

News Updates

Qatar's Ahli Bank Investor Calls for \$300m 5Y Bond From Feb. 8 – Ahli Bank Q.P.S.C., 47.71% owned by Qatar Investment Authority and its wholly owned subsidiaries, rated A2 by Moody's, and A by Fitch, each with a stable outlook, has mandated Barclays as Sole Structuring Advisor, Barclays and QNB Capital as Joint Global Coordinators, and together with Mizuho Securities and Standard Chartered Bank as Joint Bookrunners to organize a global investor call and a series of fixed-income investor calls from Feb 8. A \$300m fixed rate resettable Reg S Registered Additional Tier 1 Perpetual Non-Call 5 year unrated bond may follow, subject to market conditions *(Source: Bloomberg)*

Egypt Extends Rate Pause With Eye on Global Economic Risks – Egypt held interest rates, putting monetary easing on pause for another month as the coronavirus keeps global markets on edge. The deposit rate will remain at 8.25% and the lending rate at 9.25%, the central bank's Monetary Policy Committee said Thursday in a statement. Ten of 13 economists surveyed by Bloomberg had predicted the decision. The second wave of the pandemic and containment steps “continue to weigh on the near-term outlook,” the MPC said. “The path to global economic recovery remains a function of the efficacy, availability and the roll-out speed of vaccines which could ease the level of uncertainty regarding economic activity over the medium term.” After cutting a combined 850 basis points in 2019 and 2020, authorities are treading a cautious path amid mixed signs of when the pandemic will ease. While some of the North African nation's main sources of foreign currency such as tourism and Suez Canal receipts have taken a hit from the virus, overseas holdings in local Treasury bills and bonds climbed to an 11-month high of \$26.9 billion in January. *(Source: Bloomberg)*

Bond Traders See Strongest Inflation Outlook Since 2014 – The pace of U.S. inflation implied by the bond market has accelerated to the fastest since 2014, as crude oil prices rallied along with rising expectations for an economic recovery. The 10-year breakeven rate -- the difference in yields between the 10-year Treasury note and its inflation-protected counterpart -- touched 2.21% Monday, according to data compiled by Bloomberg. The gauge broke past 2% this year amid rising expectations of a successful rollout of coronavirus vaccinations and a U.S. stimulus budget. While it's rare for inflation bonds to trade in Asian hours, according to traders, other reflation favorites also shifted on Monday with the Treasury curve hitting the steepest levels since 2015 and oil prices climbing more than 1%. The Federal Reserve targets an inflation measure that historically has trailed the rise in the consumer price index by about 40 basis points on average, suggesting that the breakeven rate needs to reach about 2.40% to express confidence that officials will reach their goal. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.80	-0.22	KSA	2025	1.10	0.16
Abu Dhabi	2030	1.73	-1.22	KSA	2030	2.14	-1.07
Abu Dhabi	2050	2.93	-3.40	KSA	2050	3.49	-3.72
Bahrain	2026	3.23	-0.07	Oman	2025	3.32	2.94
Bahrain	2030	4.91	-1.18	Oman	2029	4.84	3.88
Bahrain	2047	6.25	-1.79	Oman	2048	6.54	2.59
Dubai	2029	2.31	1.18	Qatar	2025	0.85	-0.17
Kuwait	2022	0.40	-0.49	Qatar	2030	1.77	-1.36
Kuwait	2027	1.21	-0.86	Qatar	2050	3.01	-3.08

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.48	8.08	0.30	-0.19
S&P MENA Bond and Sukuk Index	2.07	NA	0.12	-0.73
Bloomberg Emerging Markets USD Index	3.52	6.80	0.13	-0.54
Bloomberg Global Aggregate Index	0.92	7.42	0.05	-1.61

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	8/2/2021	31/12/2020	8/2/2021	31/12/2020	8/2/2021	31/12/2020
KIBOR	1.4375	1.4375	1.6875	1.6875	1.9375	1.9375
SAIBOR	0.8125	0.8175	0.8600	0.8700	0.9313	0.9413
BHIBOR	2.1833	2.2500	2.4667	2.5333	2.6833	2.6833
QATAR	1.0367	1.1206	1.1367	1.1960	1.2734	1.3636
AEIBOR	0.3567	0.5125	0.4000	0.4908	0.5075	0.6538
EURIBOR	-0.5350	-0.5450	-0.5190	-0.5260	-0.5040	-0.4990
LIBOR	0.1909	0.2384	0.2070	0.2576	0.3041	0.3419

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1800	0.04	-6.5
2-Year	0.2018	0.28	2.0
5-Year	0.5983	1.38	39.1
7-Year	0.9201	1.94	40.6
10-Year	1.2647	2.42	36.7
30-Year	1.7890	2.57	27.6

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3029	0.0330	0.13
SAR	3.7514	0.0000	0.01
BHD	0.3770	0.0000	0.00
QAR	3.6412	0.0055	0.01
OMR	0.3850	0.0000	0.01
AED	3.6730	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.11	0.00
5-Year	0.48	-0.06
10-Year	1.19	-0.20
30-Year	2.00	-0.51

Source: Bloomberg

UK Gilts

	Yield %	1D Δ (%)
	-0.04	-0.02
	0.08	-0.11
	0.48	-0.53
	1.07	-1.22

German Bunds

	Yield %	1D Δ (%)
	-0.68	0.00
	-0.73	0.00
	-0.54	-0.05
	0.01	-0.21

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

	8-Feb 2021	31-Dec 2020
Kuwait	42.19	40.69
KSA	60.93	63.77
Abu Dhabi	38.41	36.03
Dubai	100.24	104.06
Qatar	39.22	36.70
Bahrain	224.60	233.58
Oman	327.59	353.60
Iraq	468.44	542.74
Egypt	314.23	330.47
Morocco	98.36	102.56
Turkey	284.17	299.47
US	10.00	11.52
UK	15.35	15.13
China	28.59	26.70
Japan	13.52	14.74
Germany	9.54	9.09
France	13.95	14.42