

News Updates

Saudi Aramco announces completion of \$8bln international bond issuance – The world’s largest oil producer Saudi Aramco confirmed on Wednesday it has just completed the issuance of \$8 billion bonds that will help cover a multi-billion-dollar payout for its shareholders. The oil giant kicked off the international bond issuance on November 16, marking its first time to return to the debt markets since last year. The issuance of multi-year tranche bonds comes as the state-owned firm looks to raise cash amid low oil prices and the COVID-19 pandemic. In a bourse filing to the Saudi Stock Exchange (Tadawul), Aramco said it has issued a total of 40,000 bonds/ sukuk, with a yield of 1.25 percent for bonds maturing in three years, 1.625 percent for bonds maturing in five years, 2.25 percent for 10 years, 3.25 percent for 30 years and 3.5 percent for bonds maturing in 50 years. It’s the first time the oil giant has offered a bond maturity of 50 years. (Source: Zawya)

Saudi Arabia Broadens Central Bank’s Mandate to Promote Growth – The Saudi Central Bank updated its mandate to include supporting economic growth as one of its prime objectives, formally changing its fundamental operating principles for the first time in more than 60 years, Vice-Governor Ayman Alsayari said. “Including support of economic growth as an explicit element in the central bank’s mandate is meant to cover evolving variables such as financial innovation, which has the potential to foster economic growth if steered in the appropriate direction,” Alsayari said in a written response to questions from Bloomberg on Thursday. The central bank’s new charter also reflects “changes in the financial sector and new types of risk,” he said. The bank now reports directly to the king under the new charter, a move intended to “make its independent status clearer and more explicit,” he said. The monetary authority has provided over 100 billion riyals (\$22.4 billion) to local banks in liquidity injections and to cover the costs of loan deferrals for small businesses hit by the pandemic. (Source: Bloomberg)

Omani CMA lists fifth issue of Sukuk programme on bond market – The Capital Market Authority (CMA) announced the listing of the fifth issue to Oman sovereign Sukuk comprising 25 million trust certificates valued at OMR25 million and due in 2022. The authority said in a statement that the offer was fully subscribed by individual investors who are entitled to a profit rate of 4.75 per cent per annum payable over a two-year maturity period till the due date on November 24, 2022. (Source: Oman Times)

Bahrain Affirmed at B+ by S&P – Bahrain’s long-term foreign currency debt rating was affirmed by S&P at B+. Long-Term Local Currency Debt Rating was affirmed by S&P at B+. Outlook remains stable. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.83	5.20	KSA	2025	1.22	6.71
Abu Dhabi	2030	1.56	9.78	KSA	2030	2.07	10.61
Abu Dhabi	2050	2.65	21.21	KSA	2050	3.22	10.73
Bahrain	2026	3.47	-1.66	Oman	2025	4.87	-3.70
Bahrain	2030	4.96	15.22	Oman	2029	6.02	-4.90
Bahrain	2047	6.27	-5.52	Oman	2048	7.35	-8.01
Dubai	2029	2.58	2.79	Qatar	2025	0.92	6.67
Kuwait	2022	0.29	1.29	Qatar	2030	1.70	12.01
Kuwait	2027	1.16	5.76	Qatar	2050	2.75	24.19

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.56	8.08	0.04	7.84
S&P MENA Bond and Sukuk Index	2.04	NA	0.03	8.82
Bloomberg Emerging Markets USD Index	3.70	6.80	0.16	4.94
Bloomberg Global Aggregate Index	0.86	7.42	0.23	7.74

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	29/11/2020	31/12/2019	29/11/2020	31/12/2019	29/11/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	1.9375	3.1875
SAIBOR	0.8313	2.2314	0.8800	2.2557	0.9488	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.1765	2.2500	1.2415	2.3500	1.3542	2.5333
AEIBOR	0.4800	2.2086	0.5692	2.1914	0.7436	2.2900
EURIBOR	-0.5280	-0.3830	-0.5070	-0.3240	-0.4870	-0.2490
LIBOR	0.2254	1.9084	0.2574	1.9121	0.3304	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2172	-0.25	-87.7
2-Year	0.2520	-0.30	-85.2
5-Year	0.4397	-0.64	-74.6
7-Year	0.6165	-3.06	-65.7
10-Year	0.8440	-2.32	-55.5
30-Year	1.2567	-4.99	-39.9

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3052	0.0000	-0.70
SAR	3.7505	0.0000	0.03
BHD	0.3771	0.0053	0.00
QAR	3.6417	-0.0082	0.00
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.15	0.02
5-Year	0.36	0.15
10-Year	0.84	0.43
30-Year	1.57	1.30

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.06	-0.01
5-Year	-0.02	0.00
10-Year	0.28	-0.07
30-Year	0.83	0.09

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.74	0.00
5-Year	-0.79	0.01
10-Year	-0.65	0.00
30-Year	-0.19	0.11

Source: Bloomberg

Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	A1	AA-	AA
KSA	A1	A-u	A
UAE	Aa2	NR	NR
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	B2	NR	B
Morocco	Ba1	BBB-	BB+
US	Aaa	AA+u	AAA
UK	Aa2	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	29-Nov 2020	31-Dec 2019
Kuwait	40.18	36.700
KSA	66.96	56.915
Abu Dhabi	36.19	36.090
Dubai	109.80	91.005
Qatar	37.14	36.705
Bahrain	284.67	175.995
Oman	384.73	234.400
Iraq	576.71	383.680
Egypt	363.51	277.420
Morocco	91.55	91.435
Turkey	381.06	282.130
US	12.28	10.810
UK	16.51	16.210
China	29.11	31.205
Japan	14.77	21.042
Germany	9.57	7.080
France	15.22	16.130