

News Updates

Syria's al-Assad dismisses central bank governor – Syrian President Bashar al-Assad has dismissed the governor of the country's central bank from his post, state media reported on Tuesday. The appointment of Hazem Karfoul was ended by official decree, the news agency SANA said. It did not give further details about the dismissal or say whether al Assad appointed a new governor. (Source: Bloomberg)

EU to Lay Out \$1 Trillion Debt Plan to Challenge Treasuries – The European Union is set to lay out its blueprint to raise nearly \$1 trillion of debt over five years as it seeks to fund its recovery from the coronavirus pandemic. The bloc is aiming to issue the first debt under its NextGenerationEU stimulus in June and will use a “state of the art” platform to begin selling bonds and bills via a network of primary bank dealers by September, according to a draft of the plan seen by Bloomberg. Almost a third of the 806 billion euros (\$962 billion) will be in green bonds, using a framework of rules to be published in early summer. “The Commission will need to execute financing operations up to EUR 150-200 billion per year over the period to end 2026,” the document stated, with an announcement on it due Wednesday. “By June 2021, the Commission will be ready to begin mobilising the funds.” The document highlights the ambition of the EU’s first meaningful entry into bond markets, which will see the total of outstanding bonds closing in on that of Spain’s this decade. It also lays the foundation to challenge U.S. Treasuries in coming years as a haven asset, providing a boost to integration in the region and for its common currency. Bonds will be issued and regularly sold across a range of maturities from between three and 30 years, while there will also be short-dated bills, according to the document. (Source: Bloomberg)

U.S. Fed may need to do more to keep short-term rates above zero – The Federal Reserve may need to go all out and lift the short-term rates it manages, analysts say, since its latest proposals to widen and expand open market operations to keep rates from going negative may fall short. Short-term interest rates have been pressured all year by excess cash in the banking system, rising assets at money market funds as banks turn away deposits, and a shortage of bills and other cash instruments. The U.S. overnight repo rate turned negative several times in March and February, dropping as low as -0.06% on March 29, its weakest since at least January 2003, Refinitiv data showed. It was last at 0.01%. The Fed’s overnight reverse repo rate for non-banks is 0%, and the interest it pays banks for excess reserves (IOER) is 0.10%. Seemingly intent on halting repo rates from going negative, the Fed last week announced it would allow more market participants to access its reverse repo window. In March, it raised the limits for every counterparty at its reverse repo facility to \$80 billion, from \$30 bln previously. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.96	-1.09	KSA	2025	1.42	-1.36
Abu Dhabi	2030	2.09	-4.25	KSA	2030	2.55	-4.40
Abu Dhabi	2050	3.23	-8.68	KSA	2050	3.77	-8.19
Bahrain	2026	3.39	-1.06	Oman	2025	3.38	2.48
Bahrain	2030	5.53	-5.46	Oman	2029	5.13	1.71
Bahrain	2047	6.95	-9.88	Oman	2048	6.84	-1.25
Dubai	2029	2.72	-1.68	Qatar	2025	1.07	-1.40
Kuwait	2022	0.17	-0.71	Qatar	2030	2.22	-4.96
Kuwait	2027	1.61	-3.22	Qatar	2050	3.42	-10.10

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.78	8.08	-0.04	-2.26
S&P MENA Bond and Sukuk Index	2.41	NA	-0.05	-2.94
Bloomberg Emerging Markets USD Index	3.97	6.80	-0.02	-2.76
Bloomberg Global Aggregate Index	1.12	7.42	0.16	-3.61

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	14/4/2021	31/12/2020	14/4/2021	31/12/2020	14/4/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7971	0.8175	0.8443	0.8700	0.9171	0.9413
BHIBOR	1.2500	2.2500	1.3917	2.5333	1.6417	2.6833
QATAR	1.0702	1.1206	1.1592	1.1960	1.2948	1.3636
AEIBOR	0.3429	0.5125	0.4091	0.4908	0.5297	0.6538
EURIBOR	-0.5380	-0.5450	-0.5170	-0.5260	-0.4900	-0.4990
LIBOR	0.1858	0.2384	0.2146	0.2576	0.2844	0.3419

USD Swap Rates

			Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)	
1-Year	0.2104	0.10	9.3	KWD	0.3018	0.0663	0.48	Gold
2-Year	0.2795	0.22	41.3	SAR	3.7505	0.0000	0.04	Silver
5-Year	0.9412	0.93	118.9	BHD	0.3770	-0.0027	0.00	Copper
7-Year	1.3052	1.09	99.4	QAR	3.6420	0.0000	-0.01	Nat. Gas
10-Year	1.6317	1.17	76.3	OMR	0.3850	0.0000	0.00	Aluminum
30-Year	2.0617	1.09	47.1	AED	3.6731	0.0000	0.00	Crude Oil

US Treasuries

	Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.16	0.00		0.03	0.01		-0.69	0.00
5-Year	0.84	-0.03		0.34	0.04		-0.72	0.03
10-Year	1.63	-0.08		0.76	0.17		-0.43	0.13
30-Year	2.30	-0.17		1.29	0.36		0.24	0.44

UK Gilts

	Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.16	0.00		0.03	0.01		-0.69	0.00
5-Year	0.84	-0.03		0.34	0.04		-0.72	0.03
10-Year	1.63	-0.08		0.76	0.17		-0.43	0.13
30-Year	2.30	-0.17		1.29	0.36		0.24	0.44

German Bunds

	Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.16	0.00		0.03	0.01		-0.69	0.00
5-Year	0.84	-0.03		0.34	0.04		-0.72	0.03
10-Year	1.63	-0.08		0.76	0.17		-0.43	0.13
30-Year	2.30	-0.17		1.29	0.36		0.24	0.44

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	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+
USD 5Yr CDS	14-Apr 2021	31-Dec 2020	
Kuwait	48.14	40.69	
KSA	66.45	63.77	
Abu Dhabi	45.74	36.03	
Dubai	94.93	104.06	
Qatar	45.74	36.70	
Bahrain	189.35	233.58	
Oman	277.15	353.60	
Iraq	550.32	542.74	
Egypt	323.70	330.47	
Morocco	89.90	102.56	
Turkey	436.44	299.47	
US	8.33	11.52	
UK	10.49	15.13	
China	43.69	26.70	
Japan	15.45	14.74	
Germany	9.43	9.09	
France	17.82	14.42	