

News Updates

Saudi Arabia set to spend 990 bln riyals with 2021 budget – Saudi Arabia announced a 990 billion riyal (\$263.91 billion) budget for 2021 on Tuesday, around 7% less than estimated for this year, seeking to tame a huge deficit caused by lower oil revenues and extra spending needed to tackle the coronavirus crisis. The world's biggest oil exporter expects to post a deficit of 298 billion riyals this year, or 12% of gross domestic product (GDP), and 141 billion riyals or 4.9% of GDP next year, according to a budget statement. The Saudi finance ministry said the budget aimed to provide assurance about the government's ability to manage the crisis and gradually restore economic growth. "The budget also reflects the ability to adopt appropriate policies to balance between growth, economic stability and fiscal sustainability in the medium and long term," it said in a statement. (Source: Bloomberg)

Egypt Approaches Banks on 2021 Eurobond Sale of Up to \$7 Billion – Egypt has approached investment banks to advise on a plan to raise as much as \$7 billion from international debt markets in the first half of next year, according to people familiar with matter. The so-called request for proposal is being sent to banks, said the people, who asked not to be identified because the matter is confidential. The offering could include dollar and euro-denominated bonds. Officials in the ministry couldn't be reached for comment. Egypt, one of the Middle East's most indebted countries, tapped international markets for a record issuance this year and sold the region's first sovereign green bonds. Finance Minister Mohamed Maait has said the country could borrow abroad in the first half of 2021, if needed. BNP Paribas SA, Citigroup Inc., JPMorgan Chase & Co., HSBC Holdings Plc and Standard Chartered Plc arranged Egypt's most recent Eurobond sale in May. (Source: Bloomberg)

OPEC's President Says Oil Cartel Cannot Rush Output Increases – The president of OPEC reiterated that the oil producers' cartel shouldn't rush to increase output early next year and said energy demand was still fragile with the coronavirus raging across parts of the world. Algeria's Energy Minister Abdelmajid Attar, who holds OPEC's rotating presidency, said there was no guarantee the group and its allies would raise crude production by 2 million barrels a day by April, even after an agreement earlier this month to reach that level in steps. Brent crude has soared more than 33% since the start of November to around \$50 a barrel as governments announced the roll-out of vaccines. Yet it's still down 24% this year. And with cases surging in the U.S. and parts of Europe tightening lockdowns, OPEC on Monday cut its forecast for global fuel consumption in the first quarter of 2021 by 1 million barrels a day. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.82	5.16	KSA	2025	1.19	6.71
Abu Dhabi	2030	1.60	9.42	KSA	2030	2.08	10.42
Abu Dhabi	2050	2.73	19.36	KSA	2050	3.25	9.90
Bahrain	2026	3.32	-1.22	Oman	2025	4.28	-1.75
Bahrain	2030	4.70	17.15	Oman	2029	5.57	-1.90
Bahrain	2047	6.10	-3.68	Oman	2048	6.86	-2.43
Dubai	2029	2.60	2.48	Qatar	2025	0.92	6.63
Kuwait	2022	0.23	1.32	Qatar	2030	1.70	11.94
Kuwait	2027	1.10	5.99	Qatar	2050	2.79	23.15

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.50	8.08	0.02	8.30
S&P MENA Bond and Sukuk Index	2.04	NA	-0.13	8.87
Bloomberg Emerging Markets USD Index	3.58	6.80	0.06	5.81
Bloomberg Global Aggregate Index	0.85	7.42	0.08	8.57

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	16/12/2020	31/12/2019	16/12/2020	31/12/2019	16/12/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	1.9375	3.1875
SAIBOR	0.8238	2.2314	0.8750	2.2557	0.9450	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.5498	2.2500	1.6166	2.3500	1.8173	2.5333
AEIBOR	0.4540	2.2086	0.5150	2.1914	0.7226	2.2900
EURIBOR	-0.5430	-0.3830	-0.5220	-0.3240	-0.5050	-0.2490
LIBOR	0.2193	1.9084	0.2471	1.9121	0.3349	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1912	0.02	-89.2
2-Year	0.1996	-0.12	-88.2
5-Year	0.4289	-0.16	-75.2
7-Year	0.6460	-0.12	-64.1
10-Year	0.9104	-0.13	-52.0
30-Year	1.3835	0.41	-33.8

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3041	0.0987	-0.33
SAR	3.7521	0.0000	0.00
BHD	0.3771	0.0053	0.00
QAR	3.6415	-0.0027	0.01
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0027	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.11	0.00
5-Year	0.36	0.02
10-Year	0.90	0.05
30-Year	1.65	-0.02

Source: Bloomberg

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.08	-0.06
5-Year	-0.04	-0.15
10-Year	0.26	-0.48
30-Year	0.82	-1.65

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.79	0.00
5-Year	-0.81	-0.04
10-Year	-0.67	-0.08
30-Year	-0.21	-0.34

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	16-Dec 2020	31-Dec 2019
Kuwait	40.19	36.700
KSA	64.10	56.915
Abu Dhabi	35.36	36.090
Dubai	101.87	91.005
Qatar	36.57	36.705
Bahrain	242.18	175.995
Oman	351.36	234.400
Iraq	506.79	383.680
Egypt	340.80	277.420
Morocco	94.15	91.435
Turkey	360.06	282.130
US	13.04	10.810
UK	16.09	16.210
China	27.35	31.205
Japan	13.76	21.042
Germany	9.55	7.080
France	15.03	16.130