

News Updates

Inflation in Saudi Arabia rises to 4.9% in March 2021 – Saudi Arabia’s inflation accelerated to 4.9% in March 2021, according to recent data by the General Authority for Statistics (GASTAT). The authority attributed the growth in inflation to an increase in value-added tax (VAT) from 5% to 15% from July 1, 2020. The cost-of-living index for March rose to 103.72 points, according to the base year 2018, compared to 98.83 points the year before. *(Source: Bloomberg)*

Dubai Islamic Bank successfully closes lowest-ever pricing on an AT1 issuance from the GCC – Dubai Islamic Bank PJSC (“DIB”), rated A3 by Moody’s and A by Fitch today successfully priced a landmark USD 500 million Perpetual Non-Call 5.5yrs Additional Tier 1 Sukuk with a profit rate of 3.375% per annum. This transaction represents the lowest ever pricing achieved by a GCC bank (both conventional and Islamic) on an Additional Tier 1 instrument and the lowest ever on a USD AT1 Sukuk globally. The deal was priced intraday after completing investor calls, which were attended by several local, regional and international investors. Despite the record low yield, the Sukuk was 5.6x oversubscribed with an orderbook that peaked at USD 2.8 billion. *(Source: Dubai Islamic Bank)*

Turkey Posts Budget Surplus in March on Central Bank Profit – Turkey’s coffers were buoyed by a dividend payment from the nation’s central bank in March. The government posted a monthly fiscal surplus of 23.8 billion liras (\$2.95 billion) last month, when the central bank transferred dividends to the Treasury from its 2020 profit of 34.5 billion liras. In comparison, the budget posted a deficit of 43.7 billion liras a year earlier in the absence of a similar transfer from the monetary authority. Spending excluding interest payments rose an annual 21.4% to 96.9 billion liras in March. Spending on interest payments rose 25.5% to 14.2 billion liras in the same period, as borrowing costs remain higher from a year earlier to curb inflation. Revenues rose 184.4% from a year earlier, tax revenue more than doubled to 77.4 billion liras. The Treasury posted a cash budget surplus of 41 billion liras in March and a primary surplus of 53.7 billion liras. Turkey forecasts the budget deficit will equal 4.3% of gross domestic product in 2021, according to the government’s latest economic program *(Source: Bloomberg)*

New York Fed's Williams: Fed has tools to deal with high inflation – Inflation could be volatile in the near term as the economy recovers from the pandemic but price increases should remain subdued and the Federal Reserve knows how to act if inflation gets too high, New York Fed President John Williams said on Wednesday. Williams expects inflation overall to stay near the Fed’s 2% target, he said during a virtual conversation with Rutgers University students. He also noted that unemployment is still high and the economy still has a long ways to go as it recovers. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.93	-1.00	KSA	2025	1.41	-1.36
Abu Dhabi	2030	2.07	-4.12	KSA	2030	2.54	-4.31
Abu Dhabi	2050	3.20	-8.14	KSA	2050	3.74	-7.75
Bahrain	2026	3.38	-1.03	Oman	2025	3.34	2.61
Bahrain	2030	5.49	-5.23	Oman	2029	5.10	1.92
Bahrain	2047	6.95	-9.82	Oman	2048	6.80	-0.73
Dubai	2029	2.71	-1.61	Qatar	2025	1.06	-1.39
Kuwait	2022	0.17	-0.72	Qatar	2030	2.20	-4.79
Kuwait	2027	1.59	-3.18	Qatar	2050	3.38	-9.36

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.77	8.08	0.13	-2.14
S&P MENA Bond and Sukuk Index	2.40	NA	0.09	-2.85
Bloomberg Emerging Markets USD Index	3.97	6.80	0.01	-2.76
Bloomberg Global Aggregate Index	1.12	7.42	0.14	-3.47

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	15/4/2021	31/12/2020	15/4/2021	31/12/2020	15/4/2021	31/12/2020
KIBOR	1.5000	1.4375	1.6875	1.6875	2.0000	1.9375
SAIBOR	0.7971	0.8175	0.8443	0.8700	0.9171	0.9413
BHIBOR	1.2500	2.2500	1.3917	2.5333	1.6417	2.6833
QATAR	1.1176	1.1206	1.1898	1.1960	1.3362	1.3636
AEIBOR	0.3575	0.5125	0.5569	0.4908	0.5537	0.6538
EURIBOR	-0.5380	-0.5450	-0.5230	-0.5260	-0.4930	-0.4990
LIBOR	0.1838	0.2384	0.2195	0.2576	0.2878	0.3419

USD Swap Rates

Currencies				Commodities						
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.2056	-0.39	6.8	KWD	0.3018	0.0663	0.48	Gold	1,745.90	-8.25
2-Year	0.2765	-0.35	39.8	SAR	3.7506	-0.0027	0.03	Silver	25.60	-3.32
5-Year	0.9329	-0.97	117.0	BHD	0.3770	0.0000	0.00	Copper	416.85	18.29
7-Year	1.2880	-1.44	96.8	QAR	3.6420	-0.0027	0.00	Nat. Gas	2.60	1.80
10-Year	1.6089	-1.58	73.9	OMR	0.3850	-0.0026	0.00	Aluminum	2,308.50	16.46
30-Year	2.0275	-1.63	44.6	AED	3.6731	0.0000	0.00	Crude Oil	66.19	28.13

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.16	0.01	0.04	0.01	-0.67	-0.01
5-Year	0.84	0.07	0.35	0.05	-0.69	0.00
10-Year	1.62	0.15	0.79	0.16	-0.39	0.05
30-Year	2.30	0.27	1.32	0.43	0.28	0.15

UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.16	0.01	0.04	0.01	-0.67	-0.01
5-Year	0.84	0.07	0.35	0.05	-0.69	0.00
10-Year	1.62	0.15	0.79	0.16	-0.39	0.05
30-Year	2.30	0.27	1.32	0.43	0.28	0.15

German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.16	0.01	0.04	0.01	-0.67	-0.01
5-Year	0.84	0.07	0.35	0.05	-0.69	0.00
10-Year	1.62	0.15	0.79	0.16	-0.39	0.05
30-Year	2.30	0.27	1.32	0.43	0.28	0.15

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+

USD 5Yr CDS	15-Apr 2021	31-Dec 2020
Kuwait	48.15	40.69
KSA	64.96	63.77
Abu Dhabi	44.32	36.03
Dubai	93.56	104.06
Qatar	44.33	36.70
Bahrain	190.63	233.58
Oman	269.69	353.60
Iraq	544.55	542.74
Egypt	323.70	330.47
Morocco	88.08	102.56
Turkey	423.08	299.47
US	8.33	11.52
UK	10.28	15.13
China	41.28	26.70
Japan	15.46	14.74
Germany	9.40	9.09
France	19.94	14.42