

News Updates

Egypt Seizes on Bond Rally as It Borrows \$3.75 Billion – Egypt raised \$3.75 billion of bonds on Monday as it sought to take advantage of investors' hunger for higher-yielding assets. The North African nation issued securities due in five, 10 and 40 years, with respective yields of 3.875%, 5.875% and 7.5%. The initial price talk ranged from 4.25% on the shortest tranche to 7.875% on the longest one. A wave of monetary stimulus and optimism that coronavirus vaccine rollouts will sustain a global economic recovery have emboldened investors to buy riskier debt, including in emerging markets. Egypt's dollar bonds gained about 13% in the fourth quarter, more than twice the average return of emerging-market sovereign debt. This week's debt sale will help Egypt cover its financing needs of around \$8 billion for the fiscal year ending in June, according to Cairo-based investment bank EFG Hermes. Monday's offering was the first since Egypt's parliament approved borrowings of up to \$7 billion in the current fiscal year. The most populous Arab nation raised \$5 billion last year in its largest Eurobond issuance. It also sold the Middle East's first sovereign green bonds and secured financing from the International Monetary Fund. *(Source: Bloomberg)*

Abu Dhabi Pipeline Investor Galaxy Plans Dual Tranche \$Bond – Galaxy Pipeline Assets BidCo mandated Citi, HSBC and Mizuho as joint global coordinators, alongside First Abu Dhabi Bank, Santander, SMBC Nikko and Societe Generale as joint bookrunners to organize a series of fixed income investor calls across the US, Europe, Asia and the Middle East, commencing on Feb. 8. A Rule 144A/Regulation S Registered senior secured US dollar fixed-rate dual-tranche amortizing offering will follow, subject to market conditions. The offering will comprise: Tranche D: 12.5-13.5 Years / 6.5-7.5 Years. Tranche E: 19-19.75 Years / 12.5-13.5 Years. Expected ratings of the notes are Aa2 by Moody's and AA by Fitch. Galaxy Pipeline Assets is owned by a consortium of investors that took a stake in Abu Dhabi National Oil C.'s gas pipeline assets *(Source: Bloomberg)*

Top Abu Dhabi Lender to Sell Bonds for Fifth Time in Two Months – First Abu Dhabi Bank PJSC (“FAB”), rated Aa3 (Stable) by Moody's / AA- (Negative) by S&P / AA- (Stable) by Fitch, the largest bank in the UAE by total assets and market capitalisation, with the strongest combined credit ratings of any other bank in MENA, has mandated Barclays, First Abu Dhabi Bank, J.P. Morgan, Societe Generale and Standard Chartered Bank as Joint Lead Managers and Bookrunners to arrange a series of fixed income investor calls commencing on Monday 8 February 2021. A benchmark fixed rate EUR 5-year Regulation S Registered senior unsecured bond under FAB's U.S.\$ 15bn EMTN programme will follow, subject to market conditions. FCA/ICMA stabilization applies *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.82	-0.29	KSA	2025	1.13	0.08
Abu Dhabi	2030	1.74	-1.34	KSA	2030	2.15	-1.16
Abu Dhabi	2050	2.94	-3.44	KSA	2050	3.49	-3.74
Bahrain	2026	3.23	-0.06	Oman	2025	3.37	2.77
Bahrain	2030	4.90	-1.13	Oman	2029	4.82	3.96
Bahrain	2047	6.28	-2.15	Oman	2048	6.56	2.33
Dubai	2029	2.40	0.81	Qatar	2025	0.88	-0.23
Kuwait	2022	0.44	-0.52	Qatar	2030	1.80	-1.57
Kuwait	2027	1.22	-0.86	Qatar	2050	3.06	-4.09

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.48	8.08	-0.04	-0.23
S&P MENA Bond and Sukuk Index	2.06	NA	0.05	-0.68
Bloomberg Emerging Markets USD Index	3.54	6.80	-0.03	-0.57
Bloomberg Global Aggregate Index	0.91	7.42	0.16	-1.46

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	9/2/2021	31/12/2020	9/2/2021	31/12/2020	9/2/2021	31/12/2020
KIBOR	1.5000	1.4375	1.6875	1.6875	2.0000	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	1.0145	1.1206	1.1145	1.1960	1.2706	1.3636
AEIBOR	0.2826	0.5125	0.4385	0.4908	0.4977	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	0.1805	-0.15	-6.2
2-Year	0.2046	0.02	3.4
5-Year	0.5977	-0.13	39.0
7-Year	0.9078	-0.67	38.7
10-Year	1.2384	-1.19	33.8
30-Year	1.7448	-1.17	24.5

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3027	0.0826	0.21
SAR	3.7513	0.0000	0.01
BHD	0.3771	0.0000	0.00
QAR	3.6412	0.0055	0.01
OMR	0.3850	0.0000	0.01
AED	3.6731	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.11	0.00
5-Year	0.48	0.01
10-Year	1.16	0.12
30-Year	1.94	0.32

Source: Bloomberg

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.05	0.01
5-Year	0.08	0.01
10-Year	0.47	0.06
30-Year	1.06	0.33

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.67	0.00
5-Year	-0.73	0.00
10-Year	-0.54	-0.01
30-Year	0.01	-0.10

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	9-Feb 2021	31-Dec 2020
Kuwait	41.19	40.69
KSA	60.57	63.77
Abu Dhabi	38.92	36.03
Dubai	96.35	104.06
Qatar	39.36	36.70
Bahrain	222.01	233.58
Oman	321.12	353.60
Iraq	468.91	542.74
Egypt	314.22	330.47
Morocco	96.03	102.56
Turkey	289.21	299.47
US	9.90	11.52
UK	14.96	15.13
China	28.50	26.70
Japan	13.83	14.74
Germany	9.73	9.09
France	14.29	14.42