

News Updates

IMF More Upbeat on MENA Growth, Warns Against Uneven Recovery

– The International Monetary Fund (IMF) has turned more optimistic on economic growth prospects in the Middle East and North Africa this year and next as an uneven recovery takes shape in the region. The Washington-based lender raised its economic growth projection for MENA to 4.1% this year from an earlier estimate of 4%. That's mainly because of fast vaccine roll-outs in some parts of the region and financial measures taken at the start of the pandemic. Growth in 2022 is also seen at 4.1%, up from April's estimate of 3.7%. "Still, this recovery is uncertain and I think it's important to highlight that, and it is uneven. Uneven because the levels of vaccination diverge still," Jihad Azour, the IMF's director for MENA and central Asia, said in an interview with Bloomberg. "Inflation is picking up and this is an issue for certain countries." The fund last week expressed concern that the global economic recovery had lost momentum. It now expects output to expand 5.9% worldwide this year, down 0.1 percentage point from its July prediction. (Source: Bloomberg)

IMF in talks with Lebanon, calls to address financial losses – The International Monetary Fund and Lebanese authorities have started technical discussions to pull the country out of its crisis, a senior IMF official said, stressing the need to address the losses faced by the financial sector. An IMF programme is widely seen as the only way Lebanon can unlock foreign financial help which it desperately needs to emerge from one of the world's sharpest economic depressions. Lebanon's Prime Minister Najib Mikati has requested assistance from the Washington-based crisis lender and technical discussions have started, Jihad Azour, director of the IMF's Middle East and Central Asia Department, told Reuters. Lebanon defaulted on its international debt in March last year, after years of political upheaval and economic mismanagement left it unable to service a debt burden that Goldman Sachs last month estimated at over 300% of GDP at current market exchange rates. (Source: Reuters)

IMF to discuss with Tunisia plans for fund assistance – The International Monetary Fund has been in contact with Tunisian authorities after a new cabinet was formed last week and more talks are expected soon on the type of aid required by the financially strapped country, a senior IMF official said. Tunisia faces the risk of a debt restructuring after struggling to bring its high public debt and fiscal deficits onto a sustainable trajectory. Talks with the IMF for a loan that could unlock bilateral aid from major donors were derailed when President Kais Saied in July suspended parliament, sacked the prime minister and took power in what his opponents called a coup. Saied unveiled a new government last week but gave no hint on when he would relinquish his near total control and start reforms needed for a financial rescue package. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.04	-2.09	KSA	2025	1.30	-1.70
Abu Dhabi	2030	2.09	-4.66	KSA	2030	2.41	-3.63
Abu Dhabi	2050	3.18	-7.87	KSA	2050	3.65	-6.64
Bahrain	2026	4.16	-5.33	Oman	2025	3.31	2.11
Bahrain	2030	5.81	-7.64	Oman	2029	4.74	3.93
Bahrain	2047	7.31	-13.63	Oman	2048	6.59	1.91
Dubai	2029	2.52	-1.18	Qatar	2025	1.20	-2.85
Kuwait	2022	0.13	-1.97	Qatar	2030	2.20	-5.28
Kuwait	2027	1.54	-3.65	Qatar	2050	3.27	-7.76

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.75	8.08	0.07	-0.23
S&P MENA Bond and Sukuk Index	2.36	NA	-0.06	-0.91
Bloomberg Emerging Markets USD Index	4.28	6.80	-0.10	-1.75
Bloomberg Global Aggregate Index	1.27	7.42	0.02	-4.32

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	20/10/2021	31/12/2020	20/10/2021	31/12/2020	20/10/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8171	0.8175	0.8643	0.8700	0.9386	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	0.3549	0.5125	0.5302	0.4908	0.5465	0.6538
EURIBOR	-0.5480	-0.5450	-0.5270	-0.5260	-0.4800	-0.4990
LIBOR	0.1315	0.2384	0.1663	0.2576	0.3021	0.3419

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.2410	0.37	25.2	KWD	0.3016	0.0829	0.56	Gold	1,775.00	-7.13
2-Year	0.5703	0.48	188.3	SAR	3.7509	0.0000	0.02	Silver	23.86	-10.50
5-Year	1.2432	0.91	189.1	BHD	0.3770	-0.0027	0.01	Copper	463.10	31.41
7-Year	1.4694	1.29	124.5	QAR	3.6420	0.0082	0.00	Nat. Gas	5.04	80.08
10-Year	1.6619	1.70	79.6	OMR	0.3850	-0.0026	0.00	Aluminum	3,109.00	54.95
30-Year	1.8777	1.77	33.9	AED	3.6730	0.0000	0.00	Crude Oil	84.56	66.62

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.40	0.00	0.72	-0.03	-0.77	0.00
5-Year	1.17	-0.02	0.85	-0.08	-0.61	0.00
10-Year	1.65	-0.13	1.16	-0.28	-0.25	0.00
30-Year	2.10	-0.34	1.37	0.03	0.26	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	20-Oct 2021	31-Dec 2020
Kuwait	46.20	40.69
KSA	50.08	63.77
Abu Dhabi	41.48	36.03
Dubai	87.54	104.06
Qatar	41.78	36.70
Bahrain	291.58	233.58
Oman	246.32	353.60
Iraq	453.91	542.74
Egypt	443.26	330.47
Morocco	91.27	102.56
Turkey	445.06	299.47
US	12.39	11.52
UK	8.28	15.13
China	45.20	26.70
Japan	17.31	14.74
Germany	8.07	9.09
France	20.47	14.42