

News Updates

Saudi Arabia plans to issue green bonds soon to advance ESG plans – Saudi Arabia plans to issue green bonds soon, an official said on Monday, as the oil-producing kingdom seeks to embrace environmental, social and governance (ESG) concerns to expand its investor base and finance a transition to a greener economy. Hani Al-Medaini, acting chief executive officer of the Finance Ministry's National Debt Management Center, said the government will also be looking at financing backed by export credit agencies, in addition to conventional and Islamic bonds. He was speaking at an investment conference in Riyadh. The Gulf has seen a surge of interest in ESG-related initiatives and deals amid growing awareness among global investors about ESG risks. Saudi Arabia has recently hired banks to advise it on a sustainability financing framework, and sovereign fund Public Investment Fund said it planned to announce soon its first green debt deal. Mohammed El-Kuwaiz, the chairman of Saudi Arabia's Capital Markets Authority, speaking at the same conference, said on Monday he expected an increase in green financing instruments in the kingdom, supported by growth in the domestic debt markets and higher participation of foreign investors. *(Source: Reuters)*

OPEC+ seen sticking to November output plans, despite \$80 oil, sources say – OPEC+ is likely to stick to an existing deal to add 400,000 barrels per day (bpd) to its output for November when it meets next week, sources said, despite oil hitting a three-year high above \$80 a barrel and pressure from consumers for more supply. The Organization of the Petroleum Exporting Countries and allies led by Russia, known as OPEC+, agreed in July to increase production by 400,000 bpd each month to phase out 5.8 million bpd in cuts. It also agreed to assess the deal in December. "So far we will keep the plan to increase by 400,000 bpd," one of the sources said. OPEC+, which has held regular meetings, agreed in September to continue with its existing plans for an October output rise. The OPEC+ Joint Technical Committee (JTC), which met on Wednesday, sees the oil market in a 1.4 million bpd surplus next year under its base scenario, slightly below the previous forecast of 1.6 million bpd, a presentation seen by Reuters showed. *(Source: Reuters)*

Treasury investors slow selling, eye talks in Washington – Traders slowed their selling of U.S. Treasuries on Wednesday, leaving yields little changed, as they kept an eye on government budget talks in Washington. The benchmark 10-year yield was up 1 basis point at 1.5462% while yields on shorter-term debt were lower. After four consecutive sessions in which the 10-year yield rose, the yield fell as low as 1.494% on Wednesday morning before finding support. Analysts said investors were taking stock after Treasury market moves of recent days and trying to forecast how negotiations on U.S. spending plans might resolve. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.91	-1.55	KSA	2025	1.18	-1.17
Abu Dhabi	2030	1.99	-3.82	KSA	2030	2.30	-2.72
Abu Dhabi	2050	3.09	-6.37	KSA	2050	3.56	-5.11
Bahrain	2026	4.10	-4.90	Oman	2025	3.46	1.67
Bahrain	2030	5.68	-6.78	Oman	2029	5.12	1.61
Bahrain	2047	7.19	-12.43	Oman	2048	6.80	-0.59
Dubai	2029	2.52	-1.09	Qatar	2025	1.05	-2.23
Kuwait	2022	-0.13	-1.77	Qatar	2030	2.08	-4.38
Kuwait	2027	1.47	-3.22	Qatar	2050	3.20	-6.67

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.66	8.08	-0.06	0.14
S&P MENA Bond and Sukuk Index	2.27	NA	-0.07	-0.36
Bloomberg Emerging Markets USD Index	4.19	6.80	0.06	-1.08
Bloomberg Global Aggregate Index	1.16	7.42	-0.18	-4.04

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	30/9/2021	31/12/2020	30/9/2021	31/12/2020	30/9/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8086	0.8175	0.8571	0.8700	0.9300	0.9413
BHIBOR	1.5500	2.2500	1.6250	2.5333	1.8000	2.6833
QATAR	1.1311	1.1206	1.1945	1.1960	1.3281	1.3636
AEIBOR	0.3639	0.5125	0.4808	0.4908	0.4362	0.6538
EURIBOR	-0.5430	-0.5450	-0.5230	-0.5260	-0.4890	-0.4990
LIBOR	0.1315	0.2384	0.1579	0.2576	0.2385	0.3419

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.1766	0.02	-8.3	KWD	0.3017	-0.0995	0.53	Gold	1,733.00	-9.32
2-Year	0.3908	1.35	97.6	SAR	3.7510	0.0027	0.02	Silver	21.61	-18.93
5-Year	1.0742	0.60	149.8	BHD	0.3770	0.0000	0.00	Copper	419.90	19.15
7-Year	1.3238	0.29	102.2	QAR	3.6416	0.0000	-0.01	Nat. Gas	5.52	97.57
10-Year	1.5351	0.08	65.9	OMR	0.3850	0.0026	0.00	Aluminum	2,903.10	44.88
30-Year	1.8113	-0.16	29.2	AED	3.6730	0.0000	0.00	Crude Oil	78.46	54.15

US Treasuries			UK Gilt		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.29	0.00	0.39	0.01	-0.77	0.00
5-Year	0.99	0.00	0.62	0.02	-0.71	0.00
10-Year	1.52	0.02	0.99	0.03	-0.37	0.00
30-Year	2.06	0.09	1.33	-0.19	0.25	0.00

Sovereign Ratings			
	Moody's	S&P	Fitch
Kuwait	A1	A+	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	30-Sep 2021	31-Dec 2020
Kuwait	49.26	40.69
KSA	52.50	63.77
Abu Dhabi	42.74	36.03
Dubai	92.90	104.06
Qatar	42.85	36.70
Bahrain	274.61	233.58
Oman	265.48	353.60
Iraq	513.14	542.74
Egypt	426.88	330.47
Morocco	98.01	102.56
Turkey	425.89	299.47
US	13.44	11.52
UK	7.68	15.13
China	45.73	26.70
Japan	17.26	14.74
Germany	7.60	9.09
France	17.31	14.42