

News Updates

Sipchem Unit Gets 700m-Riyal Facility From Riyadh Bank – International Polymers Company facility to refinance existing syndicated facility and PIF loan, Sipchem says. Original amount: Syndicated facility at 704 million riyals, PIF loan at 704 million. Total outstanding amount to be refinanced 750.8 million riyals. Maturity of syndicated facility is in 2026 and of PIF loan is in 2027. Maturity of new financing is in 2027, with grace period of one and a half years from date of refinancing, with a 30% bullet payment due at the final maturity date. (Source: Bloomberg)

Dubai approves AED 57.1bn government general budget 2021 – Sheikh Mohammed bin Rashid Al Maktoum has adopted the Dubai Government's general budget for 2021 with AED 57.1 billion (\$15.55 billion) expenditures. The newly-approved budget focuses on implementing economic growth and financial sustainability and increase the private sector contribution to economic growth, taking into account the coronavirus (COVID-19) economic repercussions in 2020. Under the new budget, the infrastructure and transportation sector accounts for 41% of the total spending, while social development and security, justice, and safety represent 31% and 22%, respectively. Meanwhile, salary and wage allowances account for 35% of total government expenditures, while 26% of the government spending will be allocated for grant and support expenditure. In 2021, the Dubai government is forecast to generate public revenues of AED 52.314 billion, despite the economic incentive measures approved to reduce some fees and freeze the increase in fees. The Executive Director, Planning, and General Budget Sector at the Department of Finance (DOF), Arif Abdulrahman Ahli, said: "Initial estimates for 2021 suggest that GDP will see 4% growth, supported by the continued recovery of economic activities." (Source: Mubasher)

Fitch affirms QIIB strong rating at 'A' – Global credit rating agency Fitch published the QIIB's full rating report which demonstrating the same QIIB's strong rating at 'A' with a stable outlook. This is based on the Bank's financial statements at the end of the third quarter of 2020, which attests to the fact that QIIB has maintained a strong financial position and responded in a suitable manner to the new challenges in line with the high solvency of Qatar's economy across all sectors. In its report, Fitch relied on a number of important factors among which is "The extremely high probability of support" from the Qatari authorities in case of need. This reflects the strong ability of Qatar to support its domestic banks combined with QIIB's strong position in the local financial sector and its creditworthiness, which support its rating". (Source: Bloomberg, Peninsula)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.73	5.43	KSA	2025	1.15	6.83
Abu Dhabi	2030	1.55	9.73	KSA	2030	2.00	10.99
Abu Dhabi	2050	2.71	19.47	KSA	2050	3.20	10.64
Bahrain	2026	3.32	-1.26	Oman	2025	4.13	-1.33
Bahrain	2030	4.79	16.46	Oman	2029	5.48	-1.53
Bahrain	2047	6.11	-3.82	Oman	2048	6.81	-1.90
Dubai	2029	2.52	2.78	Qatar	2025	0.83	6.86
Kuwait	2022	0.07	1.39	Qatar	2030	1.61	12.60
Kuwait	2027	1.06	6.08	Qatar	2050	2.77	23.40

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.46	8.08	0.00	8.68
S&P MENA Bond and Sukuk Index	2.00	NA	0.09	9.22
Bloomberg Emerging Markets USD Index	3.53	6.80	0.07	6.24
Bloomberg Global Aggregate Index	0.86	7.42	-0.01	8.65

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	28/12/2020	31/12/2019	28/12/2020	31/12/2019	28/12/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	1.9375	3.1875
SAIBOR	0.8175	2.2314	0.8700	2.2557	0.9413	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	0.8500	2.2500	0.9750	2.3500	1.3500	2.5333
AEIBOR	0.4325	2.2086	0.5075	2.1914	0.6500	2.2900
EURIBOR	-0.5420	-0.3830	-0.5190	-0.3240	-0.4940	-0.2490
LIBOR	0.2401	1.9084	0.2666	1.9121	0.3404	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1974	0.02	-88.9
2-Year	0.2082	0.37	-87.7
5-Year	0.4530	0.59	-73.8
7-Year	0.6797	1.37	-62.2
10-Year	0.9535	1.76	-49.7
30-Year	1.4308	2.36	-31.6

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3037	0.0000	-0.18
SAR	3.7537	-0.0027	-0.05
BHD	0.3771	-0.0027	0.00
QAR	3.6414	0.0055	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	0.00
5-Year	0.37	-0.04
10-Year	0.94	-0.16
30-Year	1.68	-0.48

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.16	-0.01
5-Year	-0.06	0.04
10-Year	0.25	0.32
30-Year	0.82	0.93

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.73	0.00
5-Year	-0.75	0.00
10-Year	-0.61	0.00
30-Year	-0.16	0.00

Source: Bloomberg

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

	28-Dec 2020	31-Dec 2019
Kuwait	40.19	36.700
KSA	66.05	56.915
Abu Dhabi	36.35	36.090
Dubai	107.45	91.005
Qatar	37.21	36.705
Bahrain	235.89	175.995
Oman	353.32	234.400
Iraq	544.82	383.680
Egypt	331.35	277.420
Morocco	102.18	91.435
Turkey	311.40	282.130
US	11.65	10.810
UK	15.71	16.210
China	30.96	31.205
Japan	14.22	21.042
Germany	9.37	7.080
France	15.22	16.130