

News Updates

Arabian Centres Co. announces intention to issue USD denominated Shar'iah compliant Sukuk – Arabian Centres Company (“Company”) announces its intention to issue USD denominated Shar'iah compliant Sukuk. The Sukuk shall be consolidated and will form part of the same currently outstanding USD 650 Million Sukuk due 2026 issued on 7 April 2021. The number and value of the Sukuk to be offered will be determined based on market conditions and the Company's financial condition, funding requirement and strategy. Arabian Centres mandates Goldman Sachs and HSBC as joint global coordinators and joint bookrunners on the transaction. Sukuk will form part of the same series as the outstanding \$650 million note due 2026. (Source: Tadawul)

Saudi Arabia Sees Inflation Slowing From July, Official Says – Saudi officials expect inflation to slow to a “moderated” rate starting in July or August after a base effect from tripling VAT last July passes, deputy finance minister for international affairs Riyadh Alkhareif said in an online seminar. Central bank reserves are expected to remain robust. “We have maintained the exchange rate peg despite a severe crisis during the global financial crisis,” Alkhareif said. “We also maintain abundant liquidity in the banking sector which has helped the private sector access credit without any issues. Overall we do not see a risk on inflation.” Inflation was 5.7% in May, the most recent figure shows. (Source: Bloomberg)

Saudi Wealth Fund Plans to Issue Green Bonds in 4Q: CNBC Arabia – The Public Investment Fund is in the process of appointing investment banks to look at green investments, CNBC Arabia reports, citing unidentified a person familiar with the matter. Fund is in the process of changing its stock portfolio strategy and may reduce investments in some sectors: CNBC cites another unidentified person. (Source: Bloomberg)

U.S. Treasury yields hover above 5-month lows – A gauge of global stocks closed at a record on Monday and U.S. Treasury yields held above five-month lows touched last week as investors looked for signs on whether the Delta variant of the COVID-19 coronavirus could hamper economic growth. Last week, a bond market rally pushed the yield of the benchmark 10-year U.S. Treasury note to a five-month low of 1.25% as investors worried that climbing cases of the variant could slow the economic recovery. The yield had risen to as high as 1.78% in March as rising vaccination rates fed expectations for growth. The World Health Organization warned the Delta variant was becoming dominant and many countries had yet to receive enough doses of vaccine to secure their health workers. Analysts also cited a lack of supply for the drop in yields. Yields were little changed after Treasury sold \$58 billion in three-year notes and \$38 billion in 10-year notes, with a sale of \$24 billion in 30-year bonds set for Tuesday. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.74	-0.66	KSA	2025	1.08	-0.47
Abu Dhabi	2030	2.00	-3.73	KSA	2030	2.26	-2.30
Abu Dhabi	2050	3.04	-5.41	KSA	2050	3.53	-4.63
Bahrain	2026	3.76	-3.12	Oman	2025	3.33	2.42
Bahrain	2030	5.51	-5.48	Oman	2029	4.98	2.57
Bahrain	2047	6.84	-8.68	Oman	2048	6.71	0.31
Dubai	2029	2.46	-0.32	Qatar	2025	0.90	-1.30
Kuwait	2022	0.05	-1.23	Qatar	2030	2.05	-3.97
Kuwait	2027	1.32	-2.19	Qatar	2050	3.19	-6.39

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.62	8.08	0.00	-0.02
S&P MENA Bond and Sukuk Index	2.20	NA	-0.01	-0.51
Bloomberg Emerging Markets USD Index	3.85	6.80	0.00	-0.45
Bloomberg Global Aggregate Index	1.07	7.42	0.08	-2.67

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	13/7/2021	31/12/2020	13/7/2021	31/12/2020	13/7/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7929	0.8175	0.8443	0.8700	0.9143	0.9413
BHIBOR	1.6417	2.2500	1.7333	2.5333	1.8667	2.6833
QATAR	1.0922	1.1206	1.1785	1.1960	1.3165	1.3636
AEIBOR	0.3670	0.5125	0.4446	0.4908	0.6725	0.6538
EURIBOR	-0.5430	-0.5450	-0.5140	-0.5260	-0.4940	-0.4990
LIBOR	0.1286	0.2384	0.1510	0.2576	0.2389	0.3419

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1740	0.13	-9.6
2-Year	0.3093	0.68	56.4
5-Year	0.8815	0.74	105.0
7-Year	1.1294	0.60	72.5
10-Year	1.3627	0.21	47.3
30-Year	1.7240	-0.24	23.0

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3007	0.1663	0.88
SAR	3.7509	0.0027	0.02
BHD	0.3770	0.0000	0.00
QAR	3.6421	-0.0027	-0.01
OMR	0.3850	0.0000	0.00
AED	3.6731	0.0000	0.00

Commodities

	USD	YTD Δ (%)
Gold	1,809.30	-5.06
Silver	26.31	-1.07
Copper	432.70	22.68
Nat. Gas	3.74	37.86
Aluminum	2,474.00	24.09
Crude Oil	75.28	47.03

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.23	-0.01
5-Year	0.80	-0.04
10-Year	1.37	-0.06
30-Year	2.00	0.01

UK Gilts

	Yield %	1D Δ (%)
2-Year	0.08	-0.01
5-Year	0.29	-0.01
10-Year	0.65	0.04
30-Year	1.16	0.34

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.72	0.00
5-Year	-0.70	0.00
10-Year	-0.45	0.00
30-Year	0.20	0.00

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	13-Jul 2021	31-Dec 2020	
Kuwait	45.53	40.69	
KSA	55.98	63.77	
Abu Dhabi	40.18	36.03	
Dubai	83.68	104.06	
Qatar	40.80	36.70	
Bahrain	220.86	233.58	
Oman	252.03	353.60	
Iraq	512.14	542.74	
Egypt	349.27	330.47	
Morocco	91.19	102.56	
Turkey	387.97	299.47	
US	7.20	11.52	
UK	7.78	15.13	
China	36.70	26.70	
Japan	16.08	14.74	
Germany	9.03	9.09	
France	19.24	14.42	