

News Updates

Saudi economy expected to grow 2.6% in 2021 – IMF – Saudi Arabia's gross domestic product (GDP) is expected to grow by 2.6% during 2021, compared to a 3.9% contraction last year, the International Monetary Fund (IMF) said in its latest World Economic Outlook. The IMF expected in its October forecast a 3.1% growth in 2021 for the Gulf country. In 2022, the IMF expected the Saudi economy to expand by 4%, compared with previous growth estimates of 3.4%. On the global economy, the IMF said, “Although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook. Amid exceptional uncertainty, the global economy is projected to grow 5.5% in 2021 and 4.2% in 2022.” (Source: Mubasher)

Saudi banks raise investments in gov't bonds 14% in 2020 – Banks operating in Saudi Arabia have raised their investments in government-issued bonds by 14.69% year-on-year (YoY) in 2020. Total bank investments in Saudi bonds hit SAR 440.02 billion last year, up by about SAR 56.34 billion when compared to SAR 383.67 billion in 2019, according to data collected by Mubasher based on figures from the Saudi Central Bank (SAMA). In December 2020, Saudi banks bought government bonds worth more than SAR 10 billion, up by 2.3% when compared to the previous month. (Source: Mubasher)

Tunisia to issue up to \$3 billion debt and push reforms this year, finance minister says – Tunisia will issue debt worth up to \$3 billion this year and aims to roll over some existing credit arrangements while setting in train wider economic reforms, Finance Minister Ali Kooli told Reuters in an interview. With a deficit estimated at 11.5% of gross domestic product last year and public debt at 90% of GDP, Tunisia plans reforms to cut its high public wage bill and subsidies and restructure poorly performing state-owned companies, Kooli said. Tunisia's 2021 budget forecasts borrowing needs at 19.5 billion Tunisian dinars (\$7.2 billion), including about \$5 billion in foreign loans. It puts debt repayments due this year at 16 billion dinars, up from 11 billion dinars in 2020. (Source: Reuters)

IMF revises up growth forecast in January – The International Monetary Fund (IMF) revised up its 2021 global economic growth forecast by 0.3 percentage points to 5.5% last week. Staff economists expected a “vaccine-powered” recovery that was supported by additional policy stimulus. But ongoing waves of COVID-19 infections and the appearance of new strains of the virus pose continued downside risks, and the outlook was exceptionally uncertain, they noted. Strengthening global trade will likely support Asian manufacturing activity, increased appetite for petchem feedstocks, and regional demand for tonnage in the second half of 2021. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.84	-0.37	KSA	2025	1.17	-0.06
Abu Dhabi	2030	1.72	-1.23	KSA	2030	2.16	-1.29
Abu Dhabi	2050	2.89	-2.64	KSA	2050	3.47	-3.57
Bahrain	2026	3.39	-0.62	Oman	2025	3.44	2.58
Bahrain	2030	5.08	-2.27	Oman	2029	5.19	1.40
Bahrain	2047	6.44	-4.10	Oman	2048	6.78	-0.52
Dubai	2029	2.36	0.86	Qatar	2025	0.92	-0.41
Kuwait	2022	0.43	-0.41	Qatar	2030	1.78	-1.38
Kuwait	2027	1.20	-0.76	Qatar	2050	2.96	-2.33

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.51	8.08	-0.06	-0.42
S&P MENA Bond and Sukuk Index	1.62	NA	-0.03	-0.57
Bloomberg Emerging Markets USD Index	3.59	6.80	-0.03	-0.85
Bloomberg Global Aggregate Index	0.88	7.42	-0.08	-0.88

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	1/2/2021	31/12/2020	1/2/2021	31/12/2020	1/2/2021	31/12/2020
KIBOR	1.4375	1.4375	1.6875	1.6875	1.9375	1.9375
SAIBOR	0.8150	0.8175	0.8650	0.8700	0.9350	0.9413
BHIBOR	2.2000	2.2500	2.4667	2.5333	2.6833	2.6833
QATAR	0.9503	1.1206	1.0588	1.1960	1.2281	1.3636
AEIBOR	0.3402	0.5125	0.4432	0.4908	0.4850	0.6538
EURIBOR	-0.5480	-0.5450	-0.5310	-0.5260	-0.5120	-0.4990
LIBOR	0.2019	0.2384	0.2233	0.2576	0.3111	0.3419

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1777	0.11	-7.7
2-Year	0.1880	0.15	-5.0
5-Year	0.5285	0.85	22.9
7-Year	0.8138	1.20	24.3
10-Year	1.1245	1.51	21.5
30-Year	1.6063	1.74	14.6

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3028	0.0330	0.17
SAR	3.7510	0.0000	0.02
BHD	0.3770	0.0000	0.01
QAR	3.6414	0.0000	0.00
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.11	0.00
5-Year	0.43	-0.02
10-Year	1.08	-0.11
30-Year	1.85	-0.43

Source: Bloomberg

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.12	-0.03
5-Year	-0.03	-0.07
10-Year	0.32	-0.51
30-Year	0.89	-1.19

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.68	-0.01
5-Year	-0.77	-0.06
10-Year	-0.61	-0.20
30-Year	-0.08	-0.77

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	Aa2	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS

	1-Feb 2021	31-Dec 2020
Kuwait	42.19	40.69
KSA	66.65	63.77
Abu Dhabi	43.18	36.03
Dubai	106.46	104.06
Qatar	43.26	36.70
Bahrain	233.52	233.58
Oman	322.29	353.60
Iraq	498.31	542.74
Egypt	326.08	330.47
Morocco	101.82	102.56
Turkey	308.31	299.47
US	10.00	11.52
UK	15.24	15.13
China	31.00	26.70
Japan	13.98	14.74
Germany	9.62	9.09
France	13.93	14.42