

News Updates

KSA issues international bonds worth \$5bn – The Saudi National Debt Management Center said it received subscriptions from investors for its eighth international issuance under the Saudi Arabia's Global Medium-Term Note Programme. The issue was more than 4 times oversubscribed, with total orders amounting to more than \$22 billion. The kingdom will issue a total of \$5 billion (equivalent to SAR 18.75 billion) on two tranches, according to a press release on Wednesday. The first tranche is valued at \$2.75 billion (equivalent to SAR 10.3 billion) for 12-year notes maturing in 2033, while the second one totals \$2.25 billion (equivalent to SAR 8.4 billion) for 40-year notes maturing in 2061. On Tuesday, Reuters reported that Saudi Arabia started marketing a dual-tranche benchmark US dollar-denominated bond sale with tenors of 12 and 40 years. *(Source: Mubasher)*

NCB offers USD-denominated Additional Tier 1 Sukuk at SAR 1.25bn – The National Commercial Bank (NCB) has completed the offering of US dollar-denominated Additional Tier 1 Sukuk. The offering value amounts to SAR 1.25 billion. A total of 6,250 Sukuk were offered at a par value of \$200,000 each, according to a stock exchange filing on Tuesday. The Sukuk has a return rate of 3.50% per annum (and including) the issue date up to (but excluding) 26 January 2027. The rate of return will then be reset on 26 January 2027 and every six years thereafter. On 20 January, NCB started issuing USD-denominated Additional Tier 1 Sukuk. *(Source: Mubasher)*

Saudi Finance Minister expects domestic debt market to grow further – Saudi Finance Minister Mohammed al-Jadaan said on Wednesday he expects Saudi Arabia's domestic debt markets to become more liquid after a large expansion last year. “We have reformed the capital markets both on the equity side and the debt side, and the debt markets liquidity has grown by about 200% during 2020, and we're likely to see even more growth in that area because the market has a depth (and) investors are looking for safe yields and this market provides that,” he said. *(Source: Reuters)*

Abu Dhabi's Aldar plans international bond sale – Abu Dhabi's largest property developer, Aldar, is planning an international bond issuance soon. The planned debt sale comes as Gulf borrowers line up to tap the international debt markets to bolster finances hit by the COVID-19 pandemic and low oil prices. Aldar, the state-linked builder of Abu Dhabi's Formula One circuit, did not immediately respond to a request for comment. Ripe market conditions have led to record-setting deals in recent weeks, including the region's lowest-yielding Additional Tier 1 issuance from Saudi Arabia's biggest lender, National Commercial Bank, and the lowest coupon on Gulf bank senior bonds from Qatar National Bank, the Gulf's biggest lender. *(Source: Zawya)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.84	-0.37	KSA	2025	1.17	-0.06
Abu Dhabi	2030	1.72	-1.23	KSA	2030	2.16	-1.29
Abu Dhabi	2050	2.89	-2.64	KSA	2050	3.47	-3.57
Bahrain	2026	3.40	-0.62	Oman	2025	3.45	2.58
Bahrain	2030	5.08	-2.27	Oman	2029	5.19	1.40
Bahrain	2047	6.44	-4.10	Oman	2048	6.78	-0.52
Dubai	2029	2.36	0.86	Qatar	2025	0.92	-0.41
Kuwait	2022	0.44	-0.41	Qatar	2030	1.78	-1.38
Kuwait	2027	1.21	-0.76	Qatar	2050	2.96	-2.33

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.51	8.08	-0.06	-0.42
S&P MENA Bond and Sukuk Index	1.62	NA	-0.03	-0.57
Bloomberg Emerging Markets USD Index	3.59	6.80	-0.03	-0.85
Bloomberg Global Aggregate Index	0.88	7.42	-0.08	-0.88

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	31/1/2021	31/12/2020	31/1/2021	31/12/2020	31/1/2021	31/12/2020
KIBOR	1.4375	1.4375	1.6875	1.6875	1.9375	1.9375
SAIBOR	0.8163	0.8175	0.8650	0.8700	0.9350	0.9413
BHIBOR	2.2000	2.2500	2.4667	2.5333	2.6833	2.6833
QATAR	0.9514	1.1206	1.0641	1.1960	1.2404	1.3636
AEIBOR	0.4013	0.5125	0.4732	0.4908	0.5425	0.6538
EURIBOR	-0.5480	-0.5450	-0.5310	-0.5260	-0.5120	-0.4990
LIBOR	0.2019	0.2384	0.2233	0.2576	0.3111	0.3419

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1766	-0.56	-8.3
2-Year	0.1865	-0.86	-5.7
5-Year	0.5200	0.05	20.9
7-Year	0.8018	1.18	22.5
10-Year	1.1094	2.24	19.9
30-Year	1.5889	2.84	13.3

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3029	-0.0495	0.13
SAR	3.7508	0.0027	0.02
BHD	0.3770	0.0000	0.01
QAR	3.6414	0.0000	0.00
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.11	0.02
5-Year	0.42	0.04
10-Year	1.07	-0.17
30-Year	1.83	-0.52

Source: Bloomberg

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.12	-0.03
5-Year	-0.03	-0.07
10-Year	0.32	-0.51
30-Year	0.89	-1.19

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.68	-0.01
5-Year	-0.77	-0.06
10-Year	-0.61	-0.20
30-Year	-0.08	-0.77

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	B2	NR	B
Morocco	Ba1	BBB-	BB+
US	Aaa	AA+u	AAA
UK	Aa2	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS

	31-Jan 2021	31-Dec 2020
Kuwait	42.19	40.69
KSA	66.65	63.77
Abu Dhabi	43.18	36.03
Dubai	106.46	104.06
Qatar	43.26	36.70
Bahrain	233.52	233.58
Oman	322.29	353.60
Iraq	498.31	542.74
Egypt	326.08	330.47
Morocco	101.82	102.56
Turkey	308.31	299.47
US	10.00	11.52
UK	15.24	15.13
China	31.00	26.70
Japan	14.61	14.74
Germany	9.62	9.09
France	13.93	14.42