

News Updates

Riyad Bank completes Tier 2 capital-eligible Sukuk issuance – Riyad Bank has completed the issuance of SAR-denominated Tier 2 capital-eligible Sukuk worth SAR 3 billion. A total of 3,000 Sukuk were offered by way of a private placement in Saudi Arabia with a nominal value of SAR 1 million, according to the bank's disclosure to the Saudi Stock Exchange (Tadawul) on Tuesday. The return of Sukuk is a 6-month SAIBOR and a profit margin of 150 basis points. The Sukuk has a 10-year maturity period callable at the fifth year, subject to the terms and conditions of the Sukuk. Meanwhile, the Sukuk could be redeemed prior to the maturity date in certain cases, including a capital disqualification, a tax event, a default event, or an issuer call option. (Source: Mubasher)

Mubadala plans international bond sale – Abu Dhabi's state fund Mubadala is planning an international bond sale soon, two sources familiar with the matter said, after it raised \$4 billion in a multi-tranche deal in May. Mubadala, which manages around \$230 billion in assets and is the second-biggest state investor in Abu Dhabi after the Abu Dhabi Investment Authority, is a regular issuer in debt capital markets. The planned deal comes amid a deluge of bond deals from the Gulf, where issuers are tapping global debt markets at cheap rates this year as abundant global liquidity pushes investors to hunt for higher-yielding assets. Mubadala has 1.25 billion euros in bonds maturing next month, as well as more than \$350 million due in April and \$700 million due in December, according to Refinitiv data. (Source: Reuters)

UAE Cen Bank Gov. Sees ‘Strong’ Return to Growth in GDP in 2021 – The UAE central bank expects “a strong return” to growth in GDP in 2021 as the government continues to diversify the economy, provide strong infrastructure spending and encourage private investment, according to governor Abdulhamid Saeed Alahmadi. Says “banks and other financial institutions need to go back to the drawing board and redefine their strategies in a new world with redefined geo-political lines, a global economy that is rapidly digitalising, new trade maps and consumers that demand the best services”. (Source: Bloomberg)

Egypt Reels In New Bond Buyers in \$3.8 Billion Market Return – Egypt raised \$3.8 billion in its first international bond sale of the year, taking advantage of low borrowing costs as it seized on demand from investors from the U.S. to Asia. The issuance was more than four times oversubscribed, with total bids of \$16.5 billion, as 40 investors took part in Egypt's international bond sale for the first time, the Finance Ministry said Tuesday in a statement. The sale included \$750 million of notes due 2026 at a yield of 3.875% as well as \$1.5 billion in 10-year notes at a yield of 5.875%, and \$1.5 billion in bonds due 2061 at 7.5%. Demand from investors helped cut final yields on each of the notes by 37.5 basis points, the ministry said. (Source: Bloomberg)

GCC Sovereign Yields

| Sovereigns | Maturity | Yield % | Price Δ (YTD %) | Sovereigns | Maturity | Yield % | Price Δ (YTD %) |
|------------|----------|---------|-----------------|------------|----------|---------|-----------------|
| Abu Dhabi | 2025 | 0.80 | -0.29 | KSA | 2025 | 1.19 | -0.24 |
| Abu Dhabi | 2030 | 1.74 | -1.33 | KSA | 2030 | 2.13 | -1.01 |
| Abu Dhabi | 2050 | 2.95 | -3.87 | KSA | 2050 | 3.50 | -3.95 |
| Bahrain | 2026 | 3.23 | -0.06 | Oman | 2025 | 3.43 | 2.60 |
| Bahrain | 2030 | 4.94 | -1.42 | Oman | 2029 | 4.88 | 3.53 |
| Bahrain | 2047 | 6.28 | -2.20 | Oman | 2048 | 6.58 | 2.05 |
| Dubai | 2029 | 2.34 | 1.15 | Qatar | 2025 | 0.85 | -0.23 |
| Kuwait | 2022 | 0.40 | -0.60 | Qatar | 2030 | 1.82 | -1.62 |
| Kuwait | 2027 | 1.23 | -0.95 | Qatar | 2050 | 3.05 | -3.94 |

Bonds and Sukuk Indices

| Index Name | Yield % | Duration (yrs) | 1D Δ (%) | YTD Δ (%) |
|--------------------------------------|---------|----------------|----------|-----------|
| Bloomberg GCC FI Index | 2.48 | 8.08 | -0.04 | -0.27 |
| S&P MENA Bond and Sukuk Index | 2.07 | NA | -0.06 | -0.75 |
| Bloomberg Emerging Markets USD Index | 3.55 | 6.80 | -0.04 | -0.62 |
| Bloomberg Global Aggregate Index | 0.91 | 7.42 | 0.27 | -1.20 |

