

News Updates

Moody's downgrades Tunisia's ratings to Caa1, maintains negative outlook – Moody's Investors Service downgraded on October 14th 2021 Tunisia's sovereign credit rating to 'Caa1' from 'B3' and maintained the negative outlook, citing weakening governance and heightened uncertainty regarding the government's capacity to implement measures that would ensure renewed access to funding to meet high financing requirements over the next few years. The agency noted there is a risk that, if significant funding is not secured, high liquidity pressure may lead to default. On the other hand, the negative outlook reflects downside risks related to possible protracted delays in reforms and reform-dependent funding which would erode FX reserves through drawdowns for debt service payments, thereby exacerbating balance of payment risk. Standard & Poor's credit rating for Tunisia stands at N/A with n/a outlook. Fitch's credit rating for Tunisia was last reported at B- with negative outlook. (Source: Trading Economics)

Egypt's external debt hits \$137.85B end-June 2021 – Egypt's external debt reached \$137.85 billion at the end of June 2021, almost up by \$3.02 billion from \$134.84 billion at the end of March 2021, Al Borsa Newspaper reported, citing data issued by the Central Bank of Egypt (CBE). The long-term external debt recorded \$124.12 billion at the end of June 2021, representing 90% of Egypt's total external debt. This marks an increase from the long-term external debt in March 2021 of \$121.579 billion. Meanwhile, the country's short-term external debt grew by nearly \$454 million to \$ 13.716 billion in June 2021 from \$ 13.261 billion in March 2021. It is worth noting that the CBE previously announced that Egypt's balance of payment has recorded a surplus of \$1.9 billion in fiscal year (FY) 2020/2021, versus a deficit of \$8.6 billion in FY 2019/2020. Foreign direct investments (FDI) in Egypt realized a net inflow of \$5.2 billion in FY 2020/2021, versus \$7.5 billion in the previous fiscal year. (Source: Arab Finance)

Oil prices climb as COVID recovery, power generators stoke demand – Oil prices hit their highest level in years on Monday as demand recovers from the COVID-19 pandemic, boosted by more custom from power generators turning away from expensive gas and coal to fuel oil and diesel. Brent crude oil futures rose 90 cents, or 1.1%, to \$85.76 a barrel by 0445 GMT, after hitting a session-high of \$86.04, the highest price since October 2018. U.S. West Texas Intermediate (WTI) crude futures climbed \$1.23, or 1.5%, to \$83.51 a barrel, after hitting a session-high of \$83.73, highest since October 2014. Both contracts rose by at least 3% last week. "Easing restrictions around the world are likely to help the recovery in fuel consumption," analysts from ANZ bank said in a note on Monday, adding that gas-to-oil switching for power generation alone could boost demand by as much as 450,000 barrels per day in the fourth quarter. "As coal, electricity, and natural gas shortages lead to additional demand for crude, it appears that won't be accompanied by significantly extra barrels from OPEC+ or the U.S.," said Edward Moya, senior analyst at OANDA. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.98	-1.90	KSA	2025	1.27	-1.52
Abu Dhabi	2030	2.05	-4.40	KSA	2030	2.42	-3.72
Abu Dhabi	2050	3.17	-7.71	KSA	2050	3.64	-6.58
Bahrain	2026	4.22	-5.48	Oman	2025	3.32	2.10
Bahrain	2030	5.83	-7.74	Oman	2029	4.77	3.80
Bahrain	2047	7.31	-13.53	Oman	2048	6.59	1.81
Dubai	2029	2.49	-1.03	Qatar	2025	1.14	-2.72
Kuwait	2022	0.10	-1.95	Qatar	2030	2.18	-5.18
Kuwait	2027	1.46	-3.42	Qatar	2050	3.26	-7.70

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.74	8.08	-0.06	-0.21
S&P MENA Bond and Sukuk Index	2.34	NA	-0.03	-0.81
Bloomberg Emerging Markets USD Index	4.30	6.80	0.02	-1.71
Bloomberg Global Aggregate Index	1.23	7.42	-0.13	-4.19

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	18/10/2021	31/12/2020	18/10/2021	31/12/2020	18/10/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8157	0.8175	0.8629	0.8700	0.9371	0.9413
BHIBOR	1.5167	2.2500	1.6250	2.5333	1.8000	2.6833
QATAR	1.1500	1.1206	1.2000	1.1960	1.3500	1.3636
AEIBOR	0.3551	0.5125	0.3999	0.4908	0.5115	0.6538
EURIBOR	-0.5480	-0.5450	-0.5280	-0.5260	-0.4830	-0.4990
LIBOR	0.1236	0.2384	0.1605	0.2576	0.2796	0.3419

USD Swap Rates				Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)	
1-Year	0.2379	1.03	23.6	KWD	0.3019	-0.0331	0.48	Gold	1,768.50
2-Year	0.5660	2.51	186.1	SAR	3.7515	-0.0027	0.02	Silver	23.38
5-Year	1.2359	3.95	187.4	BHD	0.3770	-0.0027	0.02	Copper	477.55
7-Year	1.4405	4.02	120.1	QAR	3.6412	0.0027	0.01	Nat. Gas	5.17
10-Year	1.6152	3.96	74.6	OMR	0.3850	0.0000	0.00	Aluminum	3,149.50
30-Year	1.8388	3.03	31.2	AED	3.6730	0.0000	0.00	Crude Oil	85.74
US Treasuries				UK Gilts		German Bunds			
	Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)		
2-Year	0.42	-0.04		0.57	-0.15	-0.78	0.00		
5-Year	1.16	-0.16		0.76	-0.34	-0.68	0.00		
10-Year	1.60	-0.25		1.10	-0.55	-0.32	0.00		
30-Year	2.06	-0.45		1.37	-1.91	0.25	0.00		

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-Oct 2021	31-Dec 2020
Kuwait	46.75	40.69
KSA	50.59	63.77
Abu Dhabi	42.25	36.03
Dubai	88.30	104.06
Qatar	41.96	36.70
Bahrain	290.90	233.58
Oman	247.61	353.60
Iraq	453.92	542.74
Egypt	438.04	330.47
Morocco	92.70	102.56
Turkey	446.37	299.47
US	12.21	11.52
UK	7.60	15.13
China	47.57	26.70
Japan	17.16	14.74
Germany	7.85	9.09
France	19.22	14.42