

## News Updates

### Kuwaiti cabinet proposes new amendments to debt law, MP says –

The Kuwaiti government has proposed new amendments to the country's public debt law, including capping borrowing to maximum 60% of gross domestic product, the head of a parliamentary finance committee told Reuters. The government presented the proposed amendments to the parliamentary committee on Monday, Ahmed al-Hamad said. Another proposed change regards the duration of debt: the government would like no maturity limit, he said, while the existing debt law has a maximum limit of 30 years. Kuwait is facing a liquidity squeeze because of a standoff between government and parliament over the public debt law. (Source: Reuters)

### Masraf Al Rayan gets nod to raise Sukuk size to \$4 billion –

Masraf Al Rayan got approval from shareholders to increase the size of the Sukuk issuance programme from its current size of \$2 billion to a maximum size of \$4 billion at the virtual Ordinary General Assembly meeting. The approval to increase the size of Sukuk to \$4 billion is based on the recommendation of the board of directors where the total issuances should not exceed 100% of the bank's capital and reserves. Masraf Al Rayan has maintained its credit rating at A1 with a stable outlook as per Moody's report that reflects the high quality of assets and the solid and stable profitability that supports the high capitalisation of Masraf Al Rayan. (Source: Qatar Tribune)

### Moody's: Qatar Banks to Keep Provisioning Costs High This Year –

Qatari banks will keep provisioning costs high this year as loan quality worsens due to the coronavirus turmoil, according to Moody's Investors Service. "Although Qatari banks reported resilient earnings in 2020 with the pandemic's added pressure on profits, we expect provisioning costs to remain high in 2021," senior credit officer Nitish Bhojnarwala wrote in a report. He expects total income from banks "to remain subdued in 2021 as lower business volumes strain profits". Banks financial performance will be supported this year by strong capital buffers, oil price recovery and political stability "While loan quality has largely stayed stable, problem loans are set to emerge across sectors most vulnerable to the pandemic such as hotels and restaurants, airlines, tourism and retail". (Source: Bloomberg)

### Benchmark U.S. yield again retreats from one-year high –

Benchmark U.S. Treasury yields eased for a second straight session on Monday from a one-year high hit last week as Federal Reserve officials continued to downplay runaway inflation concerns, but a round of solid economic data curbed the decline. Federal Reserve Bank of Richmond President Thomas Barkin said he does not see inflation rising to problematic levels. "The market is digesting that the Fed is fully aware that inflation will be higher in the short term; it is not a surprise," said Jim Barnes, director of fixed income at Bryn Mawr Trust in Devon, Pennsylvania. "The fact the market is now back in line with the Fed and the Fed's views, it will limit the volatility we saw from last week." (Source: Reuters)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.92	-0.80	KSA	2025	1.25	-0.60
Abu Dhabi	2030	2.02	-3.62	KSA	2030	2.34	-2.78
Abu Dhabi	2050	3.24	-8.86	KSA	2050	3.76	-8.07
Bahrain	2026	3.30	-0.43	Oman	2025	3.54	2.02
Bahrain	2030	5.29	-3.80	Oman	2029	5.11	1.97
Bahrain	2047	6.70	-6.94	Oman	2048	6.86	-1.47
Dubai	2029	2.58	-0.48	Qatar	2025	0.99	-0.87
Kuwait	2022	0.33	-0.57	Qatar	2030	2.10	-3.94
Kuwait	2027	1.39	-1.91	Qatar	2050	3.40	-9.68

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.69	8.08	0.20	-2.08
S&P MENA Bond and Sukuk Index	2.27	NA	0.15	-2.71
Bloomberg Emerging Markets USD Index	3.74	6.80	0.11	-2.15
Bloomberg Global Aggregate Index	1.07	7.42	-0.06	-2.64

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	2/3/2021	31/12/2020	2/3/2021	31/12/2020	2/3/2021	31/12/2020
KIBOR	1.5000	1.4375	1.6875	1.6875	1.9375	1.9375
SAIBOR	0.8000	0.8175	0.8463	0.8700	0.9200	0.9413
BHIBOR	1.9417	2.2500	2.0250	2.5333	2.3583	2.6833
QATAR	1.0333	1.1206	1.1333	1.1960	1.2667	1.3636
AEIBOR	0.3355	0.5125	0.4332	0.4908	0.6134	0.6538
EURIBOR	-0.5300	-0.5450	-0.5160	-0.5260	-0.4830	-0.4990
LIBOR	0.1884	0.2384	0.2030	0.2576	0.2838	0.3419

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1828	-0.10	-5.0
2-Year	0.2224	-0.09	12.4
5-Year	0.8067	-0.40	87.6
7-Year	1.1572	-0.44	76.8
10-Year	1.4913	-0.51	61.2
30-Year	1.9328	-1.43	37.9

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3022	-0.0828	0.38
SAR	3.7510	0.0053	0.02
BHD	0.3771	0.0000	-0.02
QAR	3.6421	-0.0082	-0.01
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

## Commodities

	USD	YTD Δ (%)
Gold	1,711.80	-9.89
Silver	26.17	-1.14
Copper	407.10	15.52
Nat. Gas	2.78	9.38
Aluminum	2,105.25	6.46
Crude Oil	62.96	21.59

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.12	0.01
5-Year	0.69	0.02
10-Year	1.41	0.06
30-Year	2.18	0.20

## UK Gilts

	Yield %	1D Δ (%)
2-Year	0.08	0.05
5-Year	0.35	0.22
10-Year	0.76	0.67
30-Year	1.33	1.13

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.65	0.01
5-Year	-0.69	0.18
10-Year	-0.44	0.63
30-Year	0.14	1.42

## 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

	2-Mar 2021	31-Dec 2020
Kuwait	42.11	40.69
KSA	65.98	63.77
Abu Dhabi	44.70	36.03
Dubai	94.19	104.06
Qatar	44.70	36.70
Bahrain	221.06	233.58
Oman	320.90	353.60
Iraq	506.16	542.74
Egypt	305.00	330.47
Morocco	100.53	102.56
Turkey	306.89	299.47
US	9.03	11.52
UK	13.61	15.13
China	29.25	26.70
Japan	14.24	14.74
Germany	8.88	9.09
France	14.54	14.42