

News Updates

Saudi Aramco Investor Calls From Nov. 16 for USD Bonds – Saudi Arabian Oil Co. (“Saudi Aramco”), the world’s largest integrated oil and gas company, rated A1 by Moody’s and A by Fitch, has mandated Citi, Goldman Sachs International, HSBC, J.P. Morgan, Morgan Stanley and NCB Capital as Active Joint Bookrunners and BNP Paribas, BOC International, BofA Securities, Crédit Agricole CIB, First Abu Dhabi Bank, Mizuho, MUFG, SMBC Nikko and Société Générale as Passive Joint Bookrunners to organize a series of fixed income investor calls commencing today, Monday 16th November 2020. A benchmark U.S. dollar-denominated Rule 144A/Regulation S senior unsecured multi-tranche offering consisting of 3-, 5-, 10-, 30- and/or 50-year tranches under Saudi Aramco’s GMTN programme may follow subject to market conditions. The Notes are expected to be rated A1 by Moody’s and A by Fitch. (Source: Bloomberg)

Saudi October inflation at 5.8% as food prices up on VAT – Saudi Arabia’s consumer price index increased by 5.8% in October compared with the same month last year, official data showed on Sunday, rising slightly above September’s 5.7% rate. The world’s largest oil exporter is facing a steep economic contraction this year after the COVID-19 pandemic curbed global crude demand and measures to contain the coronavirus hurt domestic activity. “Taking into account the effect the increase of the Value Added Tax (VAT) from 5% to 15% in July 2020 had on consumer prices throughout the Kingdom, the rise of the CPI originated mainly from the increase in prices of Food and Beverages (+13.0%) and Transport (+7.0%),” said the General Authority for Statistics. (Source: Bloomberg)

Morgan Stanley Says Turkey Can Get Away With Small Rate Hike – Turkey may need to deliver a far smaller interest-rate increase than forecast by some of the biggest global lenders, according to Morgan Stanley. The central bank will probably raise the key one-week repo rate by just 150 basis points at its meeting on Thursday, Morgan Stanley economists Alina Slyusarchuk, Andrea Masia and Georgi Deyanov said in a report to clients. Most forecasters surveyed by Bloomberg – including economists at Barclays Plc, Goldman Sachs Group Inc. and UniCredit SpA -- predict an increase of 475 basis points in the benchmark to 15%. Turkey’s central bank “might decide to deliver a larger hike to reinforce its intention to dampen inflationary pressures but we think domestic inflation drivers such as local-currency loans growth and domestic demand growth have normalized, which in itself calls for a less aggressive action,” Morgan Stanley’s economists said. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.86	5.23	KSA	2025	1.18	6.79
Abu Dhabi	2030	1.56	9.88	KSA	2030	2.02	10.98
Abu Dhabi	2050	2.68	20.45	KSA	2050	3.17	11.67
Bahrain	2026	3.54	-1.84	Oman	2025	4.86	-3.85
Bahrain	2030	5.01	14.86	Oman	2029	6.07	-5.21
Bahrain	2047	6.27	-5.70	Oman	2048	7.42	-8.77
Dubai	2029	2.43	3.69	Qatar	2025	0.91	6.69
Kuwait	2022	0.36	1.28	Qatar	2030	1.66	12.48
Kuwait	2027	1.14	5.89	Qatar	2050	2.75	24.23

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.57	8.08	0.15	7.59
S&P MENA Bond and Sukuk Index	2.05	NA	0.17	8.70
Bloomberg Emerging Markets USD Index	3.82	6.80	-0.02	4.24
Bloomberg Global Aggregate Index	0.91	7.42	0.14	6.69

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	16/11/2020	31/12/2019	16/11/2020	31/12/2019	16/11/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	1.9375	3.1875
SAIBOR	0.8388	2.2314	0.8888	2.2557	0.9550	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	0.9346	2.2500	1.0478	2.3500	1.2579	2.5333
AEIBOR	0.4298	2.2086	0.6267	2.1914	0.6575	2.2900
EURIBOR	-0.5140	-0.3830	-0.5030	-0.3240	-0.4690	-0.2490
LIBOR	0.2220	1.9084	0.2460	1.9121	0.3394	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2205	0.08	-87.5
2-Year	0.2621	-0.05	-84.6
5-Year	0.4641	-0.26	-73.2
7-Year	0.6522	-0.44	-63.7
10-Year	0.8886	-0.57	-53.1
30-Year	1.3082	-0.64	-37.4

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3055	0.1146	-0.79
SAR	3.7506	0.0000	0.03
BHD	0.3771	0.0000	-0.01
QAR	3.6412	0.0137	0.01
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.18	0.01
5-Year	0.40	0.03
10-Year	0.89	0.05
30-Year	1.64	0.17

Source: Bloomberg

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.05	-0.02
5-Year	0.01	0.00
10-Year	0.33	0.09
30-Year	0.92	0.15

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.74	0.00
5-Year	-0.76	0.02
10-Year	-0.62	0.11
30-Year	-0.14	0.53

Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	A1	AA-	AA
KSA	A1	A-u	A
UAE	Aa2	NR	NR
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

	16-Nov 2020	31-Dec 2019
Kuwait	39.18	36.700
KSA	65.81	56.915
Abu Dhabi	37.11	36.090
Dubai	112.22	91.005
Qatar	37.53	36.705
Bahrain	308.07	175.995
Oman	396.56	234.400
Iraq	582.90	383.680
Egypt	372.90	277.420
Morocco	105.76	91.435
Turkey	399.24	282.130
US	13.32	10.810
UK	16.85	16.210
China	29.62	31.205
Japan	14.67	21.042
Germany	9.45	7.080
France	15.48	16.130