

News Updates

Fitch Rates Saudi Aramco's USD Sukuk Programme and Inaugural Issue 'A' – Fitch Ratings has assigned Saudi Arabian Oil Company's (Saudi Aramco, A/Negative) trust certificate issuance programme and its inaugural USD 6 billion issuance, issued through the trustee - SA Global Sukuk Limited (SAGS) - a final rating of 'A'. The programme and instrument ratings are in line with Saudi Aramco's Long-Term Issuer Default Rating (IDR) and senior unsecured rating of 'A'. SAGS was incorporated in the Cayman Islands as an exempted company with limited liability for the sole purpose of issuing the certificates. MaplesFS Limited is acting as the corporate administrator of the trustee, while Saudi Aramco is the obligor, seller, lessee, buyer and service agent. Fitch understands from management that the proceeds are being used for general corporate purposes. (Source: Bloomberg)

Saudi Arabia closes June sukuk program at \$2.2bln: ministry – Saudi Arabia's National Debt Management Center closed on Tuesday its issuance for June 2021 of the government's Saudi riyal-denominated sukuk, or Islamic bonds, program at a total of 8.265 billion riyal (\$2.20 billion). The issuance were divided into three tranches: The first tranche amounts to 2.755 billion riyal, matures in 2028. The second tranche is 4.650 billion riyal, matures in 2031. The third tranche is 860 million riyal, matures in 2035. (Source: Reuters)

PIF-backed ACWA Power raises \$750mln from maiden sukuk – ACWA Power, the utility developer backed by Saudi Arabia's Public Investment Fund (PIF), on Tuesday announced it had raised SR2.8 billion (\$750 million) from its first sukuk issuance. The sukuk will have a seven-year tenor and was 1.8 times oversubscribed, the company said in a statement. Fund managers, government funds and insurance companies accounted for about 30 percent of investors. (Source: Arab News)

Turkey Posts Budget Deficit for Second Month in May – Turkey's budget stayed in deficit for a second month in May though the gap was narrower than a year earlier due to higher tax collection. The government posted a fiscal deficit of 13.4 billion liras (\$1.6 billion) in May, compared with a gap of 17.3 billion liras during the same month in 2020. The gap was 16.9 billion liras in April, down from 43.2 billion liras a year earlier. (Source: Bloomberg)

Fitch Ratings Raises Short-Term Oil and Gas Price Assumptions – Fitch Ratings has increased its 2021 and 2022 oil price assumptions for the Brent and West Texas Intermediate (WTI) benchmarks due to stronger year-to-date prices, a deficit in the market caused by a recovery in demand, and constrained supply from OPEC+ countries and heightened US capital discipline. They have also raised their 2021 and 2022 Title Transfer Facility (TTF) gas price assumptions. Increases in spot gas prices are being driven by low gas inventories in storage, strong demand in Asia, and recovering demand in Europe. All price assumptions from 2023 are unchanged. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.70	-0.43	KSA	2025	1.16	-0.58
Abu Dhabi	2030	2.02	-3.75	KSA	2030	2.30	-2.53
Abu Dhabi	2050	3.15	-7.24	KSA	2050	3.63	-6.11
Bahrain	2026	3.42	-1.66	Oman	2025	3.29	2.61
Bahrain	2030	5.39	-4.73	Oman	2029	4.87	3.34
Bahrain	2047	6.87	-9.03	Oman	2048	6.71	0.45
Dubai	2029	2.47	-0.52	Qatar	2025	0.82	-0.83
Kuwait	2022	0.09	-1.05	Qatar	2030	2.06	-3.93
Kuwait	2027	1.39	-2.40	Qatar	2050	3.31	-8.35

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.60	8.08	-0.23	-0.43
S&P MENA Bond and Sukuk Index	2.23	NA	-0.23	-1.11
Bloomberg Emerging Markets USD Index	3.78	6.80	-0.13	-0.69
Bloomberg Global Aggregate Index	1.10	7.42	-0.11	-2.43

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	16/6/2021	31/12/2020	16/6/2021	31/12/2020	16/6/2021	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	1.0613	1.1206	1.1438	1.1960	1.3000	1.3636
AEIBOR	0.3325	0.5125	0.4912	0.4908	0.6402	0.6538
EURIBOR	-0.5460	-0.5450	-0.5220	-0.5260	-0.4880	-0.4990
LIBOR	0.1180	0.2384	0.1504	0.2576	0.2375	0.3419

USD Swap Rates

Currencies				Commodities						
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.1550	0.03	-19.5	KWD	0.3009	0.0000	0.80	Gold	1,861.30	-2.33
2-Year	0.2425	-0.03	22.6	SAR	3.7503	0.0000	0.04	Silver	27.88	5.06
5-Year	0.8531	0.06	98.4	BHD	0.3770	0.0000	0.01	Copper	433.90	23.02
7-Year	1.1762	0.32	79.7	QAR	3.6420	0.0027	0.00	Nat. Gas	3.21	19.63
10-Year	1.4692	0.42	58.8	OMR	0.3850	0.0000	0.00	Aluminum	2,455.75	23.17
30-Year	1.8764	0.77	33.8	AED	3.6731	0.0000	0.00	Crude Oil	74.65	45.37

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.17	0.00	0.07	-0.01	-0.69	0.00
5-Year	0.78	0.00	0.33	-0.08	-0.69	0.00
10-Year	1.50	-0.02	0.76	-0.20	-0.36	0.00
30-Year	2.19	-0.14	1.27	0.05	0.32	0.00

UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.17	0.00	0.07	-0.01	-0.69	0.00
5-Year	0.78	0.00	0.33	-0.08	-0.69	0.00
10-Year	1.50	-0.02	0.76	-0.20	-0.36	0.00
30-Year	2.19	-0.14	1.27	0.05	0.32	0.00

German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.17	0.00	0.07	-0.01	-0.69	0.00
5-Year	0.78	0.00	0.33	-0.08	-0.69	0.00
10-Year	1.50	-0.02	0.76	-0.20	-0.36	0.00
30-Year	2.19	-0.14	1.27	0.05	0.32	0.00

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	16-Jun 2021	31-Dec 2020	
Kuwait	45.53	40.69	
KSA	55.21	63.77	
Abu Dhabi	38.72	36.03	
Dubai	82.14	104.06	
Qatar	39.42	36.70	
Bahrain	190.66	233.58	
Oman	238.93	353.60	
Iraq	458.77	542.74	
Egypt	325.51	330.47	
Morocco	76.21	102.56	
Turkey	384.01	299.47	
US	7.20	11.52	
UK	8.30	15.13	
China	35.14	26.70	
Japan	16.17	14.74	
Germany	9.05	9.09	
France	20.06	14.42	