

News Updates

Kuwait to record highest non-oil budget deficit among GCC countries

– The International Monetary Fund (IMF) projected that Kuwait will record the highest non-oil budget deficit among the Gulf countries at 68.7 percent in 2021, reports Al-Rai daily. A governmental study included a comparison of forecasts for the economy of Kuwait and other Gulf countries, in which the fund hinted that the government debt to gross domestic product (GDP) ratio for the current year will reach 36.6 percent, while the average in the Gulf will be 43 percent. (Source: Arab Times)

Bahrain central bank governor expects real GDP to grow 3.1% in 2021

– Bahrain's central bank governor, Rasheed Mohammed al-Maraj, said in an interview published on Sunday he expects real gross domestic product to grow 3.1 percent in 2021. The governor told local newspaper Albilad that foreign reserves increased to 1.63 billion dinars (\$4.32 billion) in September, and they were expected to keep growing because of the expected increase in revenues due to higher oil prices. (Source: Reuters)

Tunisia has asked for financial aid, IMF says – The IMF has received a request for aid from the new government in Tunisia and discussions over a new loan program have already started, the Washington-based crisis lender said Thursday. "We have recently received from Tunisia, from the authorities, a request for a new IMF-supported program," said Gerry Rice spokesman for the International Monetary Fund. The "technical discussions" have already begun between the fund staff and Tunisian officials, centered on the government's "economic priorities, the challenges to be met and the reforms to be implemented to overcome the crisis that the country is facing," Rice said. He did not provide a timetable for when the aid could be disbursed. (Source: Arab News)

Oil hits 7-week lows on supply release expectations, Europe Covid surge

– Crude oil fell to seven-week lows on Monday, extending declines after the previous session's slide, on concerns about excess supply after Japan said it was weighing releasing oil reserves and over demand from a worsening COVID-19 situation in Europe. Brent lost 57 cents, or 0.72%, to \$78.32 a barrel as of 0206 GMT and U.S. West Texas Intermediate (WTI) crude futures were down 39 cents, or 0.51%, at \$75.55 a barrel. WTI and Brent prices hit their lowest since Oct. 1 earlier in the session. They slumped around 3% on Friday. Japanese Prime Minister Fumio Kishida signalled on Saturday he was ready to help counter soaring oil prices following a request from the United States to release oil from its emergency stockpile. Meanwhile, concerns are growing that renewed COVID-19 curbs could hit demand. Germany warned on Friday it may need to move to a full lockdown after Austria said it would reimpose strict measures to tackle rising infections. The White House on Friday pressed the OPEC producer group again to maintain adequate global supply, days after U.S. discussions with some of the world's biggest economies over potentially releasing oil from strategic reserves to quell high energy prices. (Source: Reuters)

GCC Sovereign Yields

| Sovereigns | Maturity | Yield % | Price Δ (YTD %) | Sovereigns | Maturity | Yield % | Price Δ (YTD %) |
|------------|----------|---------|-----------------|------------|----------|---------|-----------------|
| Abu Dhabi | 2025 | 1.12 | -2.57 | KSA | 2025 | 1.42 | -2.18 |
| Abu Dhabi | 2030 | 2.02 | -4.17 | KSA | 2030 | 2.37 | -3.37 |
| Abu Dhabi | 2050 | 2.96 | -4.25 | KSA | 2050 | 3.51 | -4.35 |
| Bahrain | 2026 | 3.90 | -4.41 | Oman | 2025 | 3.47 | 1.53 |
| Bahrain | 2030 | 5.55 | -6.09 | Oman | 2029 | 4.97 | 2.39 |
| Bahrain | 2047 | 7.11 | -11.51 | Oman | 2048 | 6.76 | -0.26 |
| Dubai | 2029 | 2.46 | -1.02 | Qatar | 2025 | 1.24 | -3.11 |
| Kuwait | 2022 | -0.10 | -2.12 | Qatar | 2030 | 2.19 | -5.27 |
| Kuwait | 2027 | 1.63 | -4.29 | Qatar | 2050 | 3.10 | -5.09 |

Bonds and Sukuk Indices

| Index Name | Yield % | Duration (yrs) | 1D Δ (%) | YTD Δ (%) |
|--------------------------------------|---------|----------------|----------|-----------|
| Bloomberg GCC FI Index | 2.75 | 8.08 | 0.11 | 0.52 |
| S&P MENA Bond and Sukuk Index | 2.35 | NA | 0.17 | 0.12 |
| Bloomberg Emerging Markets USD Index | 4.37 | 6.80 | 0.12 | -1.57 |
| Bloomberg Global Aggregate Index | 1.25 | 7.42 | 0.17 | -4.53 |

