

## News Updates

**S&P: Gulf 2021 deficits to fall to \$80 bln on higher oil** – Budget deficits of the six Gulf Cooperation Council countries are expected to drop sharply this year, supported by higher oil prices, fiscal consolidation and a rebound in economic output as coronavirus measures are eased, S&P Global Ratings said. The aggregate deficits of the central governments of the GCC are expected at about \$80 billion this year from \$143 billion in 2020, S&P said in a report on Wednesday. "Nevertheless, still-high GCC central government deficits will result in continued balance sheet deterioration in most cases," S&P said. But it noted that, with the exception of Kuwait and Bahrain, the countries' budgetary performance was stronger than in 2016 - the prior oil price crash. Higher oil prices, while supportive for GCC sovereign ratings, have in the past derailed consolidation reforms and therefore led to higher spending or delays in planned fiscal reforms, S&P said. (Source: Reuters)

**UAE Oil Giant Aims to Raise \$1.6 Billion in Stock, Bond Sale** – Abu Dhabi's state oil firm plans to raise \$1.64 billion by selling more shares in its fuel retail unit and by issuing bonds, as the emirate taps its energy wealth to attract investment. Abu Dhabi National Oil Co. will offer 375 million shares in Adnoc Distribution PJSC at 4.36 dirhams a share. That a discount of about 10% to the market price of 4.85 dirhams. Adnoc will also raise \$1.195 billion of senior bonds that mature in 2024 and are “exchangeable under certain conditions” into Adnoc Distribution's stock. Abu Dhabi contains almost all the OPEC member's hydrocarbon reserves. (Source: Bloomberg)

**Egypt's NBE Set to Raise \$1 Billion to Refinance Debt** – The National Bank of Egypt, the country's largest lender, is close to finalizing a \$1 billion loan from a group of banks, according to people familiar with the matter. NBE has upsized and tightened pricing on the three-year facility that will be partly used to refinance existing debt, the people said, asking not to be identified because the information is private. The lender is seeking to narrow the margin to 230 points from 270 basis points. The lender was initially planning to raise \$750 million from a small group of banks but strong demand prompted it to increase the amount, the people said. (Source: Bloomberg)

**Oil Declines Below \$66 as Investors Await Outcome of Iran Talks** – Oil fell below \$66 a barrel amid concern the market could face a flood of Iranian barrels if sanctions on the Persian Gulf producer are lifted. West Texas Intermediate eased after rising almost 7% over the past four sessions. With talks between Iran and world powers under way in Vienna to revive a nuclear accord, traders are awaiting detail on the negotiations, including sticking points, and the timing of any revival in official flows. The drop in prices on Thursday came despite more evidence that the recovery in U.S. oil consumption is gathering pace as the pandemic fades. American crude and gasoline stockpiles fell last week, according to government figures. (Source: Bloomberg)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.83	-0.82	KSA	2025	1.25	-0.92
Abu Dhabi	2030	1.99	-3.54	KSA	2030	2.34	-2.84
Abu Dhabi	2050	3.17	-7.66	KSA	2050	3.64	-6.37
Bahrain	2026	3.44	-1.58	Oman	2025	3.26	2.81
Bahrain	2030	5.52	-5.46	Oman	2029	4.94	2.90
Bahrain	2047	6.94	-9.81	Oman	2048	6.80	-0.74
Dubai	2029	2.51	-0.84	Qatar	2025	0.94	-1.15
Kuwait	2022	0.03	-0.94	Qatar	2030	2.05	-3.76
Kuwait	2027	1.46	-2.76	Qatar	2050	3.32	-8.50

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.65	8.08	0.19	-0.83
S&P MENA Bond and Sukuk Index	2.27	NA	0.11	-1.65
Bloomberg Emerging Markets USD Index	3.80	6.80	0.10	-1.34
Bloomberg Global Aggregate Index	1.11	7.42	0.01	-2.35

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	27/5/2021	31/12/2020	27/5/2021	31/12/2020	27/5/2021	31/12/2020
KIBOR	1.5000	1.4375	1.6875	1.6875	2.0000	1.9375
SAIBOR	0.7914	0.8175	0.8414	0.8700	0.9143	0.9413
BHIBOR	1.6183	2.2500	1.6800	2.5333	1.7800	2.6833
QATAR	1.1752	1.1206	1.2366	1.1960	1.3575	1.3636
AEIBOR	0.3464	0.5125	0.6313	0.4908	0.3979	0.6538
EURIBOR	-0.5380	-0.5450	-0.5050	-0.5260	-0.4760	-0.4990
LIBOR	0.1385	0.2384	0.1768	0.2576	0.2560	0.3419

## USD Swap Rates

Yield %		1D Δ (bps)	YTD Δ (%)	USD		1D Δ (bps)	YTD Δ (%)	USD		YTD Δ (%)
1-Year	0.1507	-0.13	-21.7	KWD	0.3010	0.1495	0.76	Gold	1,901.80	-0.21
2-Year	0.2260	0.00	14.3	SAR	3.7503	0.0000	0.04	Silver	27.79	4.74
5-Year	0.8656	0.24	101.3	BHD	0.3770	0.0000	0.01	Copper	452.95	28.44
7-Year	1.2190	0.34	86.2	QAR	3.6419	-0.0055	0.00	Nat. Gas	3.02	12.44
10-Year	1.5425	0.45	66.7	OMR	0.3850	0.0026	0.00	Aluminum	2,379.75	19.63
30-Year	1.9667	0.75	40.3	AED	3.6731	0.0000	0.00	Crude Oil	68.49	33.02

## US Treasuries

	Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.15	0.01		0.01	-0.01		-0.67	0.00
5-Year	0.78	0.00		0.30	0.09		-0.67	0.00
10-Year	1.58	-0.02		0.75	0.36		-0.34	0.00
30-Year	2.26	-0.09		1.28	0.85		0.34	0.00

## UK Gilts

	Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.15	0.01		0.01	-0.01
5-Year	0.78	0.00		0.30	0.09
10-Year	1.58	-0.02		0.75	0.36
30-Year	2.26	-0.09		1.28	0.85

## German Bunds

	Yield %	1D Δ (%)
2-Year	0.15	0.01
5-Year	0.78	0.00
10-Year	1.58	-0.02
30-Year	2.26	-0.09

## 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	27-May 2021	31-Dec 2020
Kuwait	46.28	40.69
KSA	61.53	63.77
Abu Dhabi	41.29	36.03
Dubai	83.12	104.06
Qatar	41.31	36.70
Bahrain	191.51	233.58
Oman	248.38	353.60
Iraq	512.32	542.74
Egypt	322.75	330.47
Morocco	89.94	102.56
Turkey	400.86	299.47
US	7.35	11.52
UK	9.11	15.13
China	36.86	26.70
Japan	15.88	14.74
Germany	9.45	9.09
France	22.01	14.42