

## News Updates

**Saudi Arabia appoints advisers on green debt issuance** – Saudi Arabia has appointed financial advisers for a planned green debt issuance but has yet to decide on the format, Finance Minister Mohammed al-Jadaan said on Sunday. He also said told Reuters in a virtual interview that Saudi Arabia's economy was recovering well from the COVID-19 pandemic and he expected the non-oil economy to grow between 4.7%-5% this year, with overall GDP growth seen at 2.8%. Authorities have no plans for now to adjust value-added tax, he said, after tripling it last year to 10% to offset the impact of lower oil revenue on state finances. "The sovereign has multiple projects that are green. We have a lot of solar, wind, power plants that require financing and we have multiple new plans in the pipeline," he said. He said Saudi Arabia had appointed financial advisers, but had yet to decide on details, such as whether the new financing would be syndicated, bonds or sukuk, local or international. *(Source: Reuters)*

**Qatar's public debt pressure set to ease with expected fiscal surplus in 2021: EIU** – Qatar's public debt pressure is set to ease with expected fiscal surplus in 2021 in view of the recovery of the global economy and stronger oil and gas prices, the Economist Intelligence Unit (EIU) said in its latest update. Qatar will remain comfortably able to fully service its debt obligations, supported by a strong commitment to do so, ample foreign reserves and the assets of the Qatar Investment Authority (QIA), the sovereign wealth fund, EIU noted. The end of the blockade in January has significantly reduced economic risk stemming from regional disputes, EIU said. According to EIU, the Qatari riyal's peg to the dollar will continue to be backed by healthy foreign reserves and QIA assets. The rating is supported by a recovery in international oil prices and an expected shift from deficit to surplus on the current account in 2021. *(Source: Gulf Times)*

**Fed set to begin stimulus taper amid inflation** – The Federal Reserve is set to begin removing a major plank of the stimulus policies it rolled out last year as the pandemic began, a sign of the progress the US economy has posted since the historic downturn. The American central bank top officials have widely signaled that they will announce at their policy meeting next week the start of a drawback in their monthly purchases of bonds and securities, which they began as the economy collapsed in March 2020 to stop the crisis from becoming a catastrophe. Inflation has spiked throughout much of this year. Fed Chair Jerome Powell could touch on these topics when he speaks following the two-day Federal Open Market Committee meeting beginning Tuesday, and may also offer the central bank's latest views on the state of the recovery. *(Source: Kuwait Times)*

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.08	-2.25	KSA	2025	1.35	-1.86
Abu Dhabi	2030	2.09	-4.64	KSA	2030	2.39	-3.47
Abu Dhabi	2050	3.05	-5.70	KSA	2050	3.54	-4.92
Bahrain	2026	3.97	-4.74	Oman	2025	3.32	2.13
Bahrain	2030	5.55	-6.14	Oman	2029	4.77	3.79
Bahrain	2047	7.13	-11.87	Oman	2048	6.59	1.89
Dubai	2029	2.45	-0.86	Qatar	2025	1.17	-2.89
Kuwait	2022	-0.04	-1.99	Qatar	2030	2.18	-5.27
Kuwait	2027	1.58	-4.04	Qatar	2050	3.20	-6.63

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.73	8.08	-0.10	0.22
S&P MENA Bond and Sukuk Index	2.35	NA	0.04	-0.38
Bloomberg Emerging Markets USD Index	4.30	6.80	-0.03	-1.55
Bloomberg Global Aggregate Index	1.29	7.42	-0.50	-4.29

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	1/11/2021	31/12/2020	1/11/2021	31/12/2020	1/11/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8286	0.8175	0.8771	0.8700	0.9471	0.9413
BHIBOR	1.5000	2.2500	1.5583	2.5333	1.7667	2.6833
QATAR	1.1594	1.1206	1.2063	1.1960	1.3495	1.3636
AEIBOR	0.3052	0.5125	0.4608	0.4908	0.6782	0.6538
EURIBOR	-0.5530	-0.5450	-0.5270	-0.5260	-0.4550	-0.4990
LIBOR	0.1323	0.2384	0.2010	0.2576	0.3611	0.3419

USD Swap Rates				Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)	
1-Year	0.3250	1.09	68.8	KWD	0.3017	0.0000	0.53	Gold	1,785.70
2-Year	0.7144	2.14	261.2	SAR	3.7516	-0.0027	0.01	Silver	23.88
5-Year	1.2518	1.79	191.1	BHD	0.3770	0.0027	0.00	Copper	438.95
7-Year	1.4184	0.81	116.7	QAR	3.6414	-0.0110	0.00	Nat. Gas	5.40
10-Year	1.5603	-0.17	68.6	OMR	0.3850	0.0000	0.00	Aluminum	2,712.25
30-Year	1.7126	-0.99	22.2	AED	3.6730	0.0000	0.00	Crude Oil	83.44

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.51	-0.03	0.69	-0.13	-0.84	0.00
5-Year	1.21	-0.10	0.83	-0.33	-0.55	-0.11
10-Year	1.56	-0.05	1.03	-0.23	-0.23	-0.31
30-Year	1.93	0.14	1.11	-0.04	0.11	0.78

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	1-Nov 2021	31-Dec 2020
Kuwait	46.45	40.69
KSA	48.29	63.77
Abu Dhabi	42.94	36.03
Dubai	87.79	104.06
Qatar	42.06	36.70
Bahrain	283.84	233.58
Oman	240.37	353.60
Iraq	452.28	542.74
Egypt	460.40	330.47
Morocco	91.73	102.56
Turkey	447.64	299.47
US	12.98	11.52
UK	8.99	15.13
China	45.24	26.70
Japan	17.33	14.74
Germany	8.13	9.09
France	20.22	14.42