

News Updates

Boubyan Bank Obtains Approval to Issue up to \$500m in Sukuk – Boubyan Bank obtains approval from Kuwait's Capital Markets Authority to issue AT1 sukuk of as much as \$500 million or its equivalent in other currencies. Lender to draft prospectus if it decides to offer the sukuk (Source: Bloomberg)

SAMA extends payment deferral program until Q1 2021-end – The Saudi Central Bank (SAMA) announced extending the deferred payment program to support the private sector until Q1 2021-end. The move comes as part of SAMA's efforts to enable the financial sector to play its key role in supporting the private sector, particularly the micro, small and medium-sized enterprises, the central bank said in a statement. The decision also enables SAMA to maintain financial sector's stability and support economic growth, in line with the Kingdom's efforts to mitigate the COVID-19 pandemic fallout on various economic sectors. The number of beneficiaries from the program, since its launch on March 14, 2020, exceeded 87,000 with SAR 77.3 billion deferred payments, the statement added. On Sept. 1, 2020, SAMA decided to extend the payment deferral program for 3 more months until December 14, Argaam earlier reported. (Source: Argaam)

OPEC+ yet to find compromise on oil policy for 2021 – OPEC and allies led by Russia have yet to find a consensus on oil output policy for 2021, after an initial round of talks on Sunday and ahead of crucial meetings on Monday and Tuesday, four OPEC+ sources told Reuters. OPEC+, a grouping comprising members of the Organization of the Petroleum Exporting Countries, plus Russia and others, had been due to ease production cuts from January 2021, but a second coronavirus wave has reduced demand for fuel around the world. OPEC+ is now considering rolling over existing cuts of 7.7 million barrels per day, or around 8% of global demand, into the first months of 2021, sources have said. Preliminary consultations on Sunday between the key ministers, including from OPEC's leader Saudi Arabia and Russia, had not reached a compromise on the duration of the rollover. Sources have said talks were now focusing on extending cuts by three to four months, or on a gradual increase in output. Ideas of deeper cuts or a six-month rollover were much less likely, the sources said. “There is no consensus as yet,” one of the four sources said. A second source said: “There are many different ideas on the table... Also, a gradual increase (in production).” The main meeting was expected to begin at 1300 GMT on Monday. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.83	5.20	KSA	2025	1.21	6.71
Abu Dhabi	2030	1.56	9.78	KSA	2030	2.07	10.61
Abu Dhabi	2050	2.65	21.21	KSA	2050	3.21	10.73
Bahrain	2026	3.47	-1.66	Oman	2025	4.87	-3.70
Bahrain	2030	4.96	15.22	Oman	2029	6.02	-4.90
Bahrain	2047	6.27	-5.52	Oman	2048	7.35	-8.01
Dubai	2029	2.58	2.79	Qatar	2025	0.92	6.67
Kuwait	2022	0.28	1.29	Qatar	2030	1.70	12.01
Kuwait	2027	1.16	5.76	Qatar	2050	2.75	24.19

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.56	8.08	0.04	7.84
S&P MENA Bond and Sukuk Index	2.04	NA	0.03	8.82
Bloomberg Emerging Markets USD Index	3.70	6.80	0.16	4.94
Bloomberg Global Aggregate Index	0.86	7.42	0.23	7.74

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	30/11/2020	31/12/2019	30/11/2020	31/12/2019	30/11/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	2.0000	3.1875
SAIBOR	0.8313	2.2314	0.8800	2.2557	0.9488	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.2633	2.2500	1.3458	2.3500	1.4771	2.5333
AEIBOR	0.4425	2.2086	0.5667	2.1914	0.7411	2.2900
EURIBOR	-0.5280	-0.3830	-0.5070	-0.3240	-0.4870	-0.2490
LIBOR	0.2254	1.9084	0.2574	1.9121	0.3304	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2172	0.00	-87.7
2-Year	0.2523	0.03	-85.1
5-Year	0.4395	-0.02	-74.6
7-Year	0.6181	0.16	-65.6
10-Year	0.8435	-0.05	-55.5
30-Year	1.2522	-0.45	-40.1

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3052	0.0000	-0.70
SAR	3.7506	0.0000	0.03
BHD	0.3771	0.0053	0.00
QAR	3.6417	-0.0082	0.00
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.15	0.00
5-Year	0.37	0.00
10-Year	0.84	0.02
30-Year	1.57	0.07

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.06	-0.01
5-Year	-0.02	0.00
10-Year	0.28	-0.07
30-Year	0.83	0.09

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.74	0.00
5-Year	-0.79	0.01
10-Year	-0.65	0.00
30-Year	-0.19	0.11

Source: Bloomberg

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	30-Nov 2020	31-Dec 2019
Kuwait	40.18	36.700
KSA	66.96	56.915
Abu Dhabi	36.19	36.090
Dubai	109.80	91.005
Qatar	37.14	36.705
Bahrain	284.67	175.995
Oman	384.73	234.400
Iraq	576.71	383.680
Egypt	363.51	277.420
Morocco	91.55	91.435
Turkey	381.06	282.130
US	12.28	10.810
UK	16.51	16.210
China	29.75	31.205
Japan	14.42	21.042
Germany	9.57	7.080
France	15.22	16.130