

News Updates

Burgan Bank Gets Central Bank Approval to Issue \$500m in Bonds – Burgan Bank gets Approval for senior unsecured bond under lender's EMTN program. The bonds will have either a 5-year tenor and a fixed coupon rate or a 6-year tenor with option for redemption after 5 years as well as fixed coupon rate for first 5 years and floating rate in final year. *(Source: Bloomberg)*

S&P maintains stable outlook for Jordan – International credit rating agency Standard and Poor's (S&P) has affirmed Jordan's B+/B sovereign credit rating, maintaining a stable outlook despite global downgrades to both regional and global countries. According to a Finance Ministry statement on Tuesday, cited by the Jordan News Agency, Petra, S&P said that despite the impairing effect of the pandemic on Jordan's important sectors, such as tourism, the government's economic containment measures contributed to maintaining financial and monetary stability. These measures played a role in avoiding negative repercussions through restraining economic contraction by 1.6 per cent, "which exceeded expectations". The agency expects a gradual economic recovery in 2021-2024, noting that the economic policy's reliance on "an ambitious list" of structural reforms, implemented under the government programme with the International Monetary Fund (IMF), will contribute to restoring the growth momentum that leads to job creation. These reforms include fighting tax and customs evasion, improving government transparency, and reducing the cost of doing business. *(Source: Jordan Times)*

U.S. Treasury yields fall as cooling inflation points to laxer Fed – U.S. government bond yields fell on Tuesday after data showed consumer prices increased at their slowest pace in six months in August, suggesting that inflation had probably peaked and removing urgency from the next move by the Federal Reserve. The core measure of U.S. consumer prices edged up 0.1% last month, the smallest gain since February. The measure, which excludes the volatile food and energy components, increased 4.0% on a year-on-year basis after advancing 4.3% in July. *(Source: Reuters)*

Global debt is fast approaching record \$300trl - IIF – Global debt rose to a new record high of nearly \$300 trillion in the second quarter, but the debt-to-GDP ratio declined for the first time since the start of the pandemic as economic growth rebounded, the Institute of International Finance (IIF) said on Tuesday. Total debt levels, which include government, household and corporate and bank debt, rose \$4.8 trillion to \$296 trillion at the end of June, after a slight decline in the first quarter, to stand \$36 trillion above pre-pandemic levels. "If the borrowing continues at this pace, we expect global debt to exceed \$300 trillion," said Emre Tiftik, IIF's director of sustainability research. In a positive sign for the debt outlook, the IIF reported a decline in the global debt-to-GDP ratio for the first time since the outbreak of the coronavirus crisis. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.72	-0.93	KSA	2025	1.07	-0.66
Abu Dhabi	2030	1.81	-2.49	KSA	2030	2.14	-1.50
Abu Dhabi	2050	2.96	-4.18	KSA	2050	3.45	-3.49
Bahrain	2026	3.76	-3.62	Oman	2025	3.16	2.71
Bahrain	2030	5.42	-5.11	Oman	2029	4.74	4.09
Bahrain	2047	6.85	-8.89	Oman	2048	6.42	3.99
Dubai	2029	2.45	-0.59	Qatar	2025	0.87	-1.63
Kuwait	2022	0.01	-1.66	Qatar	2030	1.88	-2.93
Kuwait	2027	1.19	-1.88	Qatar	2050	3.10	-4.95

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.54	8.08	0.09	1.13
S&P MENA Bond and Sukuk Index	2.14	NA	0.24	0.71
Bloomberg Emerging Markets USD Index	3.86	6.80	0.09	0.78
Bloomberg Global Aggregate Index	1.04	7.42	0.20	-2.15

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	15/9/2021	31/12/2020	15/9/2021	31/12/2020	15/9/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7971	0.8175	0.8457	0.8700	0.9143	0.9413
BHIBOR	1.5583	2.2500	1.6250	2.5333	1.8000	2.6833
QATAR	1.1365	1.1206	1.2000	1.1960	1.3323	1.3636
AEIBOR	0.3900	0.5125	0.4510	0.4908	0.6325	0.6538
EURIBOR	-0.5440	-0.5450	-0.5200	-0.5260	-0.4890	-0.4990
LIBOR	0.1160	0.2384	0.1486	0.2576	0.2231	0.3419

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.1565	-0.05	-18.7	KWD	0.3008	0.0000	0.85	Gold	1,805.20	-5.55
2-Year	0.3085	-0.27	56.0	SAR	3.7509	0.0000	0.02	Silver	23.80	-10.73
5-Year	0.8858	-0.27	106.0	BHD	0.3770	0.0000	0.04	Copper	432.50	22.73
7-Year	1.1073	-0.27	69.2	QAR	3.6421	-0.0110	-0.01	Nat. Gas	5.31	93.80
10-Year	1.3105	-0.32	41.6	OMR	0.3850	0.0000	0.00	Aluminum	2,822.25	40.85
30-Year	1.6095	-0.45	14.8	AED	3.6731	0.0000	0.00	Crude Oil	74.06	45.50

US Treasuries			UK Gilt		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.21	0.00	0.22	-0.01	-0.71	0.00
5-Year	0.79	0.01	0.42	-0.03	-0.74	0.00
10-Year	1.28	0.02	0.74	0.07	-0.49	0.00
30-Year	1.86	0.12	1.04	0.30	0.15	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	15-Sep 2021	31-Dec 2020
Kuwait	45.24	40.69
KSA	46.93	63.77
Abu Dhabi	38.66	36.03
Dubai	82.22	104.06
Qatar	38.27	36.70
Bahrain	245.43	233.58
Oman	231.17	353.60
Iraq	500.66	542.74
Egypt	358.16	330.47
Morocco	89.93	102.56
Turkey	371.20	299.47
US	7.84	11.52
UK	7.92	15.13
China	32.59	26.70
Japan	16.36	14.74
Germany	8.46	9.09
France	17.50	14.42