

News Updates

S&P Affirms Saudi Arabia's Rating at 'A-/A-2' with Stable Outlook – S&P Global Ratings affirmed Saudi Arabia's sovereign credit ratings at 'A-/A-2' with a stable outlook. The credit ratings agency said in a statement that the Saudi economy will likely return to positive growth in 2021 after the contraction seen in 2020. The gross domestic product (GDP) is forecast to grow by 2% in 2021 compared to a contraction by 4.1% in 2020. The agency also expected the return of current account to surplus and reduction of the fiscal deficit ratios, driven by the improvement of global economy and recovery of oil prices, as the coronavirus is going to end. The stable outlook indicates that the Kingdom's financial position and external net asset positions would remain strong enough over the next two years to support the ratings, S&P said. It added that the Kingdom continues with its ambitious strategy of investment and economic diversification, making several important achievements of Vision 2030. (Source: See News)

Bank Albilad to issue SAR 3bn Tier 2 Sukuk – Bank Albilad plans to issue a domestic Saudi Riyal (SAR) denominated Tier 2 Sukuk valued at up to SAR 3 billion through a private placement in the local market. The potential offer may include an option for holders of the previously issued SAR 2 billion Sukuk to exchange their investment in the previous Sukuk with an investment in the Tier 2 Sukuk, the bank disclosed to the Saudi Stock Exchange (Tadawul) on Thursday. Moreover, the bank has mandated Albilad Capital as the sole arranger and dealer for the potential offer. Proceeds of the potential offer, which is still subject to regulatory approvals, will be used to strengthen the bank's capital base and to grow its banking and finance activities. (Source: Mubasher)

Doha Bank Successfully Closes New Bond Issuance with Strong Investor Demand – Doha Bank Q.P.S.C., rated A by Fitch and Baa1 by Moody's, successfully completed a USD 500 million 5-year senior unsecured bond at a yield of 2.431% per annum, which is equivalent to a credit spread of 150 basis points over 5-year Mid Swap Rate. The transaction was executed under the Bank's USD 2 billion EMTN Issuance Program which is listed on London Stock Exchange, UK. The management team held a global investor call with institutional investors from Asia and Europe prior to placing the bond. Investor demand was strong and the orderbook peaked at c.USD 1.1 billion, representing slightly more than 2 times oversubscription. In terms of allocation to investors – 57% were asset managers, 31% were banks (include private banks), and 7% Insurance and 5% others. More importantly, the investor base was diversified geographically with, 48% of the bond issuance being allocated to the United Kingdom, 35% to the Middle East, 13% to Europe, and 4.0% to Asia. (Source: Doha Bank)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.02	-1.28	KSA	2025	1.42	-1.30
Abu Dhabi	2030	2.15	-4.70	KSA	2030	2.51	-4.04
Abu Dhabi	2050	3.32	-10.14	KSA	2050	3.85	-9.44
Bahrain	2026	3.36	-0.90	Oman	2025	3.45	2.31
Bahrain	2030	5.62	-6.01	Oman	2029	5.13	1.84
Bahrain	2047	7.00	-10.45	Oman	2048	6.93	-2.31
Dubai	2029	2.72	-1.85	Qatar	2025	1.09	-1.34
Kuwait	2022	0.03	-0.52	Qatar	2030	2.22	-4.86
Kuwait	2027	1.56	-2.98	Qatar	2050	3.43	-10.28

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.78	8.08	-0.13	-2.72
S&P MENA Bond and Sukuk Index	2.36	NA	-0.11	-3.31
Bloomberg Emerging Markets USD Index	3.96	6.80	-0.17	-3.26
Bloomberg Global Aggregate Index	1.13	7.42	-0.09	-4.04

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	28/3/2021	31/12/2020	28/3/2021	31/12/2020	28/3/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7963	0.8175	0.8438	0.8700	0.9163	0.9413
BHIBOR	1.3697	2.2500	1.4917	2.5333	1.8083	2.6833
QATAR	0.8601	1.1206	0.9806	1.1960	1.2207	1.3636
AEIBOR	0.3925	0.5125	0.5575	0.4908	0.6735	0.6538
EURIBOR	-0.5370	-0.5450	-0.5140	-0.5260	-0.4890	-0.4990
LIBOR	0.1990	0.2384	0.2033	0.2576	0.2808	0.3419

USD Swap Rates

			Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)	
1-Year	0.2102	0.33	9.2	KWD	0.3020	0.0000	0.43	Gold
2-Year	0.2645	0.48	33.7	SAR	3.7503	0.0000	0.04	Silver
5-Year	0.9630	2.75	124.0	BHD	0.3770	0.0000	-0.01	Copper
7-Year	1.3580	3.75	107.5	QAR	3.6410	0.0082	0.01	Nat. Gas
10-Year	1.7090	4.40	84.7	OMR	0.3850	0.0000	0.00	Aluminum
30-Year	2.1507	3.00	53.4	AED	3.6730	0.0000	0.00	Crude Oil

US Treasuries

	Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.14	0.00		0.05	-0.03		-0.68	0.01
5-Year	0.87	-0.14		0.32	-0.08		-0.75	-0.04
10-Year	1.68	-0.35		0.75	-0.34		-0.47	-0.31
30-Year	2.38	-0.38		1.28	-0.90		0.21	-1.14

UK Gilts

	Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.14	0.00		0.05	-0.03		-0.68	0.01
5-Year	0.87	-0.14		0.32	-0.08		-0.75	-0.04
10-Year	1.68	-0.35		0.75	-0.34		-0.47	-0.31
30-Year	2.38	-0.38		1.28	-0.90		0.21	-1.14

German Bunds

	Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.14	0.00		0.05	-0.03		-0.68	0.01
5-Year	0.87	-0.14		0.32	-0.08		-0.75	-0.04
10-Year	1.68	-0.35		0.75	-0.34		-0.47	-0.31
30-Year	2.38	-0.38		1.28	-0.90		0.21	-1.14

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	BBB-	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+
USD 5Yr CDS	28-Mar 2021	31-Dec 2020	
Kuwait	47.77	40.69	
KSA	68.83	63.77	
Abu Dhabi	48.95	36.03	
Dubai	99.82	104.06	
Qatar	48.99	36.70	
Bahrain	191.95	233.58	
Oman	278.92	353.60	
Iraq	526.25	542.74	
Egypt	296.90	330.47	
Morocco	92.68	102.56	
Turkey	460.13	299.47	
US	9.26	11.52	
UK	11.50	15.13	
China	32.83	26.70	
Japan	15.21	14.74	
Germany	9.08	9.09	
France	15.53	14.42	