

News Updates

Bank Albilad commences SAR-denominated Tier 2 Sukuk offer – Bank Albilad has started offering a domestic SAR-denominated Tier 2 Sukuk for up to SAR 3 billion by the way of private placement in Saudi Arabia. For the holders of the previously issued SAR 2 billion Sukuk due in 2026, the offer includes an option that enables them to exchange their investment in the previous Sukuk with an investment in the Tier 2 Sukuk, according to a bourse filing on Thursday. Meanwhile, the bank will determine the amount of the issuance and the number of Sukuk to be offered based on the market conditions. The bank mandated Albilad Capital as a sole arranger and dealer of the issuance. (Source: Mubasher)

S&P affirms Oman’s credit rating at B+/B with stable outlook – The Standard and Poors (S&P) Global Ratings have affirmed the Sultanate’s credit rating at “B + / B” with a stable outlook. The international credit rating agency expects the economic and fiscal pressure on the Sultanate to recede noting that the fiscal measures taken by the Sultanate’s government will contribute to a fall in the budget deficit. S&P pointed to the significance that the government carries on with the economic and fiscal measures which will improve the country’s financial position and credit rating. (Source: Oman Daily)

Morocco Cut to Junk by S&P – S&P cut Morocco’s long-term foreign and local currency ratings by one level to BB+ from BBB-. The new rating has a stable outlook. S&P previously had a negative outlook on Morocco’s rating. Morocco’s economy contracted sharply by 6.7% in 2020 and its general government deficit rose to 7.7% of GDP, and budgetary consolidation over 2021-2024 is likely to be slow, with net general government debt rising to about 72% of GDP in 2024. They believe the increase in state guarantees has spurred a significant rise in contingent liabilities, which if materialized could further exacerbate budgetary pressure. (Source: Bloomberg)

World Bank Sees MENA Debt Rising At Fastest Pace in 21st Century – Public debt levels in the Middle East and North Africa are expected to rise to 54% of economic output by the end of this year from 46% in 2019, the fastest accumulation this century, the World Bank said on Friday. Despite global efforts to roll out vaccines, the economic situation remains volatile, it said. The region is expected to see an uptick in its gross domestic product levels this year, after record economic contractions in several countries in 2020, the report said. The double crisis of the virus, along with plummeting oil prices, created an even bigger problem for the region’s oil exporters. Saudi Arabia’s budget deficit widened the most in more than three decades. It was a similar case for neighboring countries which have had to slash spending and pump money through stimulus programs. The pandemic affected sectors other than energy in the region too and the World Bank expects overall exports will have dropped sharply last year and will only partially recover in 2021. The World Bank estimates the region’s economic growth will be 2.2% in 2021, only partially recovering from last year’s 3.8% contraction. It said the region must prioritize fiscal spending to mitigate the effects of the virus. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.01	-1.27	KSA	2025	1.41	-1.35
Abu Dhabi	2030	2.18	-4.85	KSA	2030	2.56	-4.43
Abu Dhabi	2050	3.32	-10.17	KSA	2050	3.88	-9.83
Bahrain	2026	3.45	-1.27	Oman	2025	3.49	2.18
Bahrain	2030	5.63	-6.04	Oman	2029	5.26	0.94
Bahrain	2047	7.03	-10.74	Oman	2048	7.00	-3.11
Dubai	2029	2.72	-1.79	Qatar	2025	1.11	-1.47
Kuwait	2022	0.14	-0.67	Qatar	2030	2.25	-5.09
Kuwait	2027	1.56	-3.06	Qatar	2050	3.45	-10.60

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.85	8.08	-0.11	-2.94
S&P MENA Bond and Sukuk Index	2.47	NA	-0.16	-3.58
Bloomberg Emerging Markets USD Index	4.01	6.80	-0.16	-3.33
Bloomberg Global Aggregate Index	1.16	7.42	-0.10	-4.37

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	4/4/2021	31/12/2020	4/4/2021	31/12/2020	4/4/2021	31/12/2020
KIBOR	1.5000	1.4375	1.6875	1.6875	1.9375	1.9375
SAIBOR	0.7971	0.8175	0.8443	0.8700	0.9171	0.9413
BHIBOR	1.2667	2.2500	1.3917	2.5333	1.6417	2.6833
QATAR	1.0767	1.1206	1.1674	1.1960	1.2988	1.3636
AEIBOR	0.3108	0.5125	0.6813	0.4908	0.5066	0.6538
EURIBOR	-0.5380	-0.5450	-0.5120	-0.5260	-0.4880	-0.4990
LIBOR	0.1998	0.2384	0.2013	0.2576	0.2805	0.3419

USD Swap Rates

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.2226	0.60	15.6	KWD	0.3022	-0.0827	0.35	Gold	1,728.40	-9.17
2-Year	0.3185	2.59	61.0	SAR	3.7504	-0.0027	0.03	Silver	24.95	-5.76
5-Year	1.0928	7.50	154.1	BHD	0.3770	0.0027	0.00	Copper	399.05	13.24
7-Year	1.4495	5.81	121.4	QAR	3.6417	-0.0027	-0.01	Nat. Gas	2.64	3.29
10-Year	1.7585	4.51	90.0	OMR	0.3850	0.0000	0.00	Aluminum	2,209.25	11.45
30-Year	2.1454	2.00	53.0	AED	3.6730	0.0000	0.00	Crude Oil	64.86	25.55

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.19	-0.05	0.06	0.05	-0.69	0.00
5-Year	0.98	-0.36	0.36	0.14	-0.73	0.09
10-Year	1.72	-0.44	0.79	0.51	-0.45	0.30
30-Year	2.36	-0.45	1.34	1.17	0.22	0.86

UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.19	-0.05	0.06	0.05	-0.69	0.00
5-Year	0.98	-0.36	0.36	0.14	-0.73	0.09
10-Year	1.72	-0.44	0.79	0.51	-0.45	0.30
30-Year	2.36	-0.45	1.34	1.17	0.22	0.86

German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.19	-0.05	0.06	0.05	-0.69	0.00
5-Year	0.98	-0.36	0.36	0.14	-0.73	0.09
10-Year	1.72	-0.44	0.79	0.51	-0.45	0.30
30-Year	2.36	-0.45	1.34	1.17	0.22	0.86

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+
USD 5Yr CDS	4-Apr 2021	31-Dec 2020	
Kuwait	47.27	40.69	
KSA	67.54	63.77	
Abu Dhabi	47.51	36.03	
Dubai	98.82	104.06	
Qatar	47.63	36.70	
Bahrain	192.20	233.58	
Oman	282.85	353.60	
Iraq	559.32	542.74	
Egypt	318.75	330.47	
Morocco	92.09	102.56	
Turkey	452.71	299.47	
US	9.26	11.52	
UK	10.48	15.13	
China	32.00	26.70	
Japan	15.36	14.74	
Germany	8.52	9.09	
France	16.40	14.42	