

News Updates

Saudi Arabia's holdings of US Treasury bonds decline 26% in January – Saudi Arabia has decreased its holdings of US Treasury bonds (T-bonds) by around 26.13% to \$135.1 billion in January 2021, compared to \$182.9 billion in the year-ago period. On a monthly basis, Saudi Arabia's investments in the US debt instruments went down 0.95% or \$1.3 billion in January, compared to \$136.4 billion in December 2020, according to the latest data by the US Department of the Treasury. At the Arab level, Saudi Arabia was placed in the first position among the holders of US T-bonds, followed by Kuwait with \$45.3 billion and the UAE with \$33.8 billion. Globally, Saudi Arabia ranked 14th among the holders of US Treasury bonds, which topped by Japan with \$1.276 trillion. (Source: Mubasher)

Lebanon to Reduce Subsidies as Cash Runs Out, Finance Chief Says – Lebanon is scaling back food subsidies and will gradually raise gasoline prices to save dwindling foreign reserves, the caretaker finance minister said. The central bank has \$16 billion left in foreign reserves, of which only \$1 billion to \$1.5 billion can be used to fund subsidies, enough for two to three months, Ghazi Wazni said in an interview. Reserves have halved from about \$30 billion a year ago. “Lebanon can no longer continue with the same pace of subsidies,” Wazni said, without giving a time frame for the changes. “It costs \$500 million a month, \$6 billion a year. That’s why the government made the decision to rationalize subsidies and reduce them on some items.” (Source: Bloomberg)

S&P affirms U.S. ratings at 'AA+/A-1+' with stable outlook – Rating agency S&P on Tuesday affirmed the United States' AA-plus/A-1-plus sovereign rating, citing the country's resilient economy and extensive monetary policy flexibility as the U.S. fights to bounce back from last year's pandemic-fueled slump. The global rating agency said its outlook for the United States remains stable, reflecting expectations of rapid economic growth as the pandemic recedes, as well as growing fiscal deficits. “The stable outlook indicates our view that the negative and positive rating factors for the U.S. will be balanced over the next three years,” the agency said in a statement. “We expect that, despite large projected fiscal deficits in the near term, the government will enact countervailing measures to begin addressing longer-term fiscal challenges.” The agency lowered its long-term U.S. rating by one notch below its highest level in 2011 over a widening deficit and higher debt levels. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.00	-1.22	KSA	2025	1.46	-1.38
Abu Dhabi	2030	2.10	-4.37	KSA	2030	2.48	-3.89
Abu Dhabi	2050	3.32	-10.15	KSA	2050	3.86	-9.61
Bahrain	2026	3.38	-0.89	Oman	2025	3.43	2.40
Bahrain	2030	5.62	-5.98	Oman	2029	5.03	2.48
Bahrain	2047	6.91	-9.43	Oman	2048	6.83	-1.04
Dubai	2029	2.74	-1.94	Qatar	2025	1.12	-1.39
Kuwait	2022	0.23	-0.57	Qatar	2030	2.15	-4.36
Kuwait	2027	1.55	-2.89	Qatar	2050	3.43	-10.30

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.78	8.08	0.34	-2.72
S&P MENA Bond and Sukuk Index	2.39	NA	0.05	-3.66
Bloomberg Emerging Markets USD Index	3.89	6.80	0.30	-2.99
Bloomberg Global Aggregate Index	1.13	7.42	0.01	-3.72

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	17/3/2021	31/12/2020	17/3/2021	31/12/2020	17/3/2021	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	0.9833	1.1206	1.0833	1.1960	1.2833	1.3636
AEIBOR	0.3502	0.5125	0.5082	0.4908	0.5877	0.6538
EURIBOR	-0.5380	-0.5450	-0.5150	-0.5260	-0.4820	-0.4990
LIBOR	0.1820	0.2384	0.1975	0.2576	0.2810	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	0.2005	-0.40	4.2	KWD	0.3020	0.0000	0.43	Gold	1,735.30	-8.65
2-Year	0.2555	-0.10	29.2	SAR	3.7506	0.0027	0.03	Silver	25.96	-1.94
5-Year	0.9141	0.07	112.6	BHD	0.3771	0.0000	-0.01	Copper	407.25	15.56
7-Year	1.2862	0.13	96.5	QAR	3.6417	0.0027	-0.01	Nat. Gas	2.56	0.91
10-Year	1.6250	0.18	75.6	OMR	0.3850	0.0026	0.00	Aluminum	2,187.00	10.33
30-Year	2.0728	-0.26	47.8	AED	3.6730	0.0000	0.00	Crude Oil	68.27	31.85

US Treasuries

	Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.15	0.00		0.08	0.01		-0.65	0.00
5-Year	0.83	0.00		0.36	0.04		-0.71	0.00
10-Year	1.62	0.00		0.78	0.13		-0.45	0.01
30-Year	2.37	0.13		1.31	0.24		0.19	0.04

Currencies

	USD	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
Gold	1,735.30	-8.65		Silver	25.96	-1.94	
Copper	407.25	15.56		Nat. Gas	2.56	0.91	
Aluminum	2,187.00	10.33		Crude Oil	68.27	31.85	

UK Gilts

	Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.15	0.00		0.08	0.01
5-Year	0.83	0.00		0.36	0.04
10-Year	1.62	0.00		0.78	0.13
30-Year	2.37	0.13		1.31	0.24

Commodities

	USD	1D Δ (bps)	YTD Δ (%)
Gold	1,735.30	-8.65	
Silver	25.96	-1.94	
Copper	407.25	15.56	
Nat. Gas	2.56	0.91	
Aluminum	2,187.00	10.33	
Crude Oil	68.27	31.85	

German Bunds

	Yield %	1D Δ (%)
2-Year	0.15	0.00
5-Year	0.83	0.00
10-Year	1.62	0.00
30-Year	2.37	0.13

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

	17-Mar 2021	31-Dec 2020
Kuwait	43.39	40.69
KSA	59.48	63.77
Abu Dhabi	42.20	36.03
Dubai	94.21	104.06
Qatar	42.20	36.70
Bahrain	189.37	233.58
Oman	291.42	353.60
Iraq	405.38	542.74
Egypt	289.67	330.47
Morocco	85.33	102.56
Turkey	311.60	299.47
US	8.41	11.52
UK	11.85	15.13
China	30.59	26.70
Japan	14.51	14.74
Germany	8.76	9.09
France	14.00	14.42