

## News Updates

**UAE's GDP to grow 3.6% in 2021: Central Bank** – The UAE's non-oil gross domestic product is expected to grow by 3.6 per cent in 2021, state news agency Wam reported on Saturday citing central bank estimates, suggesting the economy will rebound from an expected contraction in 2020. The Central Bank of the UAE, in its second-quarter report on the economy, had recently said the non-oil economy was projected to contract 4.5 per cent for 2020 as a whole due to the Covid-19 pandemic. Total packages worth Dh388 billion (\$105.6 billion) have been announced to support the economy. The report comes as the committee responsible for the coordination and follow up of the implementation of the UAE's economic recovery plan held its second meeting on Saturday, in which it reviewed the progress in the 15 initiatives of the first phase, revealing that 46 per cent of implementations has been completed so far. *(Source: Zawya)*

**Oman's inflation falls 1.46% in November** – The Sultanate's Consumer Price Index (CPI)-based inflation fell by 1.46 per cent in November 2020 compared to the same month of 2019, according to the latest data released by the National Centre for Statistics and Information (NCSI) on the consumer price index. According to the report, the inflation rate in November 2020 fell by 0.09 per cent compared to October 2020. The price of food and non-alcoholic beverages fell by 0.78 per cent; housing, water, electricity, gas, and other fuels by 0.42 per cent; clothing and footwear by 0.13 per cent; furnishings, household equipment & routine household maintenance by 0.25 per cent; transport by 5.88 per cent; communication by 0.04 per cent and restaurants and hotels 0.25 per cent. *(Source: Bloomberg)*

**Egypt Inflation at Seven-Month High Raises Odds of Rate Hold** – Inflation in urban parts of Egypt accelerated to its highest level since April on rising food costs, increasing the chances of the central bank keeping interest rates unchanged this month. Consumer prices rose 5.7% in November, up from 4.5% the month before, according to data released Thursday by the state statistics agency CAPMAS. Month-on-month inflation slowed to 0.8% from 1.8% in October. Food and beverage prices, which account for the largest single component in the inflation basket, rose an annual 3.6% and 2.7% on a monthly basis. An unfavorable base of comparison to the previous year also contributed to the climb. Core inflation, the gauge measured by the central bank that strips out volatile items, was 4% year-on-year. With the inflation figure slightly higher than expected and real rates now at their lowest since early 2019, the central bank will likely hold off on further monetary easing at its Dec. 24 meeting, Mohamed Abu Basha, head of macroeconomic research at Cairo-based EFG Hermes, said in response to questions. *(Source: Bloomberg)*

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.84	5.10	KSA	2025	1.20	6.66
Abu Dhabi	2030	1.59	9.43	KSA	2030	2.10	10.28
Abu Dhabi	2050	2.72	19.47	KSA	2050	3.28	9.46
Bahrain	2026	3.35	-1.30	Oman	2025	4.33	-1.92
Bahrain	2030	4.75	16.83	Oman	2029	5.63	-2.32
Bahrain	2047	6.12	-3.89	Oman	2048	6.93	-3.22
Dubai	2029	2.61	2.48	Qatar	2025	0.95	6.53
Kuwait	2022	0.18	1.36	Qatar	2030	1.73	11.73
Kuwait	2027	1.09	6.05	Qatar	2050	2.79	23.16

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.51	8.08	0.11	8.15
S&P MENA Bond and Sukuk Index	2.05	NA	0.11	8.77
Bloomberg Emerging Markets USD Index	3.60	6.80	0.09	5.61
Bloomberg Global Aggregate Index	0.84	7.42	0.08	8.45

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	13/12/2020	31/12/2019	13/12/2020	31/12/2019	13/12/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	1.9375	3.1875
SAIBOR	0.8275	2.2314	0.8763	2.2557	0.9463	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.1376	2.2500	1.1971	2.3500	1.3303	2.5333
AEIBOR	0.4600	2.2086	0.5593	2.1914	0.7600	2.2900
EURIBOR	-0.5430	-0.3830	-0.5200	-0.3240	-0.4990	-0.2490
LIBOR	0.2165	1.9084	0.2488	1.9121	0.3359	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1835	-1.23	-89.6
2-Year	0.1956	-1.59	-88.5
5-Year	0.4236	-2.20	-75.5
7-Year	0.6350	-1.84	-64.7
10-Year	0.8926	-1.46	-52.9
30-Year	1.3436	-0.69	-35.8

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3044	0.0000	-0.43
SAR	3.7510	0.0027	0.01
BHD	0.3771	0.0000	-0.01
QAR	3.6414	0.0082	0.01
OMR	0.3850	0.0000	-0.01
AED	3.6730	-0.0027	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.12	0.05
5-Year	0.37	0.11
10-Year	0.90	0.11
30-Year	1.63	0.03

Source: Bloomberg

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.13	-0.01
5-Year	-0.10	0.06
10-Year	0.17	0.31
30-Year	0.71	0.83

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.80	0.01
5-Year	-0.83	0.09
10-Year	-0.69	0.29
30-Year	-0.24	1.66

## 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	B2	NR	B
Morocco	Ba1	BBB-	BB+
US	Aaa	AA+u	AAA
UK	Aa2	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	13-Dec 2020	31-Dec 2019
Kuwait	40.19	36.700
KSA	65.66	56.915
Abu Dhabi	36.08	36.090
Dubai	103.82	91.005
Qatar	36.88	36.705
Bahrain	242.13	175.995
Oman	351.27	234.400
Iraq	505.60	383.680
Egypt	332.13	277.420
Morocco	94.04	91.435
Turkey	384.42	282.130
US	13.11	10.810
UK	16.62	16.210
China	28.17	31.205
Japan	14.54	21.042
Germany	9.31	7.080
France	14.76	16.130