

News Updates

X-S&PGR Affirms Emirate of Sharjah At 'BBB-/A-3'; Outlook Stable –

S&P Global Ratings affirmed its long-term foreign and local currency sovereign credit ratings on the Emirate of Sharjah (a member of the United Arab Emirates [UAE]) at 'BBB-' and the short term rating at 'A-3'. The outlook on the long-term rating is stable. The stable outlook reflects their expectation that, despite Sharjah's large fiscal deficits, net general government debt will remain below 60% of GDP through 2024. Economic activity and government revenue contracted sharply in Sharjah in 2020, resulting in a widening government deficit. They expect revenue collection will remain subdued and capital spending elevated this year. (Source: Bloomberg)

Oman to meet half of state borrowing needs through sukuk -

Moody's – Moody's Investors Service said the rising share of Islamic assets in Oman's banking assets will continue to deepen the market for domestic government sukuk, supporting government liquidity. “We expect the government will meet \$2.0 billion-\$2.5 billion of its annual borrowing needs with sukuk issuance, around half of which will likely be in the domestic market, supported by the growing share of Islamic banking assets,” it said in a note. Domestic Islamic banking assets in Oman continue to grow at a significantly faster pace than conventional assets, government data showed. Oman financed a modest 2.6 percent of its fiscal deficit through net sukuk issuance in 2020, down significantly from around 14 percent in 2019, 24 percent in 2018 and 20 percent in 2017. (Source: Bloomberg)

Turkish Central Bank Chief Defends Policies That Sapped Reserves

– Turkey's new central bank governor defended unannounced foreign-exchange sales in recent years that are estimated to have cost the country more than \$100 billion in reserves. The lira's depreciation could have gotten out of control and borrowing costs would have soared if authorities hadn't intervened last year, Sahap Kavcioglu said in an interview with state broadcaster TRT on Friday. The governor used his first television interview since taking office to defend FX sales by state banks, which opposition parties say cost Turkey about \$128 billion and still failed to stabilize the lira. President Recep Tayyip Erdogan countered by saying authorities in fact sold \$165 billion in a necessary move to finance a current-account deficit and offset capital outflows. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.89	-0.93	KSA	2025	1.36	-1.16
Abu Dhabi	2030	2.03	-3.82	KSA	2030	2.45	-3.78
Abu Dhabi	2050	3.16	-7.54	KSA	2050	3.71	-7.28
Bahrain	2026	3.31	-0.95	Oman	2025	3.21	3.04
Bahrain	2030	5.31	-4.09	Oman	2029	4.88	3.47
Bahrain	2047	6.85	-8.79	Oman	2048	6.57	2.17
Dubai	2029	2.60	-1.15	Qatar	2025	1.01	-1.23
Kuwait	2022	0.21	-0.75	Qatar	2030	2.16	-4.52
Kuwait	2027	1.54	-2.88	Qatar	2050	3.33	-8.69

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.69	8.08	0.01	-1.41
S&P MENA Bond and Sukuk Index	2.34	NA	-0.06	-2.22
Bloomberg Emerging Markets USD Index	3.88	6.80	-0.03	-2.07
Bloomberg Global Aggregate Index	1.10	7.42	-0.02	-2.91

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	25/4/2021	31/12/2020	25/4/2021	31/12/2020	25/4/2021	31/12/2020
KIBOR	1.5000	1.4375	1.6875	1.6875	2.0000	1.9375
SAIBOR	0.7971	0.8175	0.8443	0.8700	0.9171	0.9413
BHIBOR	1.2867	2.2500	1.3917	2.5333	1.6417	2.6833
QATAR	1.0307	1.1206	1.1333	1.1960	1.2681	1.3636
AEIBOR	0.3563	0.5125	0.5125	0.4908	0.5175	0.6538
EURIBOR	-0.5390	-0.5450	-0.5150	-0.5260	-0.4760	-0.4990
LIBOR	0.1814	0.2384	0.2041	0.2576	0.2809	0.3419

USD Swap Rates

Currencies				Commodities						
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.2094	0.26	8.8	KWD	0.3011	0.1162	0.71	Gold	1,777.80	-6.57
2-Year	0.2781	0.70	40.6	SAR	3.7502	0.0000	0.04	Silver	26.11	-1.58
5-Year	0.9154	2.73	112.9	BHD	0.3770	-0.0027	0.00	Copper	434.10	23.10
7-Year	1.2517	2.32	91.2	QAR	3.6410	0.0192	0.01	Nat. Gas	2.73	6.85
10-Year	1.5577	1.81	68.3	OMR	0.3850	-0.0026	-0.01	Aluminum	2,352.75	18.45
30-Year	1.9731	1.34	40.7	AED	3.6730	0.0000	0.00	Crude Oil	66.11	27.97

US Treasuries

	Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.16	-0.02		0.02	0.01		-0.68	0.00
5-Year	0.82	-0.12		0.30	0.04		-0.69	0.02
10-Year	1.56	-0.16		0.74	-0.07		-0.38	0.05
30-Year	2.23	-0.30		1.27	-0.04		0.28	-0.07

Currencies

	USD	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
Gold	1,777.80	-6.57		Silver	26.11	-1.58	
Copper	434.10	23.10		Nat. Gas	2.73	6.85	
Aluminum	2,352.75	18.45		Crude Oil	66.11	27.97	

UK Gilts

	Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.16	-0.02		0.02	0.01		-0.68	0.00
5-Year	0.82	-0.12		0.30	0.04		-0.69	0.02
10-Year	1.56	-0.16		0.74	-0.07		-0.38	0.05
30-Year	2.23	-0.30		1.27	-0.04		0.28	-0.07

Commodities

	USD	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
Gold	1,777.80	-6.57		Silver	26.11	-1.58	
Copper	434.10	23.10		Nat. Gas	2.73	6.85	
Aluminum	2,352.75	18.45		Crude Oil	66.11	27.97	

German Bunds

	Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.16	-0.02		0.02	0.01		-0.68	0.00
5-Year	0.82	-0.12		0.30	0.04		-0.69	0.02
10-Year	1.56	-0.16		0.74	-0.07		-0.38	0.05
30-Year	2.23	-0.30		1.27	-0.04		0.28	-0.07

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

	25-Apr 2021	31-Dec 2020
Kuwait	46.17	40.69
KSA	64.13	63.77
Abu Dhabi	42.26	36.03
Dubai	89.32	104.06
Qatar	42.50	36.70
Bahrain	188.76	233.58
Oman	261.73	353.60
Iraq	480.37	542.74
Egypt	318.68	330.47
Morocco	90.02	102.56
Turkey	421.28	299.47
US	8.10	11.52
UK	11.77	15.13
China	37.23	26.70
Japan	15.52	14.74
Germany	9.27	9.09
France	20.08	14.42