

News Updates

Moody's assigns 'Aa2' rating to ADQ for first time; outlook stable – Moody's Investors Service (Moody's) has assigned a long-term issuer rating of 'Aa2' for Abu Dhabi Developmental Holding Company (ADQ) for the first time, with a stable outlook. ADQ was established by the Abu Dhabi government, following which some government-owned companies with domestic operations were transferred to the company, according to a recent press release. Moody's has classified ADQ as a government-related issuer (GRI), which means the global rating agency does not assign a baseline credit assessment (BCA) and its rating was based on the ability of the Abu Dhabi government to provide timely financial support to the company. ADQ's standalone credit quality is based on its large scale with a portfolio of more than 90 operating entities, the investments in assets including TAQA and Abu Dhabi Ports, and the good liquidity at the holding level. Moody's also recognized the company's geographical concentration with the majority of its investments in Abu Dhabi and revenue and cash flow concentration with TAQA representing the majority of the company's earnings before interest, tax, depreciation, and amortisation (EBITDA) in 2020, and high leverage at the group level. Meanwhile, the stable outlook comes in line with the stable outlook on the rating of the Abu Dhabi government due to the strong credit links between both of them. *(Source: Mubasher)*

Qatar has no need to sell bonds after first quarter surplus, says finance minister – Qatar has no need to tap bond markets for budget-balancing reasons after a better than expected oil price boosted its revenues, Finance Minister Ali Al-Kuwari said. He told Bloomberg TV that the country would only consider raising fresh debt for opportunistic reasons such as attractive yields. The minister said the country continued to focus on diversification and was studying the possible future introduction of value added tax. *(Source: Zawya)*

Fed will not raise rates on inflation fears alone, Powell says – Federal Reserve Chair Jerome Powell on Tuesday reaffirmed the U.S. central bank's intent to encourage a “broad and inclusive” recovery of the job market, and not to raise interest rates too quickly based only on the fear of coming inflation. “We will not raise interest rates pre-emptively because we fear the possible onset of inflation. We will wait for evidence of actual inflation or other imbalances,” Powell said in a hearing before a U.S. House of Representatives panel. The recent high inflation readings, however, “don't speak to a broadly tight economy” that would require higher interest rates, Powell said, referring to a “perfect storm” of rising demand for goods and services and bottlenecks in supplying them as the economy reopens from the pandemic. Those price pressures should ease on their own, Powell said. In setting upcoming monetary policy, the Fed chief pledged that the central bank would keep its eyes focused on a broad set of labor market statistics. *(Source: Reuters)*

GCC Sovereign Yields

| Sovereigns | Maturity | Yield % | Price Δ (YTD %) | Sovereigns | Maturity | Yield % | Price Δ (YTD %) |
|------------|----------|---------|-----------------|------------|----------|---------|-----------------|
| Abu Dhabi | 2025 | 0.74 | -0.59 | KSA | 2025 | 1.09 | -0.45 |
| Abu Dhabi | 2030 | 2.01 | -3.68 | KSA | 2030 | 2.26 | -2.29 |
| Abu Dhabi | 2050 | 3.04 | -5.42 | KSA | 2050 | 3.52 | -4.38 |
| Bahrain | 2026 | 3.54 | -2.23 | Oman | 2025 | 3.33 | 2.39 |
| Bahrain | 2030 | 5.53 | -5.66 | Oman | 2029 | 4.98 | 2.60 |
| Bahrain | 2047 | 6.94 | -9.85 | Oman | 2048 | 6.79 | -0.65 |
| Dubai | 2029 | 2.46 | -0.42 | Qatar | 2025 | 0.91 | -1.17 |
| Kuwait | 2022 | 0.11 | -1.09 | Qatar | 2030 | 2.05 | -3.92 |
| Kuwait | 2027 | 1.34 | -2.23 | Qatar | 2050 | 3.23 | -6.99 |

Bonds and Sukuk Indices

| Index Name | Yield % | Duration (yrs) | 1D Δ (%) | YTD Δ (%) |
|--------------------------------------|---------|----------------|----------|-----------|
| Bloomberg GCC FI Index | 2.61 | 8.08 | -0.10 | -0.17 |
| S&P MENA Bond and Sukuk Index | 2.22 | NA | -0.19 | -0.70 |
| Bloomberg Emerging Markets USD Index | 3.79 | 6.80 | 0.00 | -0.61 |
| Bloomberg Global Aggregate Index | 1.13 | 7.42 | -0.09 | -3.23 |

Interbank Rates (%)

| | 3 Months | | 6 Months | | 12 Months | |
|---------|-----------|------------|-----------|------------|-----------|------------|
| | 23/6/2021 | 31/12/2020 | 23/6/2021 | 31/12/2020 | 23/6/2021 | 31/12/2020 |
| KIBOR | 1.5000 | 1.4375 | 1.7500 | 1.6875 | 2.0000 | 1.9375 |
| SAIBOR | 0.7929 | 0.8175 | 0.8429 | 0.8700 | 0.9143 | 0.9413 |
| BHIBOR | 1.6417 | 2.2500 | 1.7333 | 2.5333 | 1.8667 | 2.6833 |
| QATAR | 1.0287 | 1.1206 | 1.1216 | 1.1960 | 1.2935 | 1.3636 |
| AEIBOR | 0.4430 | 0.5125 | 0.5903 | 0.4908 | 0.6750 | 0.6538 |
| EURIBOR | -0.5420 | -0.5450 | -0.5110 | -0.5260 | -0.4800 | -0.4990 |
| LIBOR | 0.1379 | 0.2384 | 0.1638 | 0.2576 | 0.2509 | 0.3419 |

