

News Updates

NBK mandates banks for 6-Year USD Benchmark Reg S/Rule 144a – National Bank of Kuwait S.A.K.P. has mandated Citi, HSBC, JPMorgan, NBK Capital, Standard Chartered Bank and UBS Investment Bank as joint global coordinators, joint lead managers and bookrunners, to arrange a global investor call at 9:30AM UKT / 12:30PM KWT / 1:30PM UAE / 5:30PM HKT on February 16, 2021, as well as a series of fixed income investor calls commencing on February 16 2021. A fixed rate resettable non-call 6 year USD benchmark Reg S/Rule 144A Perpetual Tier 1 Capital Securities (the “New Capital Securities”), rated Baa3 by Moody's, offering by NBK Tier 1 Limited will follow, subject to market conditions. (Source: Bloomberg)

Consumer prices in KSA up 5.7% in January – Saudi Arabia's consumer price index (CPI) went up by 5.7% year-on-year (YoY) in January 2021. The rise of the CPI was driven by higher prices of food and beverages, and transport by 12.3% and 9.6%, respectively, data from the General Authority for Statistics (GaStat) showed. In December 2020, the inflation stood at 5.3%. On a monthly basis, the inflation levelled up by 0.2% in January 2021, affected by the increase in transport prices by 2%. (Source: Mubasher)

Oil Holds Near \$60 With a Third of U.S. Crude Output Shut In – Oil held near \$60 a barrel as a cold snap and power crisis in the U.S. took out around a third of the country's crude production. Futures in New York were steady after settling up 1% on Tuesday from Friday's close. Freezing temperatures have caused power cuts across the central U.S., halting 3.5 million barrels a day or more of output, traders and industry executives said. That's been offset by the more than 3 million barrels a day of refining capacity that Energy Aspects Ltd. estimates has been idled. (Source: Bloomberg)

Treasury yields scale to new heights as inflation expectations grow – Benchmark 10-year U.S. Treasury yields rose to their highest level in a year on Wednesday in Asia as progress in passing a large fiscal stimulus package and rising inflation expectations pushed up rates. Yields on 10-year Treasuries climbed to 1.3290%, the highest since Feb. 27 last year, before pulling back to 1.3023%. The 30-year U.S. yield briefly advanced to a one-year high of 2.1120% and then pulled back slightly to 2.0838%. U.S. President Joe Biden is drumming up support for a \$1.9 trillion Covid-relief package. Inflation expectations are also rising as extremely cold weather curbs oil and gas output at the largest U.S. energy hub in Texas. Both factors are bearish for Treasury prices, leading to strong upward pressure on yields. Some analysts say yields are likely to rise further as a robust rally in global stock markets causes many investors to shift money from bonds into equities. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.85	-0.53	KSA	2025	1.17	-0.24
Abu Dhabi	2030	1.82	-2.05	KSA	2030	2.27	-2.07
Abu Dhabi	2050	3.12	-6.59	KSA	2050	3.64	-6.23
Bahrain	2026	3.28	-0.30	Oman	2025	3.51	2.21
Bahrain	2030	5.00	-1.74	Oman	2029	5.06	2.36
Bahrain	2047	6.43	-3.95	Oman	2048	6.76	-0.21
Dubai	2029	2.42	0.38	Qatar	2025	0.89	-0.36
Kuwait	2022	0.46	-0.63	Qatar	2030	1.90	-2.35
Kuwait	2027	1.33	-1.56	Qatar	2050	3.22	-6.68

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.54	8.08	-0.61	-1.03
S&P MENA Bond and Sukuk Index	2.12	NA	-0.28	-1.36
Bloomberg Emerging Markets USD Index	3.59	6.80	-0.47	-1.08
Bloomberg Global Aggregate Index	0.98	7.42	-0.32	-1.74

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	17/2/2021	31/12/2020	17/2/2021	31/12/2020	17/2/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8063	0.8175	0.8550	0.8700	0.9263	0.9413
BHIBOR	2.1667	2.2500	2.4667	2.5333	2.6833	2.6833
QATAR	0.9714	1.1206	1.0794	1.1960	1.2543	1.3636
AEIBOR	0.3588	0.5125	0.5550	0.4908	0.5640	0.6538
EURIBOR	-0.5470	-0.5450	-0.5210	-0.5260	-0.5050	-0.4990
LIBOR	0.1915	0.2384	0.2049	0.2576	0.3005	0.3419

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1864	0.00	-3.2
2-Year	0.2154	-0.08	8.9
5-Year	0.6932	-0.68	61.2
7-Year	1.0338	-1.02	57.9
10-Year	1.3907	-1.43	50.3
30-Year	1.8932	-0.93	35.0

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.12	0.00
5-Year	0.57	0.04
10-Year	1.30	0.17
30-Year	2.08	0.34

Source: Bloomberg

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3025	-0.0331	0.28
SAR	3.7509	0.0000	0.03
BHD	0.3771	-0.0027	-0.01
QAR	3.6420	0.0000	0.00
OMR	0.3850	0.0000	0.01
AED	3.6731	0.0000	0.00

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.05	0.00
5-Year	0.12	-0.09
10-Year	0.62	-0.58
30-Year	1.22	-1.11

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.64	-0.01
5-Year	-0.69	-0.04
10-Year	-0.45	-0.28
30-Year	0.16	-1.17

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	Aa3	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS

	17-Feb 2021	31-Dec 2020
Kuwait	41.19	40.69
KSA	60.60	63.77
Abu Dhabi	40.36	36.03
Dubai	101.74	104.06
Qatar	40.91	36.70
Bahrain	225.64	233.58
Oman	321.82	353.60
Iraq	493.90	542.74
Egypt	298.65	330.47
Morocco	98.36	102.56
Turkey	287.47	299.47
US	9.70	11.52
UK	13.77	15.13
China	28.21	26.70
Japan	14.30	14.74
Germany	8.91	9.09
France	14.40	14.42