

## News Updates

**Saudi inflation rate falls to lowest since VAT hike** – Saudi Arabia's inflation rate fell slightly to 5.2% in February from 5.7% in the prior month, the lowest since the kingdom tripled VAT in July to 15% to boost state coffers hurt by lower oil prices and the coronavirus crisis. The February rise was again mainly driven by increases in food and beverage prices, which recorded their highest annual increase at 11.2%, the General Authority for Statistics said. Food prices have a weight of 17% in the Saudi consumer basket. Transport prices increased by 9.8%, mainly due to a 9.9% rise in prices of purchase vehicles. Annual inflation was 3.4% in 2020, but picked up in the second half of the year after the VAT hike. (Source: Business Recorder)

**X-S&PGR Affirms Qatar Islamic Bank At 'A-/A-2'; Outlook Stable** – S&P Global Ratings affirmed its 'A-/A-2' long- and short-term issuer credit ratings on Qatar Islamic Bank Q.P.S.C. (QIB). The outlook is stable. Qatar Islamic Bank Q.P.S.C. (QIB) has continued to display resilience to the stress in its operating environment, maintaining good asset-quality indicators and strong capitalization. They are affirming their 'A-/A-2' long- and short-term ratings on QIB. The stable outlook reflects their view that QIB's business and financial profiles will remain broadly stable over the next 12-24 months. (Source: Bloomberg)

**Shuaa leads \$50m Sukuk funding round for UAE's technology-enabled agribusiness** – Shuaa Capital has led a three-year structured Sukuk worth \$50 million for Pure Harvest Smart Farms, a UAE-based sustainable technology-enabled agribusiness, with embedded warrants. As part of the funding round, Shuaa also co-invested in Pure Harvest through its managed funds. This funding round has attracted several investors, including Franklin Templeton and Sancta Capital. For the first time in the region, an early-stage business has secured venture debt funding from capital markets. This investment round has followed Shuaa's technology investment in Anghami, which will become the first Arab technology company to list on Nasdaq via a merger with Vistas Media Acquisition Company. (Source: Mubasher)

**Inflation, Lira and Oil to Spur 100-Bp Rate Hike** – Bloomberg economics expects the Central Bank of the Republic of Turkey to raise its one-week repo rate by 100 basis points to 18% on Thursday. Higher oil and food prices risk accelerating already-elevated inflation. The lira has depreciated in recent weeks, creating additional pressure for price gains. The CBRT has tightened policy substantially in recent months, raising the effective policy rate by almost 966 basis points since July. The current central bank leadership, appointed in November, has also added hawkish forward guidance to rate hikes. This hasn't stopped inflation from accelerating, climbing to 15.6% in February from 11.9% in October. Price gains are currently running 140 bps below the policy rate, down from around 240 bps in December. (Source: Bloomberg)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.99	-1.14	KSA	2025	1.44	-1.39
Abu Dhabi	2030	2.17	-4.96	KSA	2030	2.52	-4.40
Abu Dhabi	2050	3.37	-10.93	KSA	2050	3.93	-10.50
Bahrain	2026	3.43	-1.11	Oman	2025	3.54	2.01
Bahrain	2030	5.68	-6.36	Oman	2029	5.11	1.96
Bahrain	2047	6.95	-9.83	Oman	2048	6.87	-1.53
Dubai	2029	2.77	-2.12	Qatar	2025	1.17	-1.61
Kuwait	2022	0.21	-0.54	Qatar	2030	2.23	-5.03
Kuwait	2027	1.57	-2.98	Qatar	2050	3.50	-11.31

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.81	8.08	0.12	-3.05
S&P MENA Bond and Sukuk Index	2.39	NA	0.20	-3.71
Bloomberg Emerging Markets USD Index	3.93	6.80	0.12	-3.28
Bloomberg Global Aggregate Index	1.13	7.42	0.02	-3.73

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	16/3/2021	31/12/2020	16/3/2021	31/12/2020	16/3/2021	31/12/2020
KIBOR	1.5000	1.4375	1.6875	1.6875	1.9375	1.9375
SAIBOR	0.7963	0.8175	0.8438	0.8700	0.9163	0.9413
BHIBOR	1.7583	2.2500	1.8250	2.5333	2.1417	2.6833
QATAR	0.8833	1.1206	1.0167	1.1960	1.1833	1.3636
AEIBOR	0.2775	0.5125	0.4232	0.4908	0.5807	0.6538
EURIBOR	-0.5390	-0.5450	-0.5140	-0.5260	-0.4830	-0.4990
LIBOR	0.1895	0.2384	0.1940	0.2576	0.2781	0.3419

## USD Swap Rates

Currencies				Commodities						
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.2025	0.09	5.2	KWD	0.3020	0.0828	0.43	Gold	1,733.40	-8.75
2-Year	0.2550	-0.02	28.9	SAR	3.7508	0.0027	0.03	Silver	26.32	-0.58
5-Year	0.9028	-0.94	110.0	BHD	0.3771	0.0000	-0.01	Copper	413.50	17.34
7-Year	1.2715	-1.02	94.2	QAR	3.6420	0.0027	-0.01	Nat. Gas	2.49	-1.93
10-Year	1.6079	-1.11	73.8	OMR	0.3850	0.0000	0.00	Aluminum	2,202.25	11.10
30-Year	2.0485	-1.37	46.1	AED	3.6730	0.0000	0.00	Crude Oil	68.39	32.08

## US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.01	0.09	0.00	-0.65	0.00
5-Year	0.81	0.07	0.37	0.03	-0.71	0.06
10-Year	1.59	0.15	0.79	0.26	-0.44	0.27
30-Year	2.34	0.30	1.33	0.49	0.20	0.55

## UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.01	0.09	0.00	-0.65	0.00
5-Year	0.81	0.07	0.37	0.03	-0.71	0.06
10-Year	1.59	0.15	0.79	0.26	-0.44	0.27
30-Year	2.34	0.30	1.33	0.49	0.20	0.55

## German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.01	0.09	0.00	-0.65	0.00
5-Year	0.81	0.07	0.37	0.03	-0.71	0.06
10-Year	1.59	0.15	0.79	0.26	-0.44	0.27
30-Year	2.34	0.30	1.33	0.49	0.20	0.55

## 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	BBB-	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	16-Mar 2021	31-Dec 2020
Kuwait	43.36	40.69
KSA	60.79	63.77
Abu Dhabi	43.19	36.03
Dubai	93.16	104.06
Qatar	43.26	36.70
Bahrain	197.71	233.58
Oman	304.90	353.60
Iraq	418.56	542.74
Egypt	289.04	330.47
Morocco	89.20	102.56
Turkey	317.89	299.47
US	8.47	11.52
UK	11.80	15.13
China	30.87	26.70
Japan	14.46	14.74
Germany	8.71	9.09
France	14.02	14.42