USD Swap Rates

| Currencies | | | | Commodities | | | | | | |
|------------|---------|------------|-----------|-------------|--------|------------|-----------|-----------|----------|-----------|
| | Yield % | 1D Δ (bps) | YTD Δ (%) | | USD | 1D Δ (bps) | YTD Δ (%) | | USD | YTD Δ (%) |
| 1-Year | 0.1754 | 0.06 | -8.9 | KWD | 0.3012 | -0.0332 | 0.68 | Gold | 1,782.10 | -6.49 |
| 2-Year | 0.3073 | 0.02 | 55.4 | SAR | 3.7501 | 0.0000 | 0.05 | Silver | 26.07 | -1.95 |
| 5-Year | 0.9186 | -0.22 | 113.6 | BHD | 0.3771 | -0.0133 | -0.01 | Copper | 427.05 | 21.08 |
| 7-Year | 1.1921 | 0.08 | 82.1 | QAR | 3.6421 | -0.0027 | 0.00 | Nat. Gas | 3.27 | 21.86 |
| 10-Year | 1.4351 | 0.39 | 55.1 | OMR | 0.3850 | 0.0000 | 0.00 | Aluminum | 2,410.25 | 20.89 |
| 30-Year | 1.7649 | 1.20 | 25.9 | AED | 3.6730 | 0.0000 | 0.00 | Crude Oil | 75.33 | 46.70 |

US Treasuries

| | Yield % | 1D Δ (%) | Yield % | 1D Δ (%) | Yield % | 1D Δ (%) |
|---------|---------|----------|---------|----------|---------|----------|
| 2-Year | 0.24 | 0.00 | 0.10 | 0.02 | -0.69 | 0.00 |
| 5-Year | 0.85 | 0.02 | 0.38 | -0.02 | -0.65 | 0.00 |
| 10-Year | 1.46 | 0.00 | 0.78 | -0.13 | -0.33 | 0.00 |
| 30-Year | 2.10 | -0.18 | 1.26 | -0.89 | 0.31 | 0.00 |

Currencies

| | USD | 1D Δ (bps) | YTD Δ (%) | | USD | 1D Δ (%) | YTD Δ (%) |
|----------|----------|------------|-----------|-----------|-------|----------|-----------|
| Gold | 1,782.10 | -6.49 | | Silver | 26.07 | -1.95 | |
| Copper | 427.05 | 21.08 | | Nat. Gas | 3.27 | 21.86 | |
| Aluminum | 2,410.25 | 20.89 | | Crude Oil | 75.33 | 46.70 | |

Commodities

| | USD | 1D Δ (%) | YTD Δ (%) |
|-----------|----------|----------|-----------|
| Gold | 1,782.10 | -6.49 | |
| Silver | 26.07 | -1.95 | |
| Copper | 427.05 | 21.08 | |
| Nat. Gas | 3.27 | 21.86 | |
| Aluminum | 2,410.25 | 20.89 | |
| Crude Oil | 75.33 | 46.70 | |

UK Gilts

| | Yield % | 1D Δ (%) | Yield % | 1D Δ (%) | Yield % | 1D Δ (%) |
|---------|---------|----------|---------|----------|---------|----------|
| 2-Year | 0.24 | 0.00 | 0.10 | 0.02 | -0.69 | 0.00 |
| 5-Year | 0.85 | 0.02 | 0.38 | -0.02 | -0.65 | 0.00 |
| 10-Year | 1.46 | 0.00 | 0.78 | -0.13 | -0.33 | 0.00 |
| 30-Year | 2.10 | -0.18 | 1.26 | -0.89 | 0.31 | 0.00 |

German Bunds

| | Yield % | 1D Δ (%) | Yield % | 1D Δ (%) | Yield % | 1D Δ (%) |
|---------|---------|----------|---------|----------|---------|----------|
| 2-Year | 0.24 | 0.00 | 0.10 | 0.02 | -0.69 | 0.00 |
| 5-Year | 0.85 | 0.02 | 0.38 | -0.02 | -0.65 | 0.00 |
| 10-Year | 1.46 | 0.00 | 0.78 | -0.13 | -0.33 | 0.00 |
| 30-Year | 2.10 | -0.18 | 1.26 | -0.89 | 0.31 | 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 | 23-Jun 2021 | 31-Dec 2020 |
|-------------|-------------|-------------|
| Kuwait | 45.54 | 40.69 |
| KSA | 55.78 | 63.77 |
| Abu Dhabi | 38.83 | 36.03 |
| Dubai | 81.66 | 104.06 |
| Qatar | 39.06 | 36.70 |
| Bahrain | 195.80 | 233.58 |
| Oman | 239.66 | 353.60 |
| Iraq | 494.17 | 542.74 |
| Egypt | 324.22 | 330.47 |
| Morocco | 78.41 | 102.56 |
| Turkey | 383.33 | 299.47 |
| US | 7.18 | 11.52 |
| UK | 8.57 | 15.13 |
| China | 35.84 | 26.70 |
| Japan | 15.74 | 14.74 |
| Germany | 9.44 | 9.09 |
| France | 20.09 | 14.42 |