

News Updates

Saudi mall operator Arabian Centres plans \$500mln sukuk – Saudi Arabian mall operator Arabian Centres is planning a sale of \$500 million sukuk, or Islamic bonds, sources familiar with the matter said, in what would be the first Saudi corporate international bond issuance this year. Arabian Centres, which operates 21 shopping centres across Saudi Arabia, made its debut in the international sukuk market in 2019 with a \$500 million issuance, after going public earlier that year with a 2.8 billion riyal (\$746.61 million) initial public offering in Saudi Arabia. The company, saw its net profit drop an annual 34.1% in the nine-month period ending on Dec. 31 last year, as containment measures against the coronavirus pandemic impacted business. HSBC is helping the firm to arrange the deal, the sources said, with one of them adding Goldman Sachs has also been chosen to lead the transaction. Proceeds from the planned debt sale - expected to happen before Ramadan - will be used to refinance outstanding debt and to back expansion plans, said one of the sources. Arabian Centres went public in 2019. Its offering was the kingdom's third biggest IPO since Saudi Arabian lender National Commercial Bank raised \$6 billion in 2014. Its 2019 debut international sukuk were four times oversubscribed. The planned deal follows a flurry of transactions from mainly governments and banks in the Gulf region this year, with borrowers taking advantage of low rates to boost coffers hurt by the COVID-19 pandemic. Deal-making however has slowed down a bit in recent weeks due to rates volatility. (Source: Reuters)

Dubai's inflation down 4.5% in February 2021 – Dubai's inflation retreated for the 27th successive month in February 2021 to record 4.5% year-on-year (YoY). Dubai's Consumer Price Index (CPI) reached 101.03 points in February 2021, down from 106 points in the same month in 2020, according to the latest statistics by the Dubai Statistics Centre. During the second month of 2021, the prices of food and beverages, clothing and footwear, and housing, water, electricity, gas, and other fuels decreased by 0.43%, 2.57%, and 9.14%, respectively. In the meantime, the prices of tobacco, furnishings, household equipment and routine, and communication rose by 0.10%, 0.59%, and 0.14%, respectively. On a monthly basis, Dubai's inflation went down 0.42% in February 2021. (Source: Mubasher)

S&P reaffirms QIB's rating at 'A-/A-2' with a stable outlook – S&P Global Ratings (S&P) has reaffirmed Qatar Islamic Bank's (QIB) long and short-term ratings at 'A-/A-2' with a Stable Outlook. The global rating agency has also upgraded QIB's Stand-Alone Credit Profile (SACP) to 'bbb' (adequate) from 'bbb-' (moderate). In its rating report issued on Wednesday, S&P said: “QIB displayed good resilience to the economic shock in Qatar in 2020. We expect the Qatari economy will recover mildly in 2021-2022 after shrinking by 4.4% in 2020 due to the pandemic. Despite last year's shock, we expect QIB's asset-quality indicators will deteriorate only slightly.” (Source: Qatar Tribune)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.01	-1.24	KSA	2025	1.39	-1.26
Abu Dhabi	2030	2.17	-4.93	KSA	2030	2.51	-4.27
Abu Dhabi	2050	3.35	-10.65	KSA	2050	3.89	-10.09
Bahrain	2026	3.39	-0.97	Oman	2025	3.49	2.23
Bahrain	2030	5.65	-6.16	Oman	2029	5.11	1.96
Bahrain	2047	6.94	-9.73	Oman	2048	6.90	-2.00
Dubai	2029	2.79	-2.26	Qatar	2025	1.14	-1.51
Kuwait	2022	0.03	-0.51	Qatar	2030	2.18	-4.71
Kuwait	2027	1.56	-2.98	Qatar	2050	3.48	-11.02

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.81	8.08	-0.28	-2.99
S&P MENA Bond and Sukuk Index	2.40	NA	-0.04	-3.70
Bloomberg Emerging Markets USD Index	3.90	6.80	-0.10	-3.09
Bloomberg Global Aggregate Index	1.14	7.42	-0.18	-3.90

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	18/3/2021	31/12/2020	18/3/2021	31/12/2020	18/3/2021	31/12/2020
KIBOR	1.5000	1.4375	1.6875	1.6875	1.9375	1.9375
SAIBOR	0.7963	0.8175	0.8438	0.8700	0.9163	0.9413
BHIBOR	1.6583	2.2500	1.7583	2.5333	2.1350	2.6833
QATAR	0.9750	1.1206	1.1000	1.1960	1.2250	1.3636
AEIBOR	0.3752	0.5125	0.4925	0.4908	0.5877	0.6538
EURIBOR	-0.5420	-0.5450	-0.5200	-0.5260	-0.4910	-0.4990
LIBOR	0.1900	0.2384	0.1979	0.2576	0.2808	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	0.1954	-0.14	1.5	KWD	0.3020	0.0000	0.43	Gold	1,749.20	-7.92
2-Year	0.2435	-0.05	23.1	SAR	3.7506	0.0000	0.03	Silver	26.63	0.57
5-Year	0.8964	0.06	108.5	BHD	0.3771	0.0000	-0.01	Copper	411.10	16.66
7-Year	1.2982	0.51	98.3	QAR	3.6420	0.0082	0.00	Nat. Gas	2.51	-1.06
10-Year	1.6690	1.15	80.4	OMR	0.3850	0.0000	0.00	Aluminum	2,210.50	11.51
30-Year	2.1522	2.35	53.5	AED	3.6731	0.0000	0.00	Crude Oil	67.60	30.55

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.13	0.01	0.10	-0.03	-0.65	-0.01
5-Year	0.80	0.01	0.39	-0.14	-0.69	-0.06
10-Year	1.66	-0.12	0.83	-0.51	-0.40	-0.35
30-Year	2.44	-0.36	1.35	-0.88	0.25	-1.51

UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.13	0.01	0.10	-0.03	-0.65	-0.01
5-Year	0.80	0.01	0.39	-0.14	-0.69	-0.06
10-Year	1.66	-0.12	0.83	-0.51	-0.40	-0.35
30-Year	2.44	-0.36	1.35	-0.88	0.25	-1.51

German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.13	0.01	0.10	-0.03	-0.65	-0.01
5-Year	0.80	0.01	0.39	-0.14	-0.69	-0.06
10-Year	1.66	-0.12	0.83	-0.51	-0.40	-0.35
30-Year	2.44	-0.36	1.35	-0.88	0.25	-1.51

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	BBB-	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	18-Mar 2021	31-Dec 2020
Kuwait	42.89	40.69
KSA	61.73	63.77
Abu Dhabi	43.01	36.03
Dubai	93.99	104.06
Qatar	42.75	36.70
Bahrain	190.69	233.58
Oman	302.45	353.60
Iraq	408.94	542.74
Egypt	289.67	330.47
Morocco	87.02	102.56
Turkey	322.59	299.47
US	8.46	11.52
UK	11.11	15.13
China	29.96	26.70
Japan	14.46	14.74
Germany	8.81	9.09
France	14.11	14.42