

## News Updates

**Abu Dhabi sells \$2 billion in bonds despite oil rebound** – Abu Dhabi sold \$2 billion in seven-year bonds on Tuesday in its first foray into the international debt markets this year, raising cash for state coffers despite a recent rebound in oil prices. The oil-rich emirate sold the bonds at 45 basis points (bps) over U.S. Treasuries. That was tightened from initial guidance of 70-75 bps over Treasuries after the debt sale received over \$6.9 billion in orders. Citi, First Abu Dhabi Bank, HSBC, JPMorgan and Standard Chartered are joint lead managers and joint bookrunners for the deal, according to a document from one of the banks, seen by Reuters. (Source: Reuters)

**Emirates REIT Cut to Near Default by Fitch on Debt Exchange Plan** – Dubai-listed Emirates REIT was downgraded seven steps to near-default status by Fitch Ratings over a proposal that it said would be viewed as a “distressed debt exchange.” Fitch lowered Emirates REIT’s rating to C, the lowest level for securities that haven’t yet defaulted, from B+, according to a statement on Monday. A further reduction to Restricted Default will follow if the exchange is approved and completed, according to the rating company. (Source: Bloomberg)

**Oman Arab Bank prepares for perpetual dollar bonds issue** – Oman Arab Bank has hired banks for a planned issuance of U.S. dollar-denominated Additional Tier 1 perpetual bonds that will be non-callable for five years, a document showed. Emirates NBD Capital, First Abu Dhabi Bank, Kamco Invest, Standard Chartered Bank and Ubhar Capital will arrange investor calls starting on Tuesday, the document from one of the banks showed. A benchmark fixed-rate resettable issue of unrated AT1 bonds will follow, subject to market conditions. (Source: Reuters)

**IMF expects to approve \$1.6 billion in financing for Egypt in coming weeks** – The International Monetary Fund on Tuesday said it expects to provide an additional \$1.6 billion in financing to Egypt after its executive board approves the funding in coming weeks. The IMF said its staff reached agreement with Egyptian authorities about the additional funding after a second and final review of Egypt’s economic program and a \$5.2 billion 12-month stand-by arrangement. It said Egypt’s fiscal and monetary policies should continue to support the economic recovery, and called for additional efforts on the country’s economic reforms. The IMF said it was forecasting economic growth of 2.8% in fiscal year 2020/2021, and 5.2% in FY2021/22. The IMF said Egypt met all its structural benchmarks, including steps to reform fiscal transparency and governance, social protection and improve the business environment. But more efforts were needed to encourage exports by further reducing trade impediments and building a greener economy. (Source: Reuters)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.84	-0.89	KSA	2025	1.27	-0.98
Abu Dhabi	2030	2.01	-3.70	KSA	2030	2.38	-3.13
Abu Dhabi	2050	3.18	-7.84	KSA	2050	3.67	-6.84
Bahrain	2026	3.44	-1.58	Oman	2025	3.26	2.84
Bahrain	2030	5.52	-5.46	Oman	2029	4.92	3.07
Bahrain	2047	6.93	-9.72	Oman	2048	6.77	-0.46
Dubai	2029	2.48	-0.76	Qatar	2025	0.95	-1.16
Kuwait	2022	0.06	-0.94	Qatar	2030	2.06	-3.92
Kuwait	2027	1.46	-2.76	Qatar	2050	3.36	-9.04

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.66	8.08	0.12	-1.01
S&P MENA Bond and Sukuk Index	2.28	NA	0.12	-1.76
Bloomberg Emerging Markets USD Index	3.82	6.80	0.22	-1.43
Bloomberg Global Aggregate Index	1.11	7.42	0.26	-2.36

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	26/5/2021	31/12/2020	26/5/2021	31/12/2020	26/5/2021	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	1.6083	2.2500	1.6700	2.5333	1.7500	2.6833
QATAR	1.1759	1.1206	1.2329	1.1960	1.3377	1.3636
AEIBOR	0.3425	0.5125	0.5350	0.4908	0.4705	0.6538
EURIBOR	-0.5420	-0.5450	-0.5090	-0.5260	-0.4780	-0.4990
LIBOR	0.1409	0.2384	0.1766	0.2576	0.2583	0.3419

## USD Swap Rates

Yields				Currencies				Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)	
1-Year	0.1593	-0.04	-17.2	KWD	0.3010	0.1495	0.76	Gold	1,909.20	0.18	
2-Year	0.2308	0.13	16.7	SAR	3.7504	-0.0053	0.04	Silver	28.27	6.53	
5-Year	0.8633	1.08	100.8	BHD	0.3771	-0.0133	-0.01	Copper	452.45	28.30	
7-Year	1.2138	1.28	85.4	QAR	3.6420	0.0000	0.00	Nat. Gas	2.95	12.83	
10-Year	1.5345	1.42	65.8	OMR	0.3850	0.0000	0.00	Aluminum	2,350.05	18.14	
30-Year	1.9600	0.82	39.8	AED	3.6730	0.0000	0.00	Crude Oil	68.63	33.29	

## US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.14	0.01	0.01	0.03	-0.66	0.00
5-Year	0.78	-0.05	0.32	0.09	-0.66	0.05
10-Year	1.57	-0.11	0.78	0.26	-0.30	0.23
30-Year	2.26	-0.21	1.32	0.86	0.39	0.60

## UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.14	0.01	0.01	0.03	-0.66	0.00
5-Year	0.78	-0.05	0.32	0.09	-0.66	0.05
10-Year	1.57	-0.11	0.78	0.26	-0.30	0.23
30-Year	2.26	-0.21	1.32	0.86	0.39	0.60

## German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.14	0.01	0.01	0.03	-0.66	0.00
5-Year	0.78	-0.05	0.32	0.09	-0.66	0.05
10-Year	1.57	-0.11	0.78	0.26	-0.30	0.23
30-Year	2.26	-0.21	1.32	0.86	0.39	0.60

## 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>26-May 2021</b>	<b>31-Dec 2020</b>	
Kuwait	46.27	40.69	
KSA	62.21	63.77	
Abu Dhabi	41.39	36.03	
Dubai	84.68	104.06	
Qatar	41.56	36.70	
Bahrain	192.74	233.58	
Oman	246.75	353.60	
Iraq	511.09	542.74	
Egypt	320.52	330.47	
Morocco	86.94	102.56	
Turkey	401.06	299.47	
US	7.34	11.52	
UK	9.22	15.13	
China	37.24	26.70	
Japan	15.94	14.74	
Germany	9.44	9.09	
France	21.78	14.42	