

News Updates

Fitch Affirms TAQA at 'AA-'; Outlook Stable – Fitch Ratings has affirmed Abu Dhabi National Energy Company's (TAQA) Long-Term Issuer Default Rating (IDR) and senior unsecured rating at 'AA-'. The Outlook on the Long-Term IDR is Stable. The affirmation is supported by Fitch's view of the strength of links, under its Government-Related Entities (GRE) Rating Criteria, between TAQA and its majority indirect shareholder Abu Dhabi (AA/Stable). TAQA's Standalone Credit Profile (SCP) of 'bbb+' is more than four notches lower than the Abu Dhabi sovereign rating, which leads to a top-down minus one approach under the GRE Criteria. (Source: Bloomberg)

Ahli Bank of Qatar Hires Banks for 5-Year \$ RegS Bond – Ahli Bank has mandated Barclays Bank, JPMorgan, Mizuho Securities, QNB Capital and Standard Chartered Bank as joint lead managers and joint bookrunners for its upcoming offering under ABQ Finance \$2 billion EMTN program. A 5-year fixed rate USD Regulation S unsecured offering may follow as early as June 29, subject to market conditions. (Source: Bloomberg)

Egypt's parliament gives final approval to sovereign sukuk law – The House of Representatives gave Monday a final approval to a draft law submitted by the government to issue the Sovereign Sukuk Law. The second article of the draft law specifies aspects of using sovereign sukuk to finance investment, economic and development projects included in the economic and social development plan of the state's general budget. The draft law stipulates that the maximum term of the Sovereign sukuk is thirty years, and the sukuk may be reinstated after the end of its original term for a similar period or periods in accordance with the provisions of this law. The law stipulates in Article 4 that the owner of the instrument does not own a share in the assets and that he has a lump-sum return or attributable to the value of the instrument. The draft law comes within the framework of the government's endeavor to develop new mechanisms and means to finance the state's general budget deficit, and to diversify sources of funding. By introducing new products to the debt instruments market and developing its mechanisms, in a way that stimulates the demand for government issuances of securities and debt instruments that are issued in local and foreign currencies. (Source: Egypt Today)

Oil Extends Drop as Covid Concerns Surface Ahead of OPEC+ Meet – Oil extended losses as a coronavirus resurgence raised concerns about demand ahead of an OPEC+ meeting this week that could see the alliance boost some halted output. Futures in New York dropped 0.4% after falling back below \$73 a barrel on Monday. The more infectious delta variant of the virus has resulted in a spike in U.K. cases and led to renewed restrictions and lockdowns in other regions. While the crude market has tightened, the latest flare-up may feature in talks when OPEC+ gathers Thursday to decide on adding more supply in August. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.75	-0.59	KSA	2025	1.14	-0.56
Abu Dhabi	2030	1.99	-3.62	KSA	2030	2.25	-2.31
Abu Dhabi	2050	3.04	-5.47	KSA	2050	3.51	-4.28
Bahrain	2026	3.55	-2.29	Oman	2025	3.26	2.65
Bahrain	2030	5.43	-5.03	Oman	2029	4.93	2.97
Bahrain	2047	6.81	-8.44	Oman	2048	6.71	0.39
Dubai	2029	2.44	-0.27	Qatar	2025	0.93	-1.30
Kuwait	2022	0.10	-1.12	Qatar	2030	2.03	-3.80
Kuwait	2027	1.33	-2.15	Qatar	2050	3.23	-7.02

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.60	8.08	0.04	-0.06
S&P MENA Bond and Sukuk Index	2.21	NA	0.17	-0.62
Bloomberg Emerging Markets USD Index	3.80	6.80	0.12	-0.59
Bloomberg Global Aggregate Index	1.13	7.42	0.11	-3.09

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	29/6/2021	31/12/2020	29/6/2021	31/12/2020	29/6/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7929	0.8175	0.8443	0.8700	0.9143	0.9413
BHIBOR	1.6417	2.2500	1.7333	2.5333	1.8667	2.6833
QATAR	0.9669	1.1206	1.0779	1.1960	1.2760	1.3636
AEIBOR	0.3525	0.5125	0.4846	0.4908	0.5295	0.6538
EURIBOR	-0.5380	-0.5450	-0.5130	-0.5260	-0.4780	-0.4990
LIBOR	0.1460	0.2384	0.1655	0.2576	0.2493	0.3419

USD Swap Rates

	Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.1855	-0.32	-3.6	KWD	0.3011	0.0000
2-Year	0.3318	0.01	67.7	SAR	3.7509	0.0000
5-Year	0.9673	0.09	125.0	BHD	0.3770	0.0000
7-Year	1.2241	0.20	87.0	QAR	3.6410	0.0082
10-Year	1.4499	0.24	56.7	OMR	0.3850	0.0026
30-Year	1.7820	0.15	27.1	AED	3.6731	0.0000

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.25	0.01	0.05	0.04	-0.70	0.00
5-Year	0.90	-0.01	0.34	0.16	-0.66	0.00
10-Year	1.48	-0.02	0.72	0.60	-0.35	0.00
30-Year	2.10	-0.02	1.22	1.46	0.31	0.00

Currencies

	USD	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
Gold	1,774.90	-6.87		Silver	26.13	-1.75	
Copper	422.95	19.92		Nat. Gas	3.59	32.19	
Aluminum	2,483.25	24.55		Crude Oil	74.33	44.75	

UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.25	0.01	0.05	0.04	-0.70	0.00
5-Year	0.90	-0.01	0.34	0.16	-0.66	0.00
10-Year	1.48	-0.02	0.72	0.60	-0.35	0.00
30-Year	2.10	-0.02	1.22	1.46	0.31	0.00

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German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.25	0.01	0.05	0.04	-0.70	0.00
5-Year	0.90	-0.01	0.34	0.16	-0.66	0.00
10-Year	1.48	-0.02	0.72	0.60	-0.35	0.00
30-Year	2.10	-0.02	1.22	1.46	0.31	0.00

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	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+
USD 5Yr CDS	29-Jun 2021	31-Dec 2020	
Kuwait	45.52	40.69	
KSA	52.48	63.77	
Abu Dhabi	37.44	36.03	
Dubai	82.33	104.06	
Qatar	37.70	36.70	
Bahrain	186.96	233.58	
Oman	233.46	353.60	
Iraq	488.32	542.74	
Egypt	319.30	330.47	
Morocco	76.73	102.56	
Turkey	52.48	299.47	
US	7.19	11.52	
UK	8.08	15.13	
China	35.39	26.70	
Japan	16.08	14.74	
Germany	9.31	9.09	
France	20.84	14.42	