

News Updates

Moody's rates KSA sovereign credit strongly – Global ratings agency Moody's has given Saudi Arabia an “A1” sovereign credit rating and cut its outlook to “negative” from “stable” in a report published this month. “The negative outlook reflects increased downside risks to Saudi Arabia's fiscal strength following the 2020 balance sheet deterioration triggered by the coronavirus pandemic, and the uncertainty regarding the degree to which the government will be able to offset lower oil revenue, reduce spending and stabilize its debt burden and assets in the medium term,” Moody's said. Moody's said that the negative outlook was likely to be changed and upgraded to stable on evidence that the government is able to contain the deterioration in its balance sheet, and stabilize and ultimately reverse the debt trajectory through the implementation of fiscal consolidation measures which offset the oil revenue shortfall, possibly supported by a faster recovery in oil prices. (Source: Arab News)

Turkey to Hold Rates as Lira Weakness Persists – Turkey's central bank is expected to keep interest rates unchanged for a third month, as a weak lira and global commodity prices continue to cloud the nation's inflation outlook. All 25 economists surveyed by Bloomberg predicted borrowing costs would be held at 19% on Thursday. Turkish inflation snapped seven months of increases in May but the unexpected decline was likely the result of a strict lockdown imposed in the country throughout last month after a surge in Covid-19 cases. The lira's status as this year's worst-performing emerging markets currency coupled with rising oil prices mean inflation may accelerate in June and it's too early to start a new cycle of monetary easing, economists said. (Source: Bloomberg)

Fed expected to signal start of monetary policy shift debate – Federal Reserve officials on Wednesday are expected to at least flag the pending start of talks about when and how to exit from the crisis-era policies the U.S. central bank put in place at the onset of the coronavirus pandemic last year. With U.S. inflation rising faster than expected and the economy forecast to grow at its quickest pace in decades this year, some policymakers have begun questioning whether the Fed should continue to keep its benchmark short-term interest rate near zero and leave unchanged a massive bond-buying program put in place to stem the economic fallout from the pandemic. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.68	-0.35	KSA	2025	1.12	-0.48
Abu Dhabi	2030	2.00	-3.63	KSA	2030	2.27	-2.41
Abu Dhabi	2050	3.15	-7.33	KSA	2050	3.63	-6.05
Bahrain	2026	3.43	-1.75	Oman	2025	3.25	2.71
Bahrain	2030	5.42	-4.95	Oman	2029	4.88	3.29
Bahrain	2047	6.86	-8.94	Oman	2048	6.67	0.78
Dubai	2029	2.46	-0.51	Qatar	2025	0.83	-0.88
Kuwait	2022	0.05	-1.02	Qatar	2030	2.06	-3.93
Kuwait	2027	1.38	-2.43	Qatar	2050	3.31	-8.26

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.60	8.08	0.05	-0.38
S&P MENA Bond and Sukuk Index	2.22	NA	-0.03	-1.14
Bloomberg Emerging Markets USD Index	3.81	6.80	-0.13	-0.82
Bloomberg Global Aggregate Index	1.13	7.42	-0.11	-2.54

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	17/6/2021	31/12/2020	17/6/2021	31/12/2020	17/6/2021	31/12/2020
KIBOR	1.5000	1.4375	1.6875	1.6875	2.0000	1.9375
SAIBOR	0.7914	0.8175	0.8414	0.8700	0.9143	0.9413
BHIBOR	1.6417	2.2500	1.7233	2.5333	1.8667	2.6833
QATAR	1.1057	1.1206	1.1719	1.1960	1.3250	1.3636
AEIBOR	0.3575	0.5125	0.4899	0.4908	0.5652	0.6538
EURIBOR	-0.5420	-0.5450	-0.5220	-0.5260	-0.4880	-0.4990
LIBOR	0.1248	0.2384	0.1526	0.2576	0.2333	0.3419

USD Swap Rates

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.1639	0.35	-14.9	KWD	0.3009	0.0000	0.80	Gold	1,821.90	-4.40
2-Year	0.2787	0.16	40.9	SAR	3.7506	0.0000	0.04	Silver	27.20	2.51
5-Year	0.9657	-0.25	124.6	BHD	0.3770	-0.0027	0.01	Copper	433.00	22.77
7-Year	1.2787	-0.23	95.3	QAR	3.6420	0.0000	0.00	Nat. Gas	3.24	20.82
10-Year	1.5506	-0.23	67.6	OMR	0.3850	0.0000	0.00	Aluminum	2,458.75	23.32
30-Year	1.9026	-0.65	35.7	AED	3.6730	0.0000	0.00	Crude Oil	74.07	44.25

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.21	0.01	0.07	0.00	-0.72	0.00
5-Year	0.89	0.02	0.32	0.03	-0.70	0.00
10-Year	1.57	0.04	0.74	0.20	-0.38	0.00
30-Year	2.20	0.16	1.25	0.44	0.30	0.00

UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.21	0.01	0.07	0.00	-0.72	0.00
5-Year	0.89	0.02	0.32	0.03	-0.70	0.00
10-Year	1.57	0.04	0.74	0.20	-0.38	0.00
30-Year	2.20	0.16	1.25	0.44	0.30	0.00

German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.21	0.01	0.07	0.00	-0.72	0.00
5-Year	0.89	0.02	0.32	0.03	-0.70	0.00
10-Year	1.57	0.04	0.74	0.20	-0.38	0.00
30-Year	2.20	0.16	1.25	0.44	0.30	0.00

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	17-Jun 2021	31-Dec 2020	
Kuwait	45.54	40.69	
KSA	56.07	63.77	
Abu Dhabi	38.09	36.03	
Dubai	81.77	104.06	
Qatar	39.18	36.70	
Bahrain	191.96	233.58	
Oman	236.32	353.60	
Iraq	459.33	542.74	
Egypt	325.90	330.47	
Morocco	74.80	102.56	
Turkey	380.95	299.47	
US	7.23	11.52	
UK	8.35	15.13	
China	35.66	26.70	
Japan	16.19	14.74	
Germany	9.08	9.09	
France	20.82	14.42	