

News Updates

Dubai Aerospace Enterprise mandates Benchmark \$ 144a/Reg S – Dubai Aerospace Enterprise (DAE), a global aviation services company wholly owned (directly and indirectly) by the investment corporation of Dubai has asked BNP Paribas, Credit Agricole CIB, Emirates NBD Capital, JPMorgan and Truist Securities to organize a series of fixed income investor calls on June 14. Benchmark USD-denominated, senior unsecured 144a/Reg S note offering under DAE Funding LLC's GMTN Program may follow. BNP Paribas will be coordinating logistics *(Source: Bloomberg)*

Highest Egypt Inflation in 2021 Raises Chances of Rate Hold – Egyptian urban prices accelerated at their fastest pace since December, raising the chances of the central bank retaining one of the world's highest real interest rates next week. Consumer prices in urban parts of the North African nation grew an annual 4.8% in May, compared with 4.1% in April, the state-run statistics agency CAPMAS said Thursday. Prices increased 0.7% month-on-month. The acceleration, which some analysts including Goldman Sachs International didn't predict, was driven by increases in food and beverage prices, the single largest component of the inflation basket. Those rose 1.7% on an annual basis and 1.5% on a monthly one. Inflation will likely continue to edge up until September reflecting global prices, higher costs of fresh produce in the summer season and an unfavorable base effect, according to Radwa El-Swaify, head of research at Cairo-based Pharos Holding. That means the central bank may leave interest rates unchanged until at least October, she said. The world's food-import bill is expected to hit an all-time high this year, with the soaring cost of staples threatening to fuel global inflation, the United Nations' Food & Agriculture Organization said in a report Thursday. Egypt currently offers one of the world's largest gaps between inflation and policy rates, making it a favorite for foreign investors in emerging market debt. Maintaining that status will be a key consideration at the Monetary Policy Committee's June 17 meeting, El-Swaify said. *(Source: Bloomberg)*

IMF Says Turkey's Economy Prone to Shocks Amid Reserve Losses – The International Monetary Fund forecast strong growth for Turkey this year, while saying risks have increased after reserves declined from previously low levels. Gross domestic product in Turkey is expected to expand by about 5.75% in 2021 and return to a slower trend next year, the IMF said in statement on Friday after a so-called Article IV review mission to the country. Turkey's gross reserves are well below the recommended adequacy range, and net international reserves are negative when foreign-exchange swaps with the central bank are excluded, according to the IMF. Turkey's fiscal space is limited by contingent liabilities and potential debt rollover pressures, while lira depreciation added to non-financial corporate and bank balance sheet strains, according to the IMF. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.68	-0.32	KSA	2025	1.12	-0.41
Abu Dhabi	2030	1.95	-3.31	KSA	2030	2.24	-2.11
Abu Dhabi	2050	3.08	-6.10	KSA	2050	3.54	-4.82
Bahrain	2026	3.36	-1.45	Oman	2025	3.27	2.69
Bahrain	2030	5.33	-4.33	Oman	2029	4.76	4.12
Bahrain	2047	6.82	-8.47	Oman	2048	6.59	1.89
Dubai	2029	2.48	-0.52	Qatar	2025	0.70	-0.53
Kuwait	2022	-0.03	-0.93	Qatar	2030	2.00	-3.49
Kuwait	2027	1.37	-2.22	Qatar	2050	3.24	-7.39

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.58	8.08	0.23	-0.10
S&P MENA Bond and Sukuk Index	2.21	NA	0.18	-0.89
Bloomberg Emerging Markets USD Index	3.74	6.80	0.10	-0.38
Bloomberg Global Aggregate Index	1.08	7.42	-0.10	-2.19

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	13/6/2021	31/12/2020	13/6/2021	31/12/2020	13/6/2021	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	1.0315	1.1206	1.1220	1.1960	1.3031	1.3636
AEIBOR	0.3750	0.5125	0.5150	0.4908	0.4555	0.6538
EURIBOR	-0.5480	-0.5450	-0.5210	-0.5260	-0.4890	-0.4990
LIBOR	0.1189	0.2384	0.1525	0.2576	0.2394	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	0.1450	0.05	-24.7	KWD	0.3008	0.0000	0.83	Gold	1,879.60	-1.37
2-Year	0.2241	0.72	13.3	SAR	3.7503	0.0000	0.04	Silver	28.15	6.08
5-Year	0.8158	3.07	89.7	BHD	0.3770	-0.0027	0.01	Copper	453.75	28.67
7-Year	1.1356	2.68	73.5	QAR	3.6412	0.0082	0.01	Nat. Gas	3.30	22.76
10-Year	1.4315	2.12	54.7	OMR	0.3850	0.0000	0.00	Aluminum	2,465.20	23.93
30-Year	1.8381	1.40	31.1	AED	3.6730	0.0000	0.00	Crude Oil	72.69	41.56

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.00	0.04	0.02	-0.71	0.00
5-Year	0.74	-0.13	0.29	0.14	-0.70	0.00
10-Year	1.45	-0.17	0.71	0.40	-0.40	0.14
30-Year	2.14	-0.20	1.24	0.77	0.28	0.69

UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.00	0.04	0.02	-0.71	0.00
5-Year	0.74	-0.13	0.29	0.14	-0.70	0.00
10-Year	1.45	-0.17	0.71	0.40	-0.40	0.14
30-Year	2.14	-0.20	1.24	0.77	0.28	0.69

German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.00	0.04	0.02	-0.71	0.00
5-Year	0.74	-0.13	0.29	0.14	-0.70	0.00
10-Year	1.45	-0.17	0.71	0.40	-0.40	0.14
30-Year	2.14	-0.20	1.24	0.77	0.28	0.69

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	13-Jun 2021	31-Dec 2020	
Kuwait	45.77	40.69	
KSA	55.15	63.77	
Abu Dhabi	37.35	36.03	
Dubai	80.29	104.06	
Qatar	38.31	36.70	
Bahrain	193.45	233.58	
Oman	233.57	353.60	
Iraq	474.39	542.74	
Egypt	314.22	330.47	
Morocco	82.98	102.56	
Turkey	368.76	299.47	
US	7.34	11.52	
UK	8.59	15.13	
China	34.72	26.70	
Japan	15.50	14.74	
Germany	9.37	9.09	
France	20.34	14.42	