

News Updates

Qatar Petroleum Kicks-Off First Dollar Bond Sale in 15 Years – The state energy company of Qatar has started the sale of what could be the biggest emerging-market debt offering so far this year. Qatar Petroleum is issuing dollar bonds for the first time in 15 years as it seeks to boost output of liquefied natural gas. The company may aim to raise around \$10 billion, Bloomberg has reported. The producer is selling a four-part deal with tranches maturing in five, 10-, 20- and 30- years, according to a person familiar with the matter. The company's last dollar bond sale was in 2006, when it raised \$650 million. The debt will help the Arabian Gulf state pump more gas from the giant North Field that extends into Iran's waters. Qatar, one of the world's richest countries per capita, is planning to spend \$29 billion to lift production of LNG to 110 million tons per annum by 2027 from 77 million tons today. *(Source: Bloomberg)*

Qatar's Ahli Bank sells \$500 mln of 5-year senior bonds – Qatar's Ahli Bank sold \$500 million of five-year senior bonds at 125 basis points (bps) over mid-swaps, a document from one of the banks on the deal showed on Tuesday. The spread was tightened from initial price guidance of around 150 basis points over mid-swaps after Ahli Bank received more than \$1.35 billion in orders for the debt sale, the document showed. Barclays, QNB Capital, JPMorgan Securities, Mizuho Securities and Standard Chartered arranged the deal. The debt sale follows a \$1 billion senior sukuk offering by Dubai Islamic Bank, the United Arab Emirates' largest Islamic lender earlier this month. There have been relatively few senior bond sales from banks in the region this year as liquidity levels are strong. Instead, there has been a steady stream of Additional Tier 1 bond issues as lenders look to boost their Tier 1 capital. Dubai's largest listed property developer Emaar also raised \$500 million on Tuesday through a sale of 10-year sukuk, or Islamic bonds. *(Source: Reuters)*

Fed's Waller: 2022 rate hike possible, wants MBS taper first – A “very optimistic” Federal Reserve Governor Christopher Waller on Tuesday said the U.S. central bank may need to start dialing down its massive asset purchase program as soon as this year to allow the option of raising interest rates by late next year. “The unemployment rate would have to drop fairly substantially, or inflation would have to really continue at a very high rate, before we would take seriously a rate hike in 2022, but I'm not ruling it out,” Waller told Bloomberg TV in his first public comments since the Fed met earlier this month. Waller declined to say whether he is one of the seven Fed policymakers who believe a 2022 liftoff from current near-zero rates will be appropriate, or among the 11 others who see 2023 or even later as more likely. But with the crisis phase of the pandemic over, Waller said, “we are now in a different phase of economic policy, and so it's appropriate to start thinking about pulling back on some of the stimulus,” beginning with how and when to start tapering the Fed's monthly purchases of \$40 billion in mortgage-backed securities and \$80 billion in Treasuries. Waller said he would be “all in favor” of phasing out MBS purchases first. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.76	-0.68	KSA	2025	1.13	-0.53
Abu Dhabi	2030	1.99	-3.66	KSA	2030	2.29	-2.47
Abu Dhabi	2050	3.05	-5.60	KSA	2050	3.50	-4.07
Bahrain	2026	3.54	-2.22	Oman	2025	3.34	2.45
Bahrain	2030	5.42	-4.97	Oman	2029	4.95	2.84
Bahrain	2047	6.81	-8.38	Oman	2048	6.73	0.14
Dubai	2029	2.51	-0.63	Qatar	2025	0.92	-1.27
Kuwait	2022	0.08	-1.14	Qatar	2030	2.06	-3.98
Kuwait	2027	1.31	-2.07	Qatar	2050	3.23	-7.07

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.60	8.08	0.01	-0.05
S&P MENA Bond and Sukuk Index	2.22	NA	0.02	-0.60
Bloomberg Emerging Markets USD Index	3.80	6.80	0.00	-0.59
Bloomberg Global Aggregate Index	1.13	7.42	-0.06	-3.15

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	30/6/2021	31/12/2020	30/6/2021	31/12/2020	30/6/2021	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	0.9917	1.1206	1.0945	1.1960	1.2815	1.3636
AEIBOR	0.3500	0.5125	0.4825	0.4908	0.4620	0.6538
EURIBOR	-0.5430	-0.5450	-0.5130	-0.5260	-0.4800	-0.4990
LIBOR	0.1473	0.2384	0.1666	0.2576	0.2475	0.3419

USD Swap Rates

Currencies				Commodities						
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.1861	0.11	-3.3	KWD	0.3011	0.0000	0.73	Gold	1,760.00	-7.65
2-Year	0.3311	0.12	67.4	SAR	3.7507	0.0000	0.03	Silver	25.94	-2.46
5-Year	0.9676	0.45	125.0	BHD	0.3770	-0.0053	0.00	Copper	427.40	21.18
7-Year	1.2273	0.69	87.5	QAR	3.6410	0.0082	0.01	Nat. Gas	3.70	36.43
10-Year	1.4563	0.93	57.4	OMR	0.3850	0.0000	0.00	Aluminum	2,549.00	27.85
30-Year	1.7854	0.89	27.3	AED	3.6731	0.0000	0.00	Crude Oil	75.11	46.27

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.25	0.00	0.05	-0.01	-0.69	0.00
5-Year	0.89	-0.02	0.34	-0.03	-0.65	0.00
10-Year	1.48	-0.08	0.74	-0.19	-0.33	0.00
30-Year	2.09	-0.18	1.25	-0.67	0.33	0.00

UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.25	0.00	0.05	-0.01	-0.69	0.00
5-Year	0.89	-0.02	0.34	-0.03	-0.65	0.00
10-Year	1.48	-0.08	0.74	-0.19	-0.33	0.00
30-Year	2.09	-0.18	1.25	-0.67	0.33	0.00

German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.25	0.00	0.05	-0.01	-0.69	0.00
5-Year	0.89	-0.02	0.34	-0.03	-0.65	0.00
10-Year	1.48	-0.08	0.74	-0.19	-0.33	0.00
30-Year	2.09	-0.18	1.25	-0.67	0.33	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	30-Jun 2021	31-Dec 2020	
Kuwait	45.55	40.69	
KSA	52.52	63.77	
Abu Dhabi	37.30	36.03	
Dubai	81.48	104.06	
Qatar	38.12	36.70	
Bahrain	195.25	233.58	
Oman	231.48	353.60	
Iraq	492.27	542.74	
Egypt	323.07	330.47	
Morocco	77.06	102.56	
Turkey	380.74	299.47	
US	7.18	11.52	
UK	7.86	15.13	
China	35.48	26.70	
Japan	16.29	14.74	
Germany	9.26	9.09	
France	19.97	14.42	