

## News Updates

**Mubadala markets two-tranche US dollar bonds** – Mubadala Investment Company started on Thursday marketing a two-tranche US dollar-denominated bonds, Reuters reported. Abu Dhabi-based company has returned to the debt markets to issue two-tranche bonds through its unit Mamoura Diversified Global Holding. Mamoura Diversified Global Holding gave initial price guidance of about 130 basis points over mid-swaps for a 10-year tranche and around 3.7% for 30-year Formosa bonds. The banks arranging the deal are Abu Dhabi Commercial Bank (ADCB), Citi, First Abu Dhabi Bank (FAB), JPMorgan, Morgan Stanley, and Standard Chartered. (Source: Bloomberg)

**S&P revises Bahrain's outlook to 'negative' on continued fiscal pressures** – S&P Global Ratings on Friday revised Bahrain's outlook to 'negative' from 'stable', citing the country's pace and ability to service its finances and external debt. The oil-producing Gulf state's economy contracted by 5.4% last year, the International Monetary Fund estimated, as the pandemic hurt vital sectors such as energy and tourism. "The tentative pace of fiscal reform is insufficient to stabilize Bahrain's debt to GDP over the next few years, despite higher oil prices compared with 2020", the rating agency said in a statement. Bahrain expects to post a deficit of 1.2 billion dinars (\$3.20 billion) in 2021, state news agency BNA said, citing the finance ministry's statement in March. The rating agency expects Bahrain's economy to rebound in 2021, with real GDP expanding by 2.7%, citing an increase in oil prices and regional economic activity. The agency affirmed Bahrain's rating at 'B+/B'. (Source: Bloomberg)

**Adnoc's \$1.6 Billion Stock, Bond Sale Triggers Drop in Fuel Unit** – Abu Dhabi's state oil firm raised \$1.64 billion by selling bonds and shares in its fuel arm, which slumped the most in more than a year. The capital of the United Arab Emirates contains almost all the OPEC member's hydrocarbon reserves. The government, along with others in the region such as Saudi Arabia and Oman, is seeking to use money from energy assets to build new industries and diversify the economy. Abu Dhabi National Oil Co. sold 375 million shares and issued \$1.195 billion of senior bonds that mature in 2024 and are exchangeable into the distributor's stock. The two deals saw "significant demand" from regional and international investors, Adnoc said. They came a day after Abu Dhabi's government raised \$2 billion through seven-year bonds, attracting almost \$7 billion in demand. (Source: Bloomberg)

**Oman Arab Bank completes debut issuance of \$250 million bond on LSE** – Oman Arab Bank SAOG (OAB) has successfully issued \$250 million Additional tier-1 Perpetual Bonds, listed in the International Securities Market (ISM) of the London Stock Exchange. This makes OAB the first local bank this year to do so. The bonds were priced at 7.625% as books closed above \$1.1 billion (excluding JLM interest) signaling high demand for the perpetual Tier 1 issuance. (Source: Oman Observer)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.82	-0.83	KSA	2025	1.26	-0.89
Abu Dhabi	2030	2.01	-3.68	KSA	2030	2.33	-2.84
Abu Dhabi	2050	3.18	-7.81	KSA	2050	3.65	-6.50
Bahrain	2026	3.47	-1.70	Oman	2025	3.39	2.31
Bahrain	2030	5.54	-5.56	Oman	2029	5.03	2.32
Bahrain	2047	6.95	-9.89	Oman	2048	6.88	-1.66
Dubai	2029	2.55	-1.00	Qatar	2025	0.95	-1.19
Kuwait	2022	0.16	-0.99	Qatar	2030	2.04	-3.80
Kuwait	2027	1.44	-2.60	Qatar	2050	3.34	-8.83

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.65	8.08	0.02	-0.90
S&P MENA Bond and Sukuk Index	2.27	NA	0.09	-1.62
Bloomberg Emerging Markets USD Index	3.81	6.80	0.10	-1.30
Bloomberg Global Aggregate Index	1.12	7.42	-0.01	-2.54

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	30/5/2021	31/12/2020	30/5/2021	31/12/2020	30/5/2021	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	1.6183	2.2500	1.6733	2.5333	1.7800	2.6833
QATAR	1.1750	1.1206	1.2373	1.1960	1.3615	1.3636
AEIBOR	0.4246	0.5125	0.5888	0.4908	0.5700	0.6538
EURIBOR	-0.5430	-0.5450	-0.5120	-0.5260	-0.4810	-0.4990
LIBOR	0.1314	0.2384	0.1710	0.2576	0.2481	0.3419

## USD Swap Rates

Currencies				Commodities						
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.1459	0.07	-24.2	KWD	0.3010	0.1495	0.76	Gold	1,905.30	-0.03
2-Year	0.2290	0.21	15.8	SAR	3.7502	-0.0027	0.04	Silver	28.01	5.58
5-Year	0.8827	-0.53	105.3	BHD	0.3770	0.0027	0.01	Copper	467.75	32.64
7-Year	1.2405	-0.47	89.5	QAR	3.6413	0.0000	0.00	Nat. Gas	2.99	11.21
10-Year	1.5660	-0.49	69.2	OMR	0.3850	0.0000	0.00	Aluminum	2,466.76	24.00
30-Year	2.0010	0.46	42.7	AED	3.6730	0.0000	0.00	Crude Oil	68.72	33.83

## US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.14	0.01	0.05	-0.02	-0.66	0.00
5-Year	0.80	0.08	0.34	0.04	-0.66	0.03
10-Year	1.59	0.13	0.79	0.13	-0.32	0.08
30-Year	2.28	0.04	1.30	0.34	0.38	0.09

## UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.14	0.01	0.05	-0.02	-0.66	0.00
5-Year	0.80	0.08	0.34	0.04	-0.66	0.03
10-Year	1.59	0.13	0.79	0.13	-0.32	0.08
30-Year	2.28	0.04	1.30	0.34	0.38	0.09

## German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.14	0.01	0.05	-0.02	-0.66	0.00
5-Year	0.80	0.08	0.34	0.04	-0.66	0.03
10-Year	1.59	0.13	0.79	0.13	-0.32	0.08
30-Year	2.28	0.04	1.30	0.34	0.38	0.09

## 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>30-May 2021</b>	<b>31-Dec 2020</b>	
Kuwait	46.24	40.69	
KSA	59.49	63.77	
Abu Dhabi	40.78	36.03	
Dubai	83.45	104.06	
Qatar	41.05	36.70	
Bahrain	194.18	233.58	
Oman	248.50	353.60	
Iraq	514.59	542.74	
Egypt	321.52	330.47	
Morocco	89.33	102.56	
Turkey	407.04	299.47	
US	7.35	11.52	
UK	9.04	15.13	
China	36.20	26.70	
Japan	15.57	14.74	
Germany	9.25	9.09	
France	20.63	14.42	