Interbank Rates (%)

| | 3 Months | | 6 Months | | 12 Months | |
|---------|-----------|------------|-----------|------------|-----------|------------|
| | 10/2/2021 | 31/12/2020 | 10/2/2021 | 31/12/2020 | 10/2/2021 | 31/12/2020 |
| KIBOR | 1.5000 | 1.4375 | 1.6875 | 1.6875 | 2.0000 | 1.9375 |
| SAIBOR | 0.8113 | 0.8175 | 0.8588 | 0.8700 | 0.9313 | 0.9413 |
| BHIBOR | 2.1667 | 2.2500 | 2.4667 | 2.5333 | 2.6833 | 2.6833 |
| QATAR | 1.0145 | 1.1206 | 1.1145 | 1.1960 | 1.2706 | 1.3636 |
| AEIBOR | 0.3288 | 0.5125 | 0.4366 | 0.4908 | 0.4972 | 0.6538 |
| EURIBOR | -0.5360 | -0.5450 | -0.5210 | -0.5260 | -0.5030 | -0.4990 |
| LIBOR | 0.1954 | 0.2384 | 0.2075 | 0.2576 | 0.3064 | 0.3419 |

USD Swap Rates

| | Yield % | 1D Δ (bps) | YTD Δ (%) |
|---------|---------|------------|-----------|
| 1-Year | 0.1848 | -0.02 | -4.0 |
| 2-Year | 0.2047 | -0.03 | 3.5 |
| 5-Year | 0.5898 | -0.14 | 37.2 |
| 7-Year | 0.9000 | -0.04 | 37.5 |
| 10-Year | 1.2325 | -0.02 | 33.2 |
| 30-Year | 1.7447 | -0.05 | 24.4 |

Currencies

| | USD | 1D Δ (bps) | YTD Δ (%) |
|-----|--------|------------|-----------|
| KWD | 0.3024 | 0.0992 | 0.31 |
| SAR | 3.7511 | 0.0027 | 0.02 |
| BHD | 0.3770 | 0.0000 | 0.00 |
| QAR | 3.6412 | 0.0055 | 0.01 |
| OMR | 0.3850 | 0.0000 | 0.01 |
| AED | 3.6730 | 0.0000 | 0.00 |

US Treasuries

| | Yield % | 1D Δ (%) |
|---------|---------|----------|
| 2-Year | 0.12 | 0.00 |
| 5-Year | 0.47 | 0.01 |
| 10-Year | 1.16 | 0.00 |
| 30-Year | 1.95 | 0.01 |

Source: Bloomberg

UK Gilts

| | Yield % | 1D Δ (%) |
|---------|---------|----------|
| 2-Year | -0.05 | -0.01 |
| 5-Year | 0.06 | 0.05 |
| 10-Year | 0.46 | 0.13 |
| 30-Year | 1.04 | 0.45 |

German Bunds

| | Yield % | 1D Δ (%) |
|---------|---------|----------|
| 2-Year | -0.67 | 0.00 |
| 5-Year | -0.74 | 0.01 |
| 10-Year | -0.54 | 0.02 |
| 30-Year | 0.02 | -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 | B2 | NR | B |
| Morocco | Ba1 | BBB- | BB+ |
| US | Aaa | AA+u | AAA |
| UK | Aa2 | AAu | AA- |
| China | A1 | A+ | A+ |

| USD 5Yr CDS | 10-Feb 2021 | 31-Dec 2020 |
|-------------|-------------|-------------|
| Kuwait | 40.69 | 40.69 |
| KSA | 61.48 | 63.77 |
| Abu Dhabi | 39.46 | 36.03 |
| Dubai | 98.15 | 104.06 |
| Qatar | 40.51 | 36.70 |
| Bahrain | 222.30 | 233.58 |
| Oman | 305.77 | 353.60 |
| Iraq | 471.33 | 542.74 |
| Egypt | 305.93 | 330.47 |
| Morocco | 98.76 | 102.56 |
| Turkey | 292.95 | 299.47 |
| US | 9.85 | 11.52 |
| UK | 14.66 | 15.13 |
| China | 28.51 | 26.70 |
| Japan | 14.17 | 14.74 |
| Germany | 9.87 | 9.09 |
| France | 14.19 | 14.42 |