

News Updates

Saudi Arabia's holdings of US treasury bonds down 5% in September

– Saudi Arabia's holdings of US treasury bonds decreased by 5.3% to \$124.3 billion in September, compared to \$131.2 billion in the same month of 2020. Saudi Arabia has occupied the 17th position among the holders of the US debt instruments, according to the latest data by the US Department of the Treasury. On a monthly basis, Saudi Arabia has raised its holdings of US treasury bonds by 0.16% in September 2021, compared to \$124.1 billion in August. Globally, Japan has led the holders of US treasury bonds with \$1.299 trillion, followed by China with \$1.047 trillion and the UK with \$566.5 billion. At the Arab level, Saudi Arabia topped the holders of US treasury bonds, followed by the UAE with \$58.1 billion and Kuwait with \$46.3 billion. During the first nine months of 2021, the Kingdom has decreased its investments in the US debt instruments by 8.87%, compared to the end of 2020. (Source: Mubasher)

Fitch Affirms Dubai Islamic Bank at 'A'; Outlook Stable – Fitch Ratings has affirmed UAE-based Dubai Islamic Bank (DIB) Long-Term Issuer Default Rating (IDR) at 'A' with a Stable Outlook and Viability Rating (VR) at 'bb+'. DIB's IDRs and GSR reflects Fitch's view of an extremely high probability of support available to the bank from the UAE authorities (AA-/Stable) if needed. Fitch's view of potential support in case of need factors in the sovereign's strong capacity to support the banking system, underpinned by its solid net external asset position, still strong fiscal metrics and recurring hydrocarbon revenues. (Source: Fitch Ratings)

Fitch Affirms Mashreq Bank at 'A'; Outlook Stable – Fitch Ratings has affirmed Mashreq Bank PSC's (Mashreq) Long-Term Issuer Default Rating (IDR) at 'A' with a Stable Outlook. Fitch has maintained the bank's 'bbb-' Viability Rating (VR) on Rating Watch Negative (RWN). Fitch placed Mashreq's VR on RWN in August 2021, reflecting the sharp and unexpected drop in the bank's capitalisation, with the common equity Tier 1 (CET1) capital ratio and total capital adequacy ratio (CAR) falling to 12.8% and 14%, respectively at end-1H21 from 14.9% and 16.0% at end-2020. (Source: Fitch Ratings)

Oil slumps, hits six-week lows on revived supply concerns – Oil prices slumped on Wednesday, driving major benchmarks to their lowest settlement levels since early October, after OPEC and the International Energy Agency warned of impending oversupply, while rising COVID-19 cases in Europe increased downside risks to demand recovery. Brent crude futures fell \$1.36, or 1.7%, to \$81.05 a barrel by 12:18 p.m. EST (1718 GMT). U.S. West Texas Intermediate (WTI) crude futures settled at \$78.36, down \$2.40, a 3% decline. The declines took Brent to its lowest close since Oct. 1 and U.S. crude to its lowest settlement since Oct. 7. The global oil market has been focused on the swift rise in demand against a slow increase in supply from OPEC and its allies, along with reluctance from big U.S. shale players to overspend on drilling. However, both the IEA and OPEC in recent weeks said more supply could be coming in the next several months. OPEC and its allies have maintained an agreement to boost output by 400,000 bpd every month so as not to overwhelm the market with supply. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.18	-2.64	KSA	2025	1.42	-2.20
Abu Dhabi	2030	2.06	-4.42	KSA	2030	2.36	-3.31
Abu Dhabi	2050	3.00	-4.83	KSA	2050	3.53	-4.79
Bahrain	2026	3.88	-4.36	Oman	2025	3.45	1.60
Bahrain	2030	5.53	-5.97	Oman	2029	4.93	2.69
Bahrain	2047	7.03	-10.83	Oman	2048	6.70	0.39
Dubai	2029	2.48	-1.04	Qatar	2025	1.30	-3.29
Kuwait	2022	0.03	-2.16	Qatar	2030	2.22	-5.47
Kuwait	2027	1.69	-4.47	Qatar	2050	3.15	-5.86

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.76	8.08	-0.12	0.30
S&P MENA Bond and Sukuk Index	2.37	NA	-0.06	-0.19
Bloomberg Emerging Markets USD Index	4.38	6.80	0.04	-1.71
Bloomberg Global Aggregate Index	1.28	7.42	-0.03	-4.91

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	18/11/2021	31/12/2020	18/11/2021	31/12/2020	18/11/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0625	1.9375
SAIBOR	0.8386	0.8175	0.8857	0.8700	0.9571	0.9413
BHIBOR	1.5167	2.2500	1.5583	2.5333	1.7667	2.6833
QATAR	1.1833	1.1206	1.2156	1.1960	1.3500	1.3636
AEIBOR	0.3431	0.5125	0.5175	0.4908	0.7097	0.6538
EURIBOR	-0.5580	-0.5450	-0.5300	-0.5260	-0.4840	-0.4990
LIBOR	0.1600	0.2384	0.2278	0.2576	0.3991	0.3419

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.3336	0.56	73.3	KWD	0.3027	-0.0991	0.20	Gold	1,870.70	-2.26
2-Year	0.7468	0.83	277.6	SAR	3.7515	0.0027	0.02	Silver	25.15	-5.98
5-Year	1.3362	0.03	210.7	BHD	0.3770	0.0027	0.00	Copper	425.95	20.99
7-Year	1.5034	-0.04	129.7	QAR	3.6421	0.0000	-0.01	Nat. Gas	4.85	66.43
10-Year	1.6377	-0.03	77.0	OMR	0.3850	0.0000	0.01	Aluminum	2,643.25	31.67
30-Year	1.7831	0.01	27.2	AED	3.6730	0.0000	0.00	Crude Oil	79.99	58.05

US Treasuries			UK Gilt		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.50	0.00	0.54	0.10	-1.44	-0.01
5-Year	1.23	0.01	0.70	0.20	-0.74	-0.02
10-Year	1.59	0.02	0.96	0.24	-0.40	0.00
30-Year	1.98	0.02	1.12	0.16	0.06	0.14

	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	18-Nov 2021	31-Dec 2020
Kuwait	43.98	40.69
KSA	44.71	63.77
Abu Dhabi	38.79	36.03
Dubai	83.89	104.06
Qatar	38.77	36.70
Bahrain	256.81	233.58
Oman	237.95	353.60
Iraq	508.43	542.74
Egypt	448.25	330.47
Morocco	86.69	102.56
Turkey	424.96	299.47
US	13.69	11.52
UK	8.67	15.13
China	50.75	26.70
Japan	16.50	14.74
Germany	7.58	9.09
France	19.19	14.42