

News Updates

Oman Utility to Sell Debt, Easing Burden on Frail State Finances –

Oman's state-owned power-transmission company plans to sell bonds in international debt markets early next year to fund capital expenditure and operations, taking pressure off the government's strained finances. Oman Electricity Transmission Co. SAOC, known as OETC, is looking to issue a benchmark bond, people familiar with the matter said, asking not to be identified because discussions are private. A benchmark offering is typically more than \$500 million. State-controlled entities in the cash-strapped state are seeking to shore up their finances as the government struggles to plug the widest budget deficit among Gulf Arab countries. Oman, the biggest Arab oil exporter outside OPEC, is exploring new ways to reduce expenditure and raise funding as measures to curb the spread of the coronavirus and a slump in oil prices batter the economy. The sultanate is said to be seeking to transfer its 60% stake in its biggest oil block to a new company, which would then raise debt that doesn't have to reflect in the government's books. (Source: Bloomberg)

Egypt Could Tap International Bond Market in 1H 2021 –

Egypt mulling return to international debt market in the first half of next year, Finance Minister Mohamed Maait says in interview with Al-Arabiya TV channel. Egypt expects to receive next tranche of a \$5.2 billion stand-by agreement with IMF in late December. Country now expecting 4% economic growth in current fiscal year that ends in June (Source: Bloomberg)

Tunisia Holds Interest Rates, Urges Politicians to Work Together –

Tunisia's central bank kept the benchmark interest rate unchanged, urging the country's polarized political groups to work together to revive an economy roiled by labor unrest and the pandemic. A difficult outlook makes it “imperative to concert the efforts of all parties in order to achieve political and social stability that is a key” to revive the economy, the central bank said in Monday's statement, announcing it was holding the rate at 6.25%. The North African nation's phosphate and energy industries have seen a wave of stoppages in recent weeks in a bid to pressure authorities into creating jobs. The bank, though, said there was an improvement in the country's external balance, with the current account deficit declining to 5.8% of GDP in the January-October period compared with 7.5% a year earlier. Monday's rate decision was first since lawmakers approved a supplementary budget bill that calls on the central bank to fund this year's budget deficit by buying 3 billion dinars (\$1.1 billion) in Treasury bonds. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.82	5.18	KSA	2025	1.22	6.62
Abu Dhabi	2030	1.54	9.94	KSA	2030	2.05	10.69
Abu Dhabi	2050	2.65	21.15	KSA	2050	3.23	10.49
Bahrain	2026	3.47	-1.74	Oman	2025	4.81	-3.63
Bahrain	2030	5.00	14.90	Oman	2029	6.01	-4.89
Bahrain	2047	6.32	-6.18	Oman	2048	7.32	-7.65
Dubai	2029	2.57	2.70	Qatar	2025	0.95	6.56
Kuwait	2022	0.29	1.30	Qatar	2030	1.65	12.28
Kuwait	2027	1.17	5.77	Qatar	2050	2.76	24.14

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.56	8.08	-0.01	7.82
S&P MENA Bond and Sukuk Index	2.03	NA	0.04	8.87
Bloomberg Emerging Markets USD Index	3.70	6.80	-0.01	4.93
Bloomberg Global Aggregate Index	0.86	7.42	0.00	7.75

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	1/12/2020	31/12/2019	1/12/2020	31/12/2019	1/12/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	2.0000	3.1875
SAIBOR	0.8313	2.2314	0.8800	2.2557	0.9488	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.2208	2.2500	1.2989	2.3500	1.4443	2.5333
AEIBOR	0.3323	2.2086	0.6250	2.1914	0.6000	2.2900
EURIBOR	-0.5280	-0.3830	-0.5070	-0.3240	-0.4870	-0.2490
LIBOR	0.2254	1.9084	0.2574	1.9121	0.3304	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2137	-0.19	-87.9
2-Year	0.2290	-0.26	-86.5
5-Year	0.4260	0.02	-75.4
7-Year	0.6150	0.30	-65.8
10-Year	0.8495	0.53	-55.2
30-Year	1.2632	0.59	-39.6

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3051	0.0000	-0.66
SAR	3.7507	0.0080	0.02
BHD	0.3771	-0.0053	-0.01
QAR	3.6417	-0.0082	0.00
OMR	0.3850	0.0000	0.00
AED	3.6731	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.15	0.01
5-Year	0.36	0.00
10-Year	0.85	-0.05
30-Year	1.57	-0.14

Source: Bloomberg

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.04	-0.04
5-Year	0.00	-0.09
10-Year	0.30	-0.27
30-Year	0.85	-0.55

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.73	-0.01
5-Year	-0.77	-0.06
10-Year	-0.63	-0.16
30-Year	-0.17	-0.51

Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	A1	AA-	AA
KSA	A1	A-u	A
UAE	Aa2	NR	NR
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	B2	NR	B
Morocco	Ba1	BBB-	BB+
US	Aaa	AA+u	AAA
UK	Aa2	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS

	1-Dec 2020	31-Dec 2019
Kuwait	40.19	36.700
KSA	67.65	56.915
Abu Dhabi	35.39	36.090
Dubai	110.29	91.005
Qatar	36.69	36.705
Bahrain	283.95	175.995
Oman	400.27	234.400
Iraq	576.71	383.680
Egypt	361.17	277.420
Morocco	98.21	91.435
Turkey	381.88	282.130
US	12.54	10.810
UK	15.96	16.210
China	29.68	31.205
Japan	14.90	21.042
Germany	9.03	7.080
France	14.95	16.130