

News Updates

Abu Dhabi's TAQA plans international bond sale – Abu Dhabi National Energy Company (TAQA), owned by Abu Dhabi state-owned holding company ADQ, is planning an international bond sale. TAQA has investments in power generation, water desalination, oil and gas exploration and production, pipelines and gas storage. In July, TAQA closed a deal for Abu Dhabi Power Corporation (ADPower) to transfer the majority of its power and water generation, transmission and distribution assets to TAQA. TAQA has two outstanding dollar bonds worth \$750 million each that are maturing in June and December this year. The bonds due in June were issued in 2016 at a coupon of 3.625% and the ones due in December were sold in 2011 at a 5.875% coupon. In February, TAQA reported a fall in profit by nearly a half in 2020, when it posted net income of 2.79 billion dirhams (\$759.64 million) compared to 5.44 billion dirhams in 2019. The fall was primarily due to lower commodity prices and production volumes in the oil and gas sector. (Source: Zawya)

IMF estimates Oman's debt to GDP to decrease gradually – An IMF mission held in Oman between 17 and 31 January 2021, as part its bilateral discussions with members, reviewed economic developments and the country's future outlook. Focus was placed on the impact of COVID-19, low oil prices, and policies to help economic recovery and the times to follow afterwards. IMF staff estimate that total government debt to GDP will decrease to 60 percent over the medium term. Oman's real GDP is expected to grow by 1.8 percent in 2021, and 7.4 percent in 2022. Similarly, its non-oil GDP is likely to expand by 1.5 percent in 2021, and 2.3 percent the following year. According to data from the Ministry of Finance, comparisons between January 2020 and 2021 have shown that Oman's deficit has grown, while its revenue and expenditure have declined. Its expenditure stood at OMR 755.6 million, a 17.8 percent decrease compared to last January, while its revenue decreased from OMR 575.3 by 33.1 percent to reach OMR 384.8 million. Similarly, the deficit grew from OMR 344.4 million to OMR 370.8 million. Average oil production decreased slightly from 970,000 to 946,000, while oil prices dropped from \$60.26 to \$41.11. (Source: Times of Oman)

UK earmarks a further \$2.3 billion for its COVID vaccine push – British finance minister Rishi Sunak will announce an extra 1.65 billion pounds (\$2.30 billion) to fund the country's fast vaccination rollout as part of his annual budget statement, the finance ministry said. Britain has so far given a first vaccination more than 20 million people, or more than one in three adults, Europe's fastest vaccination rollout. “The new money will continue to vaccinate the population and ensure every adult is offered a dose of a vaccine by July 31,” the ministry said. A further 33 million pounds will be spent on vaccine testing and development to protect against future outbreaks and variants and 22 million pounds will fund a study to test the effectiveness of combinations of different COVID-19 vaccines. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.96	-1.00	KSA	2025	1.27	-0.66
Abu Dhabi	2030	2.05	-3.85	KSA	2030	2.41	-3.15
Abu Dhabi	2050	3.27	-9.29	KSA	2050	3.78	-8.33
Bahrain	2026	3.50	-1.26	Oman	2025	3.69	1.52
Bahrain	2030	5.42	-4.67	Oman	2029	5.25	1.03
Bahrain	2047	6.79	-8.06	Oman	2048	7.00	-3.03
Dubai	2029	2.50	-0.21	Qatar	2025	1.00	-0.91
Kuwait	2022	0.34	-0.58	Qatar	2030	2.12	-4.13
Kuwait	2027	1.42	-2.05	Qatar	2050	3.41	-9.96

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.68	8.08	-0.16	-2.28
S&P MENA Bond and Sukuk Index	2.27	NA	-0.24	-2.86
Bloomberg Emerging Markets USD Index	3.73	6.80	0.18	-2.26
Bloomberg Global Aggregate Index	1.08	7.42	-0.02	-2.59

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	1/3/2021	31/12/2020	1/3/2021	31/12/2020	1/3/2021	31/12/2020
KIBOR	1.4375	1.4375	1.6875	1.6875	1.9375	1.9375
SAIBOR	0.8000	0.8175	0.8463	0.8700	0.9200	0.9413
BHIBOR	1.9417	2.2500	2.0250	2.5333	2.3583	2.6833
QATAR	0.9732	1.1206	1.0924	1.1960	1.2507	1.3636
AEIBOR	0.3069	0.5125	0.4313	0.4908	0.5667	0.6538
EURIBOR	-0.5300	-0.5450	-0.5160	-0.5260	-0.4830	-0.4990
LIBOR	0.1884	0.2384	0.2030	0.2576	0.2838	0.3419

USD Swap Rates

	Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.1899	0.14	-1.4	KWD	0.3019	0.0000
2-Year	0.2317	-0.40	17.1	SAR	3.7508	-0.0027
5-Year	0.8116	-1.41	88.7	BHD	0.3771	-0.0027
7-Year	1.1530	-0.63	76.1	QAR	3.6414	0.0055
10-Year	1.4753	0.53	59.4	OMR	0.3850	0.0000
30-Year	1.9073	2.85	36.0	AED	3.6731	0.0000

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.12	0.01	0.11	-0.04	-0.63	0.01
5-Year	0.70	0.14	0.39	-0.16	-0.65	0.06
10-Year	1.40	0.02	0.82	-0.44	-0.37	0.22
30-Year	2.17	-0.41	1.38	0.07	0.19	1.40

UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.12	0.01	0.11	-0.04	-0.63	0.01
5-Year	0.70	0.14	0.39	-0.16	-0.65	0.06
10-Year	1.40	0.02	0.82	-0.44	-0.37	0.22
30-Year	2.17	-0.41	1.38	0.07	0.19	1.40

German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.12	0.01	0.11	-0.04	-0.63	0.01
5-Year	0.70	0.14	0.39	-0.16	-0.65	0.06
10-Year	1.40	0.02	0.82	-0.44	-0.37	0.22
30-Year	2.17	-0.41	1.38	0.07	0.19	1.40

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	BBB-	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS

	1-Mar 2021	31-Dec 2020
Kuwait	41.61	40.69
KSA	66.75	63.77
Abu Dhabi	45.30	36.03
Dubai	98.09	104.06
Qatar	46.04	36.70
Bahrain	225.55	233.58
Oman	324.26	353.60
Iraq	517.24	542.74
Egypt	302.48	330.47
Morocco	101.81	102.56
Turkey	318.85	299.47
US	9.29	11.52
UK	13.72	15.13
China	29.79	26.70
Japan	14.70	14.74
Germany	9.09	9.09
France	13.44	14.42