

News Updates

Aramco Said to Plan Bond Sale to Help Fund \$75 Billion Dividend – Saudi Aramco is preparing to return to global capital markets with a bond that would help fund a \$75 billion dividend commitment, according to people with knowledge of the plan. The world's biggest energy company has picked around 15 banks to manage a sale of Islamic debt, or sukuk, that could happen this month, according to people with knowledge of the matter. The state-controlled firm may seek to raise around \$5 billion, one of the people said. Aramco is considering a sale of both dollar and local-currency sukuk, the people said. No decision has been made and the firm may put off the deal if market conditions deteriorate. Several other state energy companies in the Persian Gulf are also mulling Eurobond sales. Qatar Petroleum may issue as much as \$10 billion in the coming weeks, while Energy Development Oman is seeking to raise around \$3 billion. Saudi Aramco's profit soared in the first quarter amid a recovery in global oil and gas markets, though free cash flow remained too low to fully cover its dividend for the period of \$18.75 billion. Almost all the firm's payouts go to the Saudi government, which is trying to narrow a budget deficit that widened to 12% of gross domestic product last year. (Source: Bloomberg)

Dubai developer Emaar hires banks for dollar sukuk sale – Dubai real estate company Emaar Properties has hired banks for issuance of U.S. dollar-denominated Islamic bonds, or sukuk, as soon as next week, two sources close to the matter said without disclosing how much it aims to raise. The builder of the world's tallest building, Dubai's Burj Khalifa, last issued international bonds in 2019, raising \$500 million via sukuk. S&P Global Ratings downgraded Emaar to a BB+ "junk" rating last July as the real estate and retail sectors were slammed by the COVID-19 pandemic and related restrictions. The 10-year sukuk issued in 2019 at a rate of 3.875% traded at 101.3 cents on the dollar on Wednesday, data from Refinitiv's Tradeweb showed. Emaar, which is 29.22% owned by state fund Investment Corporation of Dubai, last month reported an 8% rise in first-quarter net profit to 657 million dirhams. (Source: Reuters)

Tunisia Holds Interest Rate as It Targets IMF Deal by July – Tunisia left its benchmark interest rate unchanged for another meeting as the government seeks International Monetary Fund financing to support efforts to revive the ailing economy. The policy rate remains at 6.25%, the central bank said in a statement Wednesday. Its last cut, of 50 basis points, was in late September. The bank stressed the need for Tunisia to build a broad consensus to push through economic reforms and work to cut public spending, echoing calls from the IMF. "Public finances are under strong pressure," it said. The government in Tunisia, which has been roiled by political infighting and economic lassitude for much of the decade since its Arab Spring uprising, has said it's looking to reach an agreement with the IMF by July. A deal will be key in allowing the North African nation to raise foreign funding after the central bank warned it would no longer help plug the budget deficit. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.83	-0.84	KSA	2025	1.27	-0.98
Abu Dhabi	2030	2.01	-3.73	KSA	2030	2.36	-2.98
Abu Dhabi	2050	3.20	-8.01	KSA	2050	3.68	-6.81
Bahrain	2026	3.45	-1.71	Oman	2025	3.37	2.40
Bahrain	2030	5.50	-5.43	Oman	2029	5.00	2.55
Bahrain	2047	6.96	-10.08	Oman	2048	6.81	-0.81
Dubai	2029	2.55	-0.94	Qatar	2025	0.93	-1.16
Kuwait	2022	0.07	-1.00	Qatar	2030	2.06	-3.87
Kuwait	2027	1.41	-2.58	Qatar	2050	3.38	-9.46

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.65	8.08	0.02	-0.92
S&P MENA Bond and Sukuk Index	2.27	NA	0.07	-1.61
Bloomberg Emerging Markets USD Index	3.81	6.80	0.12	-1.20
Bloomberg Global Aggregate Index	1.13	7.42	-0.07	-2.46

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	3/6/2021	31/12/2020	3/6/2021	31/12/2020	3/6/2021	31/12/2020
KIBOR	1.5000	1.4375	1.6875	1.6875	2.0000	1.9375
SAIBOR	0.7914	0.8175	0.8414	0.8700	0.9143	0.9413
BHIBOR	1.6050	2.2500	1.6733	2.5333	1.7800	2.6833
QATAR	1.1709	1.1206	1.2341	1.1960	1.3632	1.3636
AEIBOR	0.3450	0.5125	0.6013	0.4908	0.5158	0.6538
EURIBOR	-0.5450	-0.5450	-0.5170	-0.5260	-0.4870	-0.4990
LIBOR	0.1285	0.2384	0.1749	0.2576	0.2469	0.3419

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1473	0.03	-23.5
2-Year	0.2282	-0.01	15.4
5-Year	0.8812	0.39	104.9
7-Year	1.2417	0.37	89.7
10-Year	1.5648	0.38	69.1
30-Year	1.9985	0.34	42.5

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3008	0.0000	0.83
SAR	3.7505	0.0027	0.04
BHD	0.3770	0.0000	0.00
QAR	3.6420	-0.0055	0.00
OMR	0.3850	0.0026	0.00
AED	3.6731	0.0000	0.00

Commodities

	USD	YTD Δ (%)
Gold	1,906.40	0.03
Silver	28.26	6.49
Copper	459.55	30.31
Nat. Gas	3.08	14.82
Aluminum	2,429.40	22.13
Crude Oil	71.84	39.90

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.15	0.00
5-Year	0.80	-0.01
10-Year	1.59	-0.02
30-Year	2.27	-0.02

UK Gilts

	Yield %	1D Δ (%)
2-Year	0.05	0.02
5-Year	0.33	0.10
10-Year	0.80	0.28
30-Year	1.33	0.36

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.68	0.00
5-Year	-0.67	0.00
10-Year	-0.33	0.00
30-Year	0.36	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	03-Jun 2021	31-Dec 2020	
Kuwait	46.24	40.69	
KSA	57.72	63.77	
Abu Dhabi	40.12	36.03	
Dubai	83.66	104.06	
Qatar	40.55	36.70	
Bahrain	196.36	233.58	
Oman	243.03	353.60	
Iraq	496.67	542.74	
Egypt	318.79	330.47	
Morocco	88.64	102.56	
Turkey	401.51	299.47	
US	7.35	11.52	
UK	8.60	15.13	
China	36.70	26.70	
Japan	15.77	14.74	
Germany	9.42	9.09	
France	21.28	14.42	