Interbank Rates (%)

| | 3 Months | | 6 Months | | 12 Months | |
|---------|------------|------------|------------|------------|------------|------------|
| | 22/11/2021 | 31/12/2020 | 22/11/2021 | 31/12/2020 | 22/11/2021 | 31/12/2020 |
| KIBOR | 1.5000 | 1.4375 | 1.7500 | 1.6875 | 2.0000 | 1.9375 |
| SAIBOR | 0.8386 | 0.8175 | 0.8871 | 0.8700 | 0.9571 | 0.9413 |
| BHIBOR | 1.5167 | 2.2500 | 1.5583 | 2.5333 | 1.7667 | 2.6833 |
| QATAR | 1.1542 | 1.1206 | 1.2057 | 1.1960 | 1.3417 | 1.3636 |
| AEIBOR | 0.3675 | 0.5125 | 0.5402 | 0.4908 | 0.6378 | 0.6538 |
| EURIBOR | -0.5590 | -0.5450 | -0.5280 | -0.5260 | -0.4900 | -0.4990 |
| LIBOR | 0.1640 | 0.2384 | 0.2294 | 0.2576 | 0.3918 | 0.3419 |

| USD Swap Rates | | | | Currencies | | | Commodities | | | |
|----------------|---------|------------|-----------|------------|--------|------------|-------------|-----------|----------|-----------|
| | Yield % | 1D Δ (bps) | YTD Δ (%) | | USD | 1D Δ (bps) | YTD Δ (%) | | USD | YTD Δ (%) |
| 1-Year | 0.3777 | 1.59 | 96.2 | KWD | 0.3027 | -0.0991 | 0.20 | Gold | 1,852.50 | -3.21 |
| 2-Year | 0.8006 | 1.92 | 304.8 | SAR | 3.7518 | 0.0000 | 0.01 | Silver | 24.85 | -7.10 |
| 5-Year | 1.3399 | 0.89 | 211.6 | BHD | 0.3770 | 0.0000 | -0.01 | Copper | 436.80 | 24.07 |
| 7-Year | 1.4881 | 1.15 | 127.3 | QAR | 3.6417 | 0.0000 | -0.01 | Nat. Gas | 4.94 | 69.62 |
| 10-Year | 1.6091 | 1.51 | 73.9 | OMR | 0.3850 | 0.0000 | 0.01 | Aluminum | 2,699.75 | 34.48 |
| 30-Year | 1.7366 | 1.31 | 23.9 | AED | 3.6730 | 0.0000 | 0.00 | Crude Oil | 78.82 | 55.74 |

| US Treasuries | | | UK Gilts | | German Bunds | |
|---------------|---------|----------|----------|----------|--------------|----------|
| | Yield % | 1D Δ (%) | Yield % | 1D Δ (%) | Yield % | 1D Δ (%) |
| 2-Year | 0.52 | -0.01 | 0.47 | 0.10 | -0.96 | 0.00 |
| 5-Year | 1.23 | -0.02 | 0.63 | 0.21 | -0.81 | 0.13 |
| 10-Year | 1.56 | -0.09 | 0.88 | 0.41 | -0.49 | 0.49 |
| 30-Year | 1.92 | -0.16 | 1.02 | 1.42 | -0.04 | 1.30 |

| 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 | 22-Nov 2021 | 31-Dec 2020 |
|-------------|-------------|-------------|
| Kuwait | 44.99 | 40.69 |
| KSA | 45.70 | 63.77 |
| Abu Dhabi | 39.11 | 36.03 |
| Dubai | 84.76 | 104.06 |
| Qatar | 39.08 | 36.70 |
| Bahrain | 263.96 | 233.58 |
| Oman | 242.99 | 353.60 |
| Iraq | 538.97 | 542.74 |
| Egypt | 460.21 | 330.47 |
| Morocco | 85.78 | 102.56 |
| Turkey | 443.12 | 299.47 |
| US | 14.94 | 11.52 |
| UK | 9.47 | 15.13 |
| China | 47.66 | 26.70 |
| Japan | 16.55 | 14.74 |
| Germany | 7.72 | 9.09 |
| France | 19.03 | 14.42 |