

News Updates

Fitch affirms credit ratings of FAB, Emirates NBD and ADCB – Fitch Ratings affirmed the credit rating of three UAE lenders – First Abu Dhabi Bank, Emirates NBD and Abu Dhabi Commercial Bank – citing their strong links with the Abu Dhabi and Dubai governments. The agency maintained FAB, the UAE's largest lender by assets, at AA-, its fourth highest investment grade rating, which signifies that the bank has very low credit risk. Meanwhile, Emirates NBD, Dubai's biggest lender by assets, was assigned an A+ default issuer rating, Fitch's fifth-highest investment-grade rating, owing to its strong links with the Dubai government. The ratings agency also affirmed Abu Dhabi Commercial Bank's long-term issuer default rating at A+, with a stable outlook on the back of support available to the bank from the UAE and Abu Dhabi authorities. A+ ratings, although a notch below AA, are considered high quality and are subject to very low credit risk. (Source: The National)

CI: Lebanon's Sovereign Ratings Affirmed – Capital Intelligence Ratings (CI Ratings or CI) announced that it has affirmed Lebanon's Long-Term Foreign Currency Rating (LT FCR) and Short-Term Foreign Currency Rating (ST FCR) at 'SD' (Selective Default). At the same time, CI Ratings has affirmed the sovereign's Long-Term Local Currency Rating (LT LCR) and Short-Term Local Currency Rating (ST LCR) at 'C-' and 'C', respectively. The Outlook for the LT LCR remains Negative. The sovereign's FCRs remain at 'SD' due to the ongoing suspension of coupon and principal payments on government eurobonds since March 2020. Although the new government has resumed negotiations with the International Monetary Fund (IMF), little progress has been made in resolving the default and achieving the broader policy objective of restructuring the overall public debt and the banking sector. (Source: Capital Intelligence)

Oil prices post third weekly drop after volatile week – Oil prices fell on Friday, wiping out gains from the previous session, on worries that the U.S. Federal Reserve will accelerate plans to boost interest rates to tame inflation. Brent crude futures fell 70 cents, or 0.8%, to settle at \$82.17 a barrel. U.S. West Texas Intermediate (WTI) crude fell 80 cents, or 1%, to settle at \$80.79 a barrel. Both benchmarks fell for a third consecutive week, hit by a strengthening dollar and speculation that President Joe Biden's administration might release oil from the U.S. Strategic Petroleum Reserve to cool prices. On a weekly basis, Brent fell 0.7%, while WTI declined 0.6%. U.S. Energy Secretary Jennifer Granholm said on Monday that Biden could act as soon as this week to address soaring gasoline prices. The Organization of the Petroleum Exporting Countries (OPEC) on Thursday cut its world oil demand forecast for the fourth quarter by 330,000 barrels per day (bpd) from last month's forecast as high energy prices hampered economic recovery from the COVID-19 pandemic. OPEC+ agreed last week to stick to plans to add 400,000 bpd to the market each month. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.14	-2.49	KSA	2025	1.42	-2.18
Abu Dhabi	2030	2.03	-4.23	KSA	2030	2.37	-3.37
Abu Dhabi	2050	2.98	-4.51	KSA	2050	3.50	-4.38
Bahrain	2026	3.83	-4.24	Oman	2025	3.38	1.89
Bahrain	2030	5.49	-5.69	Oman	2029	4.83	3.34
Bahrain	2047	6.98	-10.23	Oman	2048	6.64	1.33
Dubai	2029	2.43	-0.81	Qatar	2025	1.27	-3.17
Kuwait	2022	-0.19	-2.05	Qatar	2030	2.20	-5.33
Kuwait	2027	1.61	-4.21	Qatar	2050	3.11	-5.27

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.72	8.08	-0.34	0.58
S&P MENA Bond and Sukuk Index	2.34	NA	-0.03	0.06
Bloomberg Emerging Markets USD Index	4.34	6.80	0.02	-1.56
Bloomberg Global Aggregate Index	1.27	7.42	-0.11	-4.42

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	14/11/2021	31/12/2020	14/11/2021	31/12/2020	14/11/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8371	0.8175	0.8843	0.8700	0.9543	0.9413
BHIBOR	1.5167	2.2500	1.5583	2.5333	1.7667	2.6833
QATAR	1.1611	1.1206	1.2069	1.1960	1.3500	1.3636
AEIBOR	0.2925	0.5125	0.4972	0.4908	0.7441	0.6538
EURIBOR	-0.5620	-0.5450	-0.5330	-0.5260	-0.4730	-0.4990
LIBOR	0.1550	0.2384	0.2260	0.2576	0.3985	0.3419

USD Swap Rates				Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)	
1-Year	0.3403	1.43	76.8	KWD	0.3016	0.0000	0.55	Gold	1,868.50
2-Year	0.7570	-0.32	282.7	SAR	3.7506	0.0000	0.03	Silver	25.35
5-Year	1.3217	1.46	207.4	BHD	0.3770	-0.0027	-0.01	Copper	444.50
7-Year	1.4833	2.80	126.6	QAR	3.6416	0.0082	-0.01	Nat. Gas	4.79
10-Year	1.6175	3.53	74.8	OMR	0.3850	0.0000	0.01	Aluminum	2,698.35
30-Year	1.7545	3.75	25.1	AED	3.6730	0.0000	0.00	Crude Oil	82.17

US Treasuries			UK Gilt		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.51	0.01	0.51	0.08	-1.29	0.00
5-Year	1.22	-0.02	0.66	0.15	-0.76	0.18
10-Year	1.56	-0.09	0.91	0.07	-0.42	0.27
30-Year	1.93	-0.64	1.07	-0.26	0.03	0.41

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	14-Nov 2021	31-Dec 2020
Kuwait	44.70	40.69
KSA	45.68	63.77
Abu Dhabi	38.39	36.03
Dubai	84.27	104.06
Qatar	39.08	36.70
Bahrain	260.46	233.58
Oman	238.08	353.60
Iraq	487.00	542.74
Egypt	451.89	330.47
Morocco	86.90	102.56
Turkey	405.59	299.47
US	13.56	11.52
UK	7.66	15.13
China	51.52	26.70
Japan	16.39	14.74
Germany	7.63	9.09
France	19.02	14.42