

## News Updates

**Saudi Arabia closes \$2.78bln July sukuk program** – Saudi Arabia's National Debt Management Center (NDMC) on Tuesday closed the July 2021 issuance for the government's Saudi riyal-denominated sukuk, valued at SR10.412 billion (\$2.78 billion), as the Kingdom continued to embrace the capital debt market. The sukuk, or Islamic bonds, were divided into two tranches. The first tranche, valued at SR6.462 billion, will mature in 2031, while the second, valued at SR3.95 billion, will mature four years later. Saudi Arabia has been increasingly active in the sukuk markets recently. The NDMC three weeks ago closed the June 2021 issuance valued at SR8.265 billion. *(Source: Arab News)*

**Emirate of Sharjah sells \$750 million in 10-year sukuk** – The Emirate of Sharjah sold \$750 million in 10-year sukuk on Tuesday in its second international bond sale of the year, as it seeks to plug finances hit by the impact of the COVID-19 pandemic. Sharjah sold the Islamic bonds at 3.2%, tightened 30 basis points from initial price guidance after the sukuk attracted more than \$2.75 billion in orders, the document from one of the banks on the deal showed. *(Source: Reuters)*

**Moody's affirms Iraq's Caa1 ratings, maintains stable outlook** – Moody's Investors Service ("Moody's") has affirmed the Government of Iraq's long-term issuer and foreign currency senior unsecured ratings at Caa1 and maintained the stable outlook. The rating affirmation reflects credit challenges posed by Iraq's exceptionally high economic and fiscal reliance on oil, and very weak institutions and governance that, in Moody's view, will continue to limit policy effectiveness, constrain the government's capacity to respond to external and domestic shocks and weigh on the already low competitiveness of Iraq's economy. The Caa1 rating also takes into account Iraq's inherently very high level of political risk and instability, stemming from the ongoing domestic social and political strife as well as regional geopolitical tensions, all of which will continue to hamper a strengthening of institutions and governance, and slow economic and fiscal diversification. *(Source: Moody's)*

**U.S. yields fall after service sector data; Fed minutes eyed** – U.S. Treasury yields fell on Tuesday, with the benchmark 10-year note poised for its longest streak of daily declines in 16 months as investors look for clues on the Federal Reserve's policy path and after data signaled the service sector expanded at a slower pace. A gauge of activity from the Institute for Supply Management on the U.S. services sector, which accounts for about two-thirds of economic activity, showed moderate growth in June, down from the record pace in May. The data comes on the heels of Friday's employment report, which was viewed by many as showing an improving labor market, but not enough to signal an economy that may be prone to overheating. The yield on 10-year Treasury notes was down 6.4 basis points to 1.368%. The yield hit a low of 1.352%, its lowest since Feb. 24 and was on track for a sixth straight session of declines. *(Source: Reuters)*

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.72	-0.55	KSA	2025	1.15	-0.61
Abu Dhabi	2030	2.03	-3.93	KSA	2030	2.31	-2.74
Abu Dhabi	2050	3.06	-5.85	KSA	2050	3.53	-4.53
Bahrain	2026	3.70	-2.84	Oman	2025	3.40	2.14
Bahrain	2030	5.50	-5.45	Oman	2029	5.14	1.70
Bahrain	2047	6.86	-8.94	Oman	2048	6.85	-1.33
Dubai	2029	2.43	-0.30	Qatar	2025	0.94	-1.36
Kuwait	2022	0.09	-1.18	Qatar	2030	2.12	-4.42
Kuwait	2027	1.34	-2.26	Qatar	2050	3.22	-6.84

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.63	8.08	-0.11	-0.23
S&P MENA Bond and Sukuk Index	2.20	NA	0.01	-0.59
Bloomberg Emerging Markets USD Index	3.82	6.80	0.09	-0.48
Bloomberg Global Aggregate Index	1.08	7.42	0.21	-2.86

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	7/7/2021	31/12/2020	7/7/2021	31/12/2020	7/7/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7929	0.8175	0.8443	0.8700	0.9143	0.9413
BHIBOR	1.6417	2.2500	1.7333	2.5333	1.8667	2.6833
QATAR	1.0993	1.1206	1.1826	1.1960	1.3273	1.3636
AEIBOR	0.3875	0.5125	0.4925	0.4908	0.3933	0.6538
EURIBOR	-0.5420	-0.5450	-0.5130	-0.5260	-0.4880	-0.4990
LIBOR	0.1380	0.2384	0.1625	0.2576	0.2413	0.3419

## USD Swap Rates

			Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)	
1-Year	0.1715	0.04	-10.9	KWD	0.3011	0.0332	0.75	Gold
2-Year	0.3041	0.51	53.7	SAR	3.7512	-0.0080	0.02	Silver
5-Year	0.8835	1.07	105.5	BHD	0.3770	-0.0027	0.00	Copper
7-Year	1.1174	0.86	70.7	QAR	3.6419	0.0000	0.01	Nat. Gas
10-Year	1.3323	0.66	44.0	OMR	0.3850	0.0000	0.00	Aluminum
30-Year	1.6619	0.31	18.5	AED	3.6731	0.0000	0.00	Crude Oil

## US Treasuries

	Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.22	0.00		0.04	0.01		-0.69	0.00
5-Year	0.81	-0.06		0.27	0.16		-0.70	0.00
10-Year	1.35	-0.05		0.63	0.87		-0.42	0.00
30-Year	1.98	-0.05		1.16	1.60		0.22	0.00

## UK Gilts

	Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.22	0.00		0.04	0.01
5-Year	0.81	-0.06		0.27	0.16
10-Year	1.35	-0.05		0.63	0.87
30-Year	1.98	-0.05		1.16	1.60

## German Bunds

	Yield %	1D Δ (%)
2-Year	0.22	0.00
5-Year	0.81	-0.06
10-Year	1.35	-0.05
30-Year	1.98	-0.05

## 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>7-Jul 2021</b>	<b>31-Dec 2020</b>	
Kuwait	45.55	40.69	
KSA	55.83	63.77	
Abu Dhabi	39.21	36.03	
Dubai	83.95	104.06	
Qatar	40.02	36.70	
Bahrain	214.09	233.58	
Oman	247.93	353.60	
Iraq	504.71	542.74	
Egypt	343.64	330.47	
Morocco	89.80	102.56	
Turkey	388.72	299.47	
US	7.55	11.52	
UK	7.49	15.13	
China	36.53	26.70	
Japan	16.04	14.74	
Germany	8.79	9.09	
France	19.50	14.42	