

News Updates

Turkey Central Bank Keeps Benchmark Rate Unchanged at 19% – Benchmark one-week repo rate kept at 19%, according to statement by central bank's Monetary Policy Committee. The bank dropped pledge to keep policy tight for an extended period, only saying that today's decision “maintains tight monetary stance”. “The policy rate will continue to be determined at a level above inflation to maintain a strong disinflationary effect until strong indicators point to a permanent fall in inflation and the medium-term 5% target is reached”. “Demand and cost factors, supply constraints in some sectors, and high levels of inflation expectations continue to pose risks to the pricing behavior and inflation outlook”. (Source: Bloomberg)

Turkish Central Banker Opens Up on Using Reserves to Buoy Lira – Turkey's new central bank governor shed light on the use of foreign-currency reserves to support the lira over the past two years, as opposition parties step up their criticism of the strategy as wasteful. Sahap Kavcioglu said reserves were utilized under a 2017 protocol with the Treasury to prevent “unhealthy price formations” and maintain a supply-demand balance in financial markets, according to state-run Anadolu Agency. All foreign-exchange transactions took place at market prices and no organization or institution received “preferential treatment,” Anadolu cited Kavcioglu saying. (Source: Reuters)

U.S. Consumer Sentiment Rises Along With Inflation Expectations – U.S. consumer sentiment improved in April following another round of fiscal stimulus and as job growth accelerated. At the same time, inflation expectations surged to the highest in nine years. Consumers are more upbeat as the economic recovery strengthens. A surge in pent-up consumer demand is expected to propel the U.S. back to its pre-pandemic strength. At the same time, policy makers are watching closely to see how quickly prices increase as the economy takes off. Consumers expect inflation to rise 3.7% over the next year, the highest since March 2012. They expect prices over the next five years to increase 2.7%, compared to 2.8% last month. (Source: Bloomberg)

Russia plans to tap global debt market in 2021 despite new sanctions – Russian Finance Minister Anton Siluanov said on Friday he was confident that Russia will tap the global debt market this year and was considering a euro-denominated Eurobond despite new U.S. sanctions. Siluanov, speaking on state TV, said non-residents among holders of OFZ treasury bonds slid below 20% and may decline further but this does not create substantial risks for Russia's borrowing. The U.S. on Thursday imposed new sanctions on Russia that prohibit U.S. financial institutions from participating in the primary market of Russia's government debt, OFZ treasury bonds, from June 14. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.87	-0.84	KSA	2025	1.39	-1.25
Abu Dhabi	2030	2.03	-3.83	KSA	2030	2.44	-3.63
Abu Dhabi	2050	3.16	-7.44	KSA	2050	3.67	-6.67
Bahrain	2026	3.30	-0.86	Oman	2025	3.27	2.88
Bahrain	2030	5.35	-4.33	Oman	2029	4.93	3.10
Bahrain	2047	6.81	-8.48	Oman	2048	6.54	2.42
Dubai	2029	2.67	-1.61	Qatar	2025	1.03	-1.23
Kuwait	2022	0.07	-0.65	Qatar	2030	2.15	-4.47
Kuwait	2027	1.54	-2.89	Qatar	2050	3.32	-8.44

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.71	8.08	0.12	-1.49
S&P MENA Bond and Sukuk Index	2.35	NA	0.07	-2.26
Bloomberg Emerging Markets USD Index	3.91	6.80	0.16	-2.19
Bloomberg Global Aggregate Index	1.11	7.42	-0.10	-3.25

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	18/4/2021	31/12/2020	18/4/2021	31/12/2020	18/4/2021	31/12/2020
KIBOR	1.5000	1.4375	1.6875	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	1.1500	1.1206	1.2000	1.1960	1.3500	1.3636
AEIBOR	0.3575	0.5125	0.5569	0.4908	0.5537	0.6538
EURIBOR	-0.5380	-0.5450	-0.5110	-0.5260	-0.4780	-0.4990
LIBOR	0.1883	0.2384	0.2236	0.2576	0.2924	0.3419

USD Swap Rates

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.2150	0.10	11.7	KWD	0.3018	0.0663	0.48	Gold	1,780.20	-6.44
2-Year	0.2789	-0.09	41.0	SAR	3.7506	-0.0053	0.03	Silver	26.11	-1.39
5-Year	0.9122	0.62	112.1	BHD	0.3770	0.0000	0.00	Copper	417.30	18.33
7-Year	1.2552	0.42	91.8	QAR	3.6414	-0.0027	0.00	Nat. Gas	2.68	4.89
10-Year	1.5664	-0.02	69.3	OMR	0.3850	0.0000	0.00	Aluminum	2,301.95	16.13
30-Year	1.9913	-0.77	42.0	AED	3.6730	0.0000	0.00	Crude Oil	66.77	29.25

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.16	0.00	0.03	-0.01	-0.68	0.00
5-Year	0.83	-0.06	0.33	-0.06	-0.69	-0.06
10-Year	1.58	-0.02	0.76	-0.33	-0.39	-0.23
30-Year	2.26	0.13	1.30	-0.73	0.29	-0.74

UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.16	0.00	0.03	-0.01	-0.68	0.00
5-Year	0.83	-0.06	0.33	-0.06	-0.69	-0.06
10-Year	1.58	-0.02	0.76	-0.33	-0.39	-0.23
30-Year	2.26	0.13	1.30	-0.73	0.29	-0.74

German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.16	0.00	0.03	-0.01	-0.68	0.00
5-Year	0.83	-0.06	0.33	-0.06	-0.69	-0.06
10-Year	1.58	-0.02	0.76	-0.33	-0.39	-0.23
30-Year	2.26	0.13	1.30	-0.73	0.29	-0.74

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	18-Apr 2021	31-Dec 2020	
Kuwait	47.06	40.69	
KSA	63.14	63.77	
Abu Dhabi	42.17	36.03	
Dubai	94.01	104.06	
Qatar	42.20	36.70	
Bahrain	190.58	233.58	
Oman	271.02	353.60	
Iraq	516.24	542.74	
Egypt	323.67	330.47	
Morocco	88.30	102.56	
Turkey	398.07	299.47	
US	8.33	11.52	
UK	9.55	15.13	
China	36.97	26.70	
Japan	15.33	14.74	
Germany	9.65	9.09	
France	19.68	14.42	