

## News Updates

**Islamic finance still finding its feet in North Africa: S&P** – The severe economic fallout from the COVID-19 pandemic and limited fiscal space for economies in the North African region are pushing governments to tap into all sources of financing, including those compliant with Sharia law, S&P Global Ratings has said in its latest report. However, the report said, the lack of a favourable regulatory environment in the region is a major hurdle that has so far detracted from the success of Islamic finance there. (Source: Qatar Tribune)

**Saudi Arabia pushes for sweeping Sudan debt restructuring** – Saudi Arabia will press Sudan's creditors to reach a broad agreement to reduce the African country's \$50 billion-plus debt pile, said a Saudi official who will be directly involved in the debt-restructuring talks. Sudan's transitional government, led by Prime Minister Abdalla Hamdok, is battling a crippling economic crisis and pushing through aggressive reforms as it seeks relief from debt owed to foreign states, international financial institutions and commercial creditors. "In terms of restructuring, we will push the envelope more for everybody to restructure (debt) and provide Sudan with greater breathing space and support for the reforms," the Saudi official told Reuters on condition of anonymity ahead of a Paris conference on Monday to promote investment and debt relief for Sudan. Saudi Arabia is Sudan's third-largest creditor with about \$4.6 billion in debt, International Monetary Fund figures show. (Source: Reuters)

**EM corporate debt likely to remain resilient in 2021** – Companies in the Middle East and Africa (MEA) region recorded the least number of debt defaults in 2020 amid the coronavirus (COVID-19) pandemic. Despite the challenges posed by the pandemic, investment experts at Aberdeen Standard Investments (ASI) forecast corporate debt in emerging markets (EM) to remain resilient in 2021 and beyond. The percentage of EM companies defaulting on debt is projected to be lower than in many mature markets, experts noted. Amid the pandemic, “reduced revenues and profits have made debt servicing more challenging for more companies and this is reflected in more distressed credits and rising corporate default rates,” said Kathy Collins, Investment Director, Emerging Market Corporate Debt, Aberdeen Standard Investments. “EM corporate debt has not been immune to this trend. However, concerns that emerging market debt issuers might be particularly exposed in this respect are misplaced,” Collins noted. “Historically, the EM corporate debt market has been relatively resilient to past major crises, and this is also evident in default data from the pandemic-hit 2020,” Collins added. (Source: Mubasher)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.83	-0.81	KSA	2025	1.30	-1.04
Abu Dhabi	2030	2.00	-3.62	KSA	2030	2.40	-3.41
Abu Dhabi	2050	3.19	-7.97	KSA	2050	3.70	-7.29
Bahrain	2026	3.38	-1.38	Oman	2025	3.29	2.71
Bahrain	2030	5.50	-5.35	Oman	2029	4.95	2.92
Bahrain	2047	6.97	-10.19	Oman	2048	6.75	-0.09
Dubai	2029	2.59	-1.15	Qatar	2025	0.87	-0.98
Kuwait	2022	0.25	-0.95	Qatar	2030	2.10	-4.19
Kuwait	2027	1.52	-2.88	Qatar	2050	3.35	-8.99

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.70	8.08	0.35	-1.34
S&P MENA Bond and Sukuk Index	2.32	NA	0.33	-2.16
Bloomberg Emerging Markets USD Index	3.87	6.80	0.32	-1.84
Bloomberg Global Aggregate Index	1.16	7.42	0.32	-3.09

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	17/5/2021	31/12/2020	17/5/2021	31/12/2020	17/5/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7914	0.8175	0.8414	0.8700	0.9143	0.9413
BHIBOR	1.4333	2.2500	1.5367	2.5333	1.6833	2.6833
QATAR	1.1500	1.1206	1.2000	1.1960	1.4000	1.3636
AEIBOR	0.3364	0.5125	0.4225	0.4908	0.6137	0.6538
EURIBOR	-0.5490	-0.5450	-0.5130	-0.5260	-0.4780	-0.4990
LIBOR	0.1551	0.2384	0.1876	0.2576	0.2659	0.3419

## USD Swap Rates

Currencies				Commodities						
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.1805	0.01	-6.2	KWD	0.3014	-0.0995	0.61	Gold	1,852.90	-2.62
2-Year	0.2564	-0.11	29.6	SAR	3.7505	-0.0027	0.03	Silver	27.78	4.68
5-Year	0.8949	-0.64	108.1	BHD	0.3770	0.0027	0.01	Copper	467.95	32.70
7-Year	1.2559	-0.85	91.9	QAR	3.6410	0.0000	0.01	Nat. Gas	3.03	16.12
10-Year	1.5877	-0.88	71.6	OMR	0.3850	-0.0026	0.00	Aluminum	2,438.75	22.78
30-Year	2.0244	-0.61	44.4	AED	3.6730	0.0000	0.00	Crude Oil	68.66	33.35

## US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.01	0.07	0.04	-0.66	0.00
5-Year	0.81	0.04	0.38	0.14	-0.63	0.01
10-Year	1.62	0.09	0.85	0.42	-0.26	0.09
30-Year	2.33	0.16	1.39	0.87	0.43	0.10

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (%)
Gold	1,852.90	-2.62		Silver	27.78	4.68
Copper	467.95	32.70		Nat. Gas	3.03	16.12
Aluminum	2,438.75	22.78		Crude Oil	68.66	33.35

## UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.01	0.07	0.04	-0.66	0.00
5-Year	0.81	0.04	0.38	0.14	-0.63	0.01
10-Year	1.62	0.09	0.85	0.42	-0.26	0.09
30-Year	2.33	0.16	1.39	0.87	0.43	0.10

## German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.01	0.07	0.04	-0.66	0.00
5-Year	0.81	0.04	0.38	0.14	-0.63	0.01
10-Year	1.62	0.09	0.85	0.42	-0.26	0.09
30-Year	2.33	0.16	1.39	0.87	0.43	0.10

## 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+
<b>USD 5Yr CDS</b>	<b>17-May 2021</b>	<b>31-Dec 2020</b>	
Kuwait	46.28	40.69	
KSA	62.16	63.77	
Abu Dhabi	43.28	36.03	
Dubai	93.28	104.06	
Qatar	43.28	36.70	
Bahrain	187.13	233.58	
Oman	249.48	353.60	
Iraq	529.41	542.74	
Egypt	326.17	330.47	
Morocco	91.15	102.56	
Turkey	401.28	299.47	
US	7.35	11.52	
UK	9.80	15.13	
China	37.41	26.70	
Japan	15.87	14.74	
Germany	9.44	9.09	
France	22.66	14.42	