

News Updates

Aramco raises \$6bn through USD-denominated Sukuk offering – Saudi Arabian Oil Company (Saudi Aramco) has raised \$6 billion by issuing USD-denominated international trust certificates. Aramco completed on 17 June the Sukuk issuance of 30,000 notes at a par value of \$200,000 each, according to a bourse disclosure on Thursday. The three-year Sukuk will have a return of 0.946%, while the three- and 10-year notes will be yielding 1.602% and 2.694%, respectively. Aramco has exceeded the previous estimates of \$4 billion from selling the Sukuk. The listed company started the offering period on 7 June, with the notes being part of the Ministry of Finance’s Trust Certificate Issuance Programme. (Source: Mubasher)

Fitch Affirms Qatar at ‘AA-’; Outlook Stable – Fitch Ratings has affirmed Qatar’s long-term foreign-currency issuer default rating at ‘AA-’ with a stable outlook, according to a statement. “Qatar’s ‘AA-’ ratings are supported by large sovereign net foreign assets, one of the world’s highest ratios of GDP per capita, a flexible public finance structure and a favourable outlook for debt reduction,” Fitch says. Fitch estimates that Qatar’s general government budget was in balance in 2020, including the estimated investment income on government external assets. Spending cuts partly offset lower revenues, with total budget spending down by 12.5%, driven by capex cutbacks, Fitch says. Fitch sees Qatar’s 2021 budget to return to surplus, at close to 3% of GDP, owing to higher oil prices and ongoing spending restraint even as some postponed capex projects restart. (Source: Bloomberg)

Egypt holds rates to guard against global price surge – Egypt has left interest rates unchanged for a fifth straight meeting, seeking to guard against a possible surge in inflation caused by the spike in global commodity prices. The central bank held the benchmark deposit rate at 8.25% and the lending rate at 9.25%, the Monetary Policy Committee said Thursday in a statement. The decision extends Egypt’s pause in monetary easing that began in December, after authorities cut a combined 400 basis points throughout 2020 to tackle the pandemic’s impact. Now the concern is that a rocketing global food-import bill will accelerate Egyptian inflation, putting pressure on consumers and trimming the country’s highly competitive real-interest rate. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.74	-0.56	KSA	2025	1.15	-0.55
Abu Dhabi	2030	2.01	-3.70	KSA	2030	2.28	-2.46
Abu Dhabi	2050	3.05	-5.64	KSA	2050	3.52	-4.36
Bahrain	2026	3.48	-1.99	Oman	2025	3.32	2.49
Bahrain	2030	5.48	-5.30	Oman	2029	4.93	2.98
Bahrain	2047	6.87	-9.13	Oman	2048	6.71	0.36
Dubai	2029	2.48	-0.58	Qatar	2025	0.91	-1.12
Kuwait	2022	-0.01	-0.99	Qatar	2030	2.07	-4.04
Kuwait	2027	1.40	-2.42	Qatar	2050	3.21	-6.89

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.61	8.08	0.30	-0.30
S&P MENA Bond and Sukuk Index	2.22	NA	0.34	-0.81
Bloomberg Emerging Markets USD Index	3.77	6.80	0.27	-0.47
Bloomberg Global Aggregate Index	1.13	7.42	-0.12	-3.16

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	20/6/2021	31/12/2020	20/6/2021	31/12/2020	20/6/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7914	0.8175	0.8414	0.8700	0.9143	0.9413
BHIBOR	1.6417	2.2500	1.7233	2.5333	1.8667	2.6833
QATAR	1.1185	1.1206	1.1906	1.1960	1.3417	1.3636
AEIBOR	0.3550	0.5125	0.6438	0.4908	0.7485	0.6538
EURIBOR	-0.5440	-0.5450	-0.5130	-0.5260	-0.4850	-0.4990
LIBOR	0.1349	0.2384	0.1563	0.2576	0.2401	0.3419

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1737	1.16	-9.8
2-Year	0.3099	2.16	56.7
5-Year	0.9262	-2.01	115.4
7-Year	1.1770	-5.31	79.8
10-Year	1.3993	-7.70	51.2
30-Year	1.7064	-9.88	21.7

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3011	-0.0830	0.71
SAR	3.7502	0.0000	0.04
BHD	0.3770	-0.0027	0.01
QAR	3.6412	0.0055	0.01
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

Commodities

	USD	YTD Δ (%)
Gold	1,769.00	-7.18
Silver	25.97	-2.13
Copper	416.35	18.05
Nat. Gas	3.22	19.74
Aluminum	2,375.00	19.12
Crude Oil	73.51	43.15

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.25	-0.08
5-Year	0.87	0.04
10-Year	1.44	0.63
30-Year	2.01	1.91

UK Gilts

	Yield %	1D Δ (%)
2-Year	0.12	-0.02
5-Year	0.38	0.00
10-Year	0.75	0.23
30-Year	1.20	1.14

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.69	0.00
5-Year	-0.68	-0.02
10-Year	-0.37	0.03
30-Year	0.25	0.84

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	20-Jun 2021	31-Dec 2020	
Kuwait	45.54	40.69	
KSA	56.35	63.77	
Abu Dhabi	38.00	36.03	
Dubai	81.67	104.06	
Qatar	39.42	36.70	
Bahrain	194.55	233.58	
Oman	235.65	353.60	
Iraq	468.44	542.74	
Egypt	322.57	330.47	
Morocco	69.29	102.56	
Turkey	387.67	299.47	
US	7.19	11.52	
UK	7.55	15.13	
China	35.68	26.70	
Japan	16.03	14.74	
Germany	9.16	9.09	
France	20.42	14.42	