

News Updates

Saudi crown prince says PIF will invest \$266bln in local economy –

Saudi Arabia's Public Investment Fund (PIF) approved its five-year strategy of investment and job creation on Sunday, as part of its economic transformation. The fund will invest \$266bln in the local economy in the next five years through 13 strategic sectors. In addition, it will double its asset volume by more than 4 trillion riyals by 2025 to reach 7.5 trillion riyals by 2030. PIF also aims to invest 2 trillion riyals in new projects from 2026 to 2030 for a cumulative 3 trillion riyals investment in new projects over the next 10 years, Crown Prince Mohammed bin Salman said in a video on the sovereign wealth fund's website. It will also create 1.8 million direct and indirect new jobs in the next five years “as an engine for economic diversification and job creation.” PIF will continue to work with the private sector and uncover investment opportunities. “We aim to increase local content in PIF projects and its portfolio companies to 60 percent in the next five years,” Prince Mohammed said. The PIF, which was reconstituted in 2015 with the crown prince as the chair, aims to become one of the world's largest sovereign wealth funds by 2030 with assets exceeding 7.5 trillion riyals. (Source: Zawya)

UAE cabinet approves debt strategy to build local currency bond market –

The United Arab Emirates cabinet approved a public debt strategy aimed at developing the Gulf state's market for local currency bonds, the UAE's vice president said in a tweet on Sunday. “The goal is to build a bond market in the local currency ... and stimulate the country's financial and banking sector,” UAE Vice President and the ruler of Dubai Sheikh Mohammed bin Rashid al-Maktoum said. Individual emirates such as Dubai, Abu Dhabi, and Sharjah, have already become issuers of international debt. The UAE has no debt of its own but plans to sell federal bonds soon. (Source: Reuters)

S&P Global upgrades Walaa Insurance's rating to A- –

S&P Global Ratings has upgraded Walaa Cooperative Insurance Company's rating from (BBB+) to (A-) and the GCC rating to (gcaAAA), with a “Stable” outlook. The key drivers for the upgrade include the successful integration with MetLife AIG ANB Insurance Company without experiencing any capital or earnings volatility, according to a bourse statement on Sunday. Lending further support to the upgrade was that capital adequacy is above AAA level as per S&P model and is likely to be strengthened over the next two years with the proposed rights issue. Moreover, S&P noted that Walaa enjoys exceptional liquidity, very strong financial risk profile, capital, and earnings with a moderate risk profile. The stable outlook captures S&P's expectation that Walaa will maintain its robust capital adequacy while strengthening its competitive position and diversifying its operations. (Source: Mubasher)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.81	-0.24	KSA	2025	1.17	-0.06
Abu Dhabi	2030	1.69	-0.92	KSA	2030	2.20	-1.47
Abu Dhabi	2050	2.85	-1.83	KSA	2050	3.44	-2.93
Bahrain	2026	3.36	-0.53	Oman	2025	3.80	1.35
Bahrain	2030	5.10	-2.41	Oman	2029	5.45	-0.35
Bahrain	2047	6.36	-3.26	Oman	2048	6.91	-1.97
Dubai	2029	2.50	0.31	Qatar	2025	0.88	-0.26
Kuwait	2022	0.27	-0.33	Qatar	2030	1.75	-1.06
Kuwait	2027	1.25	-0.88	Qatar	2050	2.95	-2.10

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.53	8.08	0.01	-0.54
S&P MENA Bond and Sukuk Index	1.65	NA	0.04	-0.67
Bloomberg Emerging Markets USD Index	3.61	6.80	0.00	-0.94
Bloomberg Global Aggregate Index	0.88	7.42	-0.05	-0.71

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	25/1/2021	31/12/2020	25/1/2021	31/12/2020	25/1/2021	31/12/2020
KIBOR	1.4375	1.4375	1.6875	1.6875	1.9375	1.9375
SAIBOR	0.8175	0.8175	0.8675	0.8700	0.9388	0.9413
BHIBOR	2.2333	2.2500	2.5167	2.5333	2.6833	2.6833
QATAR	1.1268	1.1206	1.2011	1.1960	1.3499	1.3636
AEIBOR	0.3463	0.5125	0.4650	0.4908	0.5000	0.6538
EURIBOR	-0.5400	-0.5450	-0.5250	-0.5260	-0.4980	-0.4990
LIBOR	0.2153	0.2384	0.2360	0.2576	0.3123	0.3419

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1921	0.00	-0.2
2-Year	0.2010	0.02	1.6
5-Year	0.5317	0.48	23.7
7-Year	0.8125	0.62	24.1
10-Year	1.1203	0.74	21.1
30-Year	1.6140	0.83	15.1

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.12	0.00
5-Year	0.44	-0.03
10-Year	1.10	-0.08
30-Year	1.86	-0.20

Source: Bloomberg

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3028	0.0496	0.18
SAR	3.7513	0.0027	0.01
BHD	0.3770	0.0000	0.00
QAR	3.6413	-0.0027	0.00
OMR	0.3850	0.0000	0.00
AED	3.6731	0.0000	0.00

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.14	0.01
5-Year	-0.04	0.07
10-Year	0.30	0.24
30-Year	0.89	0.52

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.67	0.00
5-Year	-0.75	0.00
10-Year	-0.60	0.00
30-Year	-0.10	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	B2	NR	B
Morocco	Ba1	BBB-	BB+
US	Aaa	AA+u	AAA
UK	Aa2	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS

	25-Jan 2021	31-Dec 2020
Kuwait	41.69	40.69
KSA	67.89	63.77
Abu Dhabi	43.21	36.03
Dubai	106.24	104.06
Qatar	43.09	36.70
Bahrain	228.72	233.58
Oman	320.16	353.60
Iraq	552.30	542.74
Egypt	310.00	330.47
Morocco	94.68	102.56
Turkey	327.27	299.47
US	10.63	11.52
UK	15.39	15.13
China	29.74	26.70
Japan	13.59	14.74
Germany	9.37	9.09
France	14.07	14.42