

## News Updates

**Bond Sales Wake From Slumber as Fed Talk Jolts Emerging Markets –** Emerging-market bond sales are springing back to life before this week's Federal Reserve meeting, as renewed speculation over imminent tapering prompts borrowers to raise money while it's still cheap. The past week shattered a summer lull for dollar- and euro-denominated debt, bringing \$36 billion of issuance from governments and companies after the previous 10 weeks saw only \$90 billion raised. Sales from Indonesia, Turkey, Chile, Serbia and Hungary were all met with robust investor demand. Middle Eastern borrower Arab Petroleum Investments Corp. is due to start investor calls on Monday, while Nigeria is gearing up for its first dollar-bond sale in almost three years. The deluge marks a turnaround for a market in which sales had dropped to the slowest quarterly pace in three years due to a seasonal dip, as well as spasms in the corporate-debt market related to China Evergrande. A record pipeline of refinancings and renewed speculation about Fed tapering have created a sense of urgency. Each of the 24 EM currencies tracked by Bloomberg weakened and stocks slumped on Monday due to China Evergrande Group's debt woes, falling commodity prices and the upcoming Fed meeting. Governments and companies in the developing world have some \$102 billion of debt maturing through the rest of this year and a further \$389 billion in 2022. This would leave investors cash-rich and eager to reinvest in emerging markets as long as they offer attractive extra yields over U.S. Treasuries. Emerging-market bond funds witnessed an inflow of \$1.4 billion in the week through Sept. 15, BofA said, citing EPFR Global data. Flows this year have exceeded \$30 billion. *(Source: Bloomberg)*

**Lebanon's PM Says Govt to Resume Talks With IMF, Creditors –** Lebanon's newly appointed Prime Minister Najib Mikati says his government will immediately resume talks with the International Monetary Fund on a bailout program and negotiations with creditors on debt restructuring. Mikati spoke during a parliament session for the new government's vote of confidence. Premier says his cabinet will draft a plan to reform banking sector and restructure it if needed. *(Source: Bloomberg)*

**S&P does not expect Beijing to provide any direct support to embattled Evergrande –** S&P Global Ratings said it does not expect Beijing to provide any direct support to embattled China Evergrande Group, amid growing investor fears the property giant could default on its debt mountain as two repayment deadlines loomed. "We believe Beijing would only be compelled to step in if there is a far-reaching contagion causing multiple major developers to fail and posing systemic risks to the economy," the rating agency said in a note dated Sept 20. "Evergrande failing alone would unlikely result in such a scenario," S&P said. Evergrande's shares have taken a hammering in recent days after Chinese regulators warned that its \$305 billion in liabilities could lead to widespread losses in China's financial system if its debts were not stabilised. *(Source: Reuters)*

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.75	-0.97	KSA	2025	1.04	-0.58
Abu Dhabi	2030	1.82	-2.58	KSA	2030	2.16	-1.68
Abu Dhabi	2050	2.96	-4.17	KSA	2050	3.44	-3.27
Bahrain	2026	3.82	-3.85	Oman	2025	3.21	2.50
Bahrain	2030	5.45	-5.29	Oman	2029	4.82	3.56
Bahrain	2047	6.95	-9.81	Oman	2048	6.48	3.26
Dubai	2029	2.43	-0.56	Qatar	2025	0.93	-1.78
Kuwait	2022	-0.18	-1.66	Qatar	2030	1.92	-3.18
Kuwait	2027	1.21	-1.85	Qatar	2050	3.10	-4.90

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.55	8.08	-0.03	1.12
S&P MENA Bond and Sukuk Index	2.16	NA	-0.09	0.55
Bloomberg Emerging Markets USD Index	3.99	6.80	-0.24	0.14
Bloomberg Global Aggregate Index	1.07	7.42	0.17	-2.64

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	21/9/2021	31/12/2020	21/9/2021	31/12/2020	21/9/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8029	0.8175	0.8514	0.8700	0.9200	0.9413
BHIBOR	1.5583	2.2500	1.6250	2.5333	1.8000	2.6833
QATAR	1.1500	1.1206	1.2000	1.1960	1.3431	1.3636
AEIBOR	0.3987	0.5125	0.4950	0.4908	0.4990	0.6538
EURIBOR	-0.5480	-0.5450	-0.5260	-0.5260	-0.4900	-0.4990
LIBOR	0.1239	0.2384	0.1523	0.2576	0.2244	0.3419

USD Swap Rates				Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)	
1-Year	0.1683	0.21	-12.6	KWD	0.3011	-0.0997	0.75	Gold	1,762.50
2-Year	0.3316	0.49	67.6	SAR	3.7504	-0.0053	0.04	Silver	22.25
5-Year	0.9383	0.79	118.2	BHD	0.3770	-0.0106	0.03	Copper	413.60
7-Year	1.1614	1.19	77.4	QAR	3.6410	0.0192	0.01	Nat. Gas	4.97
10-Year	1.3562	1.27	46.6	OMR	0.3850	0.0000	0.00	Aluminum	2,859.75
30-Year	1.6226	1.22	15.7	AED	3.6731	0.0000	0.00	Crude Oil	74.58

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.21	0.01	0.25	0.08	-0.72	0.00
5-Year	0.83	-0.04	0.46	0.21	-0.75	0.00
10-Year	1.32	-0.09	0.79	0.48	-0.48	0.00
30-Year	1.86	-0.27	1.10	1.16	0.17	0.00

Sovereign Ratings			
	Moody's	S&P	Fitch
Kuwait	A1	A+	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	21-Sep 2021	31-Dec 2020
Kuwait	49.17	40.69
KSA	54.18	63.77
Abu Dhabi	43.99	36.03
Dubai	92.86	104.06
Qatar	43.52	36.70
Bahrain	256.25	233.58
Oman	244.99	353.60
Iraq	483.76	542.74
Egypt	381.24	330.47
Morocco	97.07	102.56
Turkey	400.43	299.47
US	11.56	11.52
UK	8.03	15.13
China	43.89	26.70
Japan	17.62	14.74
Germany	8.39	9.09
France	18.13	14.42