

## News Updates

**Kuwaiti pension fund profits rose 44% in third quarter** – Kuwait's Public Institution for Social Security (PIFSS) has announced net profits of \$18.9 billion on investments during the first nine months of the fiscal year 2020-2021. In a statement on its website, the institution said this indicates it is prepared for any fluctuations in global markets, Asharq Business reported. Mishaal Al-Othman, director general of PIFSS, said that the institution, which manages the country's \$132 billion pension fund, recorded profits of \$6.8 billion during the third quarter of the fiscal year (Oct. 1 to Dec. 31). This represented a 44 percent increase on the previous quarter, and a 57.5 percent increase compared with the third quarter of the previous year. The total assets of the investment portfolio have grown by 19.4 percent compared with the total at the end of the previous financial year. (Source: Zawya)

**Bahrain's economy to grow 3.3% this year, must cut public debt – IMF** – Bahrain's economic recovery from the COVID-19 pandemic will be gradual, with growth projected at 3.3% this year after a 5.4% contraction in 2020, the International Monetary Fund said on Sunday. The tiny Gulf state has been battered by the twin shocks of the coronavirus crisis and lower oil prices, which pushed its overall fiscal deficit to 18.2% of gross domestic product last year from a 9% shortfall in 2019, the Fund said. Bahrain has accumulated a large pile of debt since the 2014-2015 oil price shock. A \$10 billion financial aid programme from Gulf allies helped it avoid a credit crunch in 2018. Public debt rose to 133% of GDP last year from 102% in 2019, the IMF said. (Source: Reuters)

**Abu Dhabi banks invested \$7.1bln in debt securities in 2020** – Abu Dhabi banks invested AED26.1 bn in debt securities during 2020, bringing to AED208.6 bn their cumulative investments in this key investment vehicle by December's end, 2020, statistics by the Central Bank of the United Arab Emirates have shown. Bonds, such as government bonds, corporate bonds, municipal bonds, collateralized bonds, and zero-coupon bonds, are a common type of debt security. Investing in securities is one of the most popular forms of investment in the UAE banking sector, given the guaranteed proceeds and lack of risk, compared to other investment instruments. According to the bank, UAE banks' total investment in debt securities comprise 63.7 percent of their total balance in their investment vehicles, which include, equities, held-to-maturity bonds, etc. The bank's statistics showed that Abu Dhabi banks have adopted a clear strategy for investing in debt securities, leading to a continuous growth in this type of investment from January to December 2020. (Source: Zawya)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.80	-0.28	KSA	2025	1.09	0.14
Abu Dhabi	2030	1.76	-1.60	KSA	2030	2.15	-1.30
Abu Dhabi	2050	3.00	-4.61	KSA	2050	3.51	-4.17
Bahrain	2026	3.26	-0.18	Oman	2025	3.47	2.37
Bahrain	2030	4.93	-1.33	Oman	2029	4.99	2.86
Bahrain	2047	6.35	-2.93	Oman	2048	6.73	0.14
Dubai	2029	2.36	0.83	Qatar	2025	0.84	-0.19
Kuwait	2022	0.41	-0.57	Qatar	2030	1.81	-1.70
Kuwait	2027	1.25	-1.09	Qatar	2050	3.07	-4.26

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.49	8.08	-0.19	-0.43
S&P MENA Bond and Sukuk Index	2.08	NA	-0.14	-0.89
Bloomberg Emerging Markets USD Index	3.55	6.80	-0.14	-0.61
Bloomberg Global Aggregate Index	0.93	7.42	-0.26	-1.32

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	15/2/2021	31/12/2020	15/2/2021	31/12/2020	15/2/2021	31/12/2020
KIBOR	1.5000	1.4375	1.6875	1.6875	2.0000	1.9375
SAIBOR	0.8075	0.8175	0.8550	0.8700	0.9288	0.9413
BHIBOR	2.1667	2.2500	2.4667	2.5333	2.6833	2.6833
QATAR	0.9207	1.1206	1.0407	1.1960	1.2647	1.3636
AEIBOR	0.3263	0.5125	0.3913	0.4908	0.5425	0.6538
EURIBOR	-0.5470	-0.5450	-0.5220	-0.5260	-0.5020	-0.4990
LIBOR	0.1938	0.2384	0.2008	0.2576	0.2998	0.3419

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1818	0.02	-5.6
2-Year	0.2060	0.08	4.1
5-Year	0.6346	1.74	47.6
7-Year	0.9348	-0.32	42.8
10-Year	1.2885	0.28	39.3
30-Year	1.8080	-0.12	29.0

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3024	0.0000	0.31
SAR	3.7510	0.0027	0.02
BHD	0.3771	-0.0027	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	0.49	0.00
10-Year	1.21	0.02
30-Year	2.01	0.05

Source: Bloomberg

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.05	-0.02
5-Year	0.08	-0.08
10-Year	0.51	-0.59
30-Year	1.10	-1.24

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.66	-0.01
5-Year	-0.73	-0.07
10-Year	-0.53	-0.26
30-Year	0.07	-1.50

## 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	Aa3	AAu	AA-
China	A1	A+	A+

## USD 5Yr CDS

	15-Feb 2021	31-Dec 2020
Kuwait	40.69	40.69
KSA	61.23	63.77
Abu Dhabi	39.88	36.03
Dubai	92.09	104.06
Qatar	39.76	36.70
Bahrain	225.38	233.58
Oman	327.60	353.60
Iraq	484.63	542.74
Egypt	309.05	330.47
Morocco	97.45	102.56
Turkey	287.32	299.47
US	9.71	11.52
UK	14.01	15.13
China	28.37	26.70
Japan	14.42	14.74
Germany	9.92	9.09
France	13.72	14.42