging Markets USD Index	3.81	6.80	0.00	-1.30
Bloomberg Global Aggregate Index	1.12	7.42	0.20	-2.35

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	1/6/2021	31/12/2020	1/6/2021	31/12/2020	1/6/2021	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	1.6183	2.2500	1.6733	2.5333	1.7800	2.6833
QATAR	1.1683	1.1206	1.2325	1.1960	1.3641	1.3636
AEIBOR	0.3750	0.5125	0.5763	0.4908	0.7038	0.6538
EURIBOR	-0.5430	-0.5450	-0.5120	-0.5260	-0.4810	-0.4990
LIBOR	0.1314	0.2384	0.1710	0.2576	0.2481	0.3419

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1466	0.07	-23.8
2-Year	0.2315	0.15	17.0
5-Year	0.8953	1.52	108.2
7-Year	1.2593	3.13	92.4
10-Year	1.5881	2.21	71.6
30-Year	2.0195	2.05	44.0

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3008	0.0665	0.83
SAR	3.7505	0.0000	0.03
BHD	0.3770	0.0027	0.01
QAR	3.6421	-0.0110	-0.01
OMR	0.3850	0.0000	0.00
AED	3.6731	0.0000	0.00

## Commodities

	USD	YTD Δ (%)
Gold	1,913.60	0.41
Silver	28.36	6.87
Copper	468.50	32.85
Nat. Gas	3.07	14.45
Aluminum	2,466.76	24.00
Crude Oil	70.07	36.46

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.14	0.00
5-Year	0.81	-0.05
10-Year	1.62	-0.19
30-Year	2.30	-0.32

## UK Gilts

	Yield %	1D Δ (%)
2-Year	0.05	-0.02
5-Year	0.34	0.04
10-Year	0.79	0.13
30-Year	1.30	0.34

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.70	0.00
5-Year	-0.66	0.00
10-Year	-0.32	0.00
30-Year	0.36	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+
<b>USD 5Yr CDS</b>	<b>01-Jun 2021</b>	<b>31-Dec 2020</b>	
Kuwait	46.25	40.69	
KSA	58.70	63.77	
Abu Dhabi	40.78	36.03	
Dubai	83.41	104.06	
Qatar	40.95	36.70	
Bahrain	196.02	233.58	
Oman	245.63	353.60	
Iraq	513.61	542.74	
Egypt	320.24	330.47	
Morocco	88.58	102.56	
Turkey	407.37	299.47	
US	7.35	11.52	
UK	9.03	15.13	
China	36.83	26.70	
Japan	15.79	14.74	
Germany	9.31	9.09	
France	20.66	14.42	