

News Updates

Moody's affirms Mamoura's Aa2 rating; stable outlook – Moody's Investors Service ("Moody's") today affirmed the Aa2 long-term issuer rating of Mamoura Diversified Global Holding PJSC's (MDGH) as well as the guaranteed senior unsecured ratings under MDGH GMTN (RSC) LTD and MDGH - GMTN B.V. The outlook on all the ratings remains stable. MDGH remains one of the primary public vehicles of the Government of Abu Dhabi (Aa2 stable) to implement its 2030 vision to leverage off the government's hydrocarbon resources and to diversify the Emirate's economy away from oil and gas. The rating and outlook of MDGH remain aligned with those of the Government of Abu Dhabi because Moody's believes the company remains intrinsically linked to the Government of Abu Dhabi by virtue of being an indirectly wholly owned entity and a vehicle of public policy. *(Source: Moody's)*

Middle East sovereign bonds outlook improves on higher oil prices – The outlook for sovereign bonds in the Middle East has improved this year due to higher oil prices, increasing vaccination rates and reform measures implemented in key states in the region, according to UBS' latest chief investment office report. However, risks continue to exist, such as slower global growth, monetary policy tightening and lower commodity prices. Regional tensions, as well as stringent Chinese regulatory actions, the strength of the US dollar and "reform fatigue" also pose risk. "The reform measures they've initiated are one of the factors driving our favourable outlook, also supported by increasing vaccination rates and, undeniably, rising crude oil prices. Important risks remain, but the key GCC economies seem on track," said Ali Janoudi, head of wealth management Middle East and Africa at UBS. UBS said it expects stronger government revenues and higher export receipts to strengthen fiscal and current account balances in the region this year. The large, low-cost hydrocarbon capacities of the states in the region are likewise expected to support their fundamentals "in a stable energy transition scenario". However, UBS noted that "fiscal gaps" are still higher than the levels seen prior to the pandemic. It said the key determinant of the creditworthiness of major countries in the Gulf will be the speed of their energy transition away from fossil fuel, which is currently a priority among governments in the GCC region. *(Source: Zawya)*

Green bonds to reach \$1trln market for first time in 2021 - HSBC CEO – Green bonds will reach \$1 trillion market in 2021 for the first time, as the sector is already up 60 percent in the first nine months of the year compared to last year. According to HSBC CEO Noel Quinn "a major industrial transformation" will take place in the next decade, pushing firms to become carbon neutral or carbon light, which would create a huge economic opportunity for economies. Speaking at the Middle East Green Initiative Summit in Riyadh, he said: "The sustainable finance market is already growing rapidly. In the first nine months of 2021, green social and sustainable bonds raised more than \$777 billion. That's more than 60 percent higher than the same period last year. "We're actually on track this year for it to be the first trillion-dollar year for green bonds. We've seen that reflected in our own business – this year alone, we have already helped customers issue \$170 billion of green bonds." *(Source: Zawya)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.09	-2.24	KSA	2025	1.28	-1.62
Abu Dhabi	2030	2.09	-4.56	KSA	2030	2.38	-3.47
Abu Dhabi	2050	3.12	-6.91	KSA	2050	3.62	-6.11
Bahrain	2026	4.12	-5.21	Oman	2025	3.31	2.07
Bahrain	2030	5.74	-7.29	Oman	2029	4.79	3.61
Bahrain	2047	7.26	-13.17	Oman	2048	6.64	1.27
Dubai	2029	2.50	-1.10	Qatar	2025	1.25	-2.97
Kuwait	2022	0.05	-1.98	Qatar	2030	2.22	-5.40
Kuwait	2027	1.62	-4.12	Qatar	2050	3.23	-7.23

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.75	8.08	0.04	-0.16
S&P MENA Bond and Sukuk Index	2.38	NA	-0.01	-0.86
Bloomberg Emerging Markets USD Index	4.31	6.80	0.13	-1.72
Bloomberg Global Aggregate Index	1.28	7.42	-0.01	-4.32

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	27/10/2021	31/12/2020	27/10/2021	31/12/2020	27/10/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8214	0.8175	0.8700	0.8700	0.9443	0.9413
BHIBOR	1.5000	2.2500	1.5583	2.5333	1.7667	2.6833
QATAR	1.1625	1.1206	1.2150	1.1960	1.3438	1.3636
AEIBOR	0.2997	0.5125	0.5141	0.4908	0.5604	0.6538
EURIBOR	-0.5480	-0.5450	-0.5280	-0.5260	-0.4710	-0.4990
LIBOR	0.1345	0.2384	0.1779	0.2576	0.3294	0.3419

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.2820	1.50	46.5	KWD	0.3017	-0.0663	0.53	Gold	1,788.80	-6.40
2-Year	0.6473	2.46	227.2	SAR	3.7514	-0.0027	0.02	Silver	24.09	-9.64
5-Year	1.2919	2.71	200.4	BHD	0.3770	0.0000	0.01	Copper	448.15	27.17
7-Year	1.4908	2.23	127.7	QAR	3.6414	0.0055	0.00	Nat. Gas	5.83	108.37
10-Year	1.6589	1.66	79.3	OMR	0.3850	0.0000	0.00	Aluminum	2,826.75	40.88
30-Year	1.8623	0.61	32.8	AED	3.6730	0.0000	0.00	Crude Oil	85.93	69.32

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.50	-0.05	0.61	0.05	-0.78	0.00
5-Year	1.20	-0.13	0.79	0.10	-0.62	0.00
10-Year	1.63	-0.15	1.10	0.28	-0.26	0.00
30-Year	2.05	-0.13	1.31	0.92	0.21	0.00

Sovereign Ratings			
	Moody's	S&P	Fitch
Kuwait	A1	A+	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	Caa1	NR	B-
Morocco	Ba1	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	27-Oct 2021	31-Dec 2020
Kuwait	46.49	40.69
KSA	48.47	63.77
Abu Dhabi	41.54	36.03
Dubai	87.29	104.06
Qatar	41.35	36.70
Bahrain	288.48	233.58
Oman	242.92	353.60
Iraq	453.91	542.74
Egypt	460.80	330.47
Morocco	90.95	102.56
Turkey	442.31	299.47
US	12.24	11.52
UK	7.52	15.13
China	44.31	26.70
Japan	17.30	14.74
Germany	7.84	9.09
France	19.12	14.42