

News Updates

Qatar-issued green bonds, sukuk and ESG funds to be launched soon – Qatar green bonds, sukuk and ESG (environment, social and governance) funds are soon expected to be in place as the country is “primed” to take advantage of the trend of carbon target, according to a senior official of the Qatar Financial Centre (QFC). “With Qatar Petroleum’s (QP) aggressive green investments, the Qatar Stock Exchange’s guidance on ESG reporting, and QFC’s institutional backing, there is a strong likelihood Qatar-issued green bonds, sukuks and ESG funds will be launched shortly,” Thaddeus Malesa, Senior Advisor for Economics and Research, QFC Authority, wrote in an article. With the country foreseen to run a substantial budget surplus starting this year, times of capital accumulation have returned, he said, adding the outlook for sustained financial surpluses is well defined. *(Source: Gulf Times)*

Oil prices to rise to \$75 per barrel before end of year: UBS – Oil prices, which fell on Thursday on renewed concerns over COVID-19, is likely to move higher to reach \$75 per barrel before the end of the year, according to the latest analysis. “We anticipate Brent crude will rise to \$75 a barrel by December. That should benefit global energy stocks, which... are still pricing in a Brent crude price of only \$55-\$60,” Swiss bank UBS said in a research note on Thursday. UBS said that the price of oil does look set to remain volatile, but the upward trend is likely to resume. It said that the global trend toward economic normalisation is still “intact” and should boost oil demand. UBS said the recent agreement of the Organisation of Petroleum Exporting Countries (OPEC) and its allies to lift production each month by 400,000 barrels per day is not set in stone. It cited that the Saudi Energy Minister Prince Abdulaziz bin Salman has made it clear that the group can delay or reverse the planned production increases, if necessary. UBS also said that they see oil and commodities more broadly as a hedge against the risk that inflation proves more sustained than currently forecast. *(Source: Zawya)*

Powell Stays on Course, Signals 2021 Taper Start at Jackson Hole – Federal Reserve Chair Jerome Powell said the U.S. central bank could begin slowing down asset purchases this year as the U.S. economy recovers from the pandemic, but it won’t be in a hurry to raise interest rates. Speaking at the Fed’s annual Jackson Hole policy forum on Friday, Powell sounded a note of caution about employment levels and stuck to the central bank’s message that the current bout of inflation is due in part to supply-chain disruptions brought by Covid-19 and likely to be transitory. Powell didn’t provide a specific timeline for starting scaling back the Fed’s \$120 billion-per-month in bond buying, a program started last year in response to the Covid-19 crisis. While the economy is on a strong path forward, the Fed will be carefully assessing incoming data to see how risks like the delta variant of the virus might impact progress toward its goals, Powell said. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.73	-0.85	KSA	2025	1.07	-0.61
Abu Dhabi	2030	1.83	-2.76	KSA	2030	2.14	-1.53
Abu Dhabi	2050	3.00	-4.43	KSA	2050	3.46	-3.54
Bahrain	2026	3.93	-3.98	Oman	2025	3.24	2.53
Bahrain	2030	5.67	-6.79	Oman	2029	4.92	2.93
Bahrain	2047	7.00	-10.47	Oman	2048	6.60	1.85
Dubai	2029	2.46	-0.59	Qatar	2025	0.93	-1.63
Kuwait	2022	0.13	-1.50	Qatar	2030	2.01	-3.83
Kuwait	2027	1.23	-1.89	Qatar	2050	3.13	-5.49

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.58	8.08	0.10	0.70
S&P MENA Bond and Sukuk Index	2.16	NA	0.04	0.29
Bloomberg Emerging Markets USD Index	3.85	6.80	0.18	0.33
Bloomberg Global Aggregate Index	1.03	7.42	0.22	-2.37

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	29/8/2021	31/12/2020	29/8/2021	31/12/2020	29/8/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7957	0.8175	0.8443	0.8700	0.9143	0.9413
BHIBOR	1.5500	2.2500	1.6333	2.5333	1.8083	2.6833
QATAR	1.1500	1.1206	1.2000	1.1960	1.3308	1.3636
AEIBOR	0.3942	0.5125	0.4867	0.4908	0.5050	0.6538
EURIBOR	-0.5500	-0.5450	-0.5290	-0.5260	-0.5020	-0.4990
LIBOR	0.1199	0.2384	0.1548	0.2576	0.2351	0.3419

USD Swap Rates

	Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.1574	-0.86	-18.2	KWD	0.3009	0.0000
2-Year	0.3076	-2.08	55.5	SAR	3.7506	0.0000
5-Year	0.8884	-4.20	106.6	BHD	0.3770	0.0000
7-Year	1.1150	-4.16	70.3	QAR	3.6416	0.0000
10-Year	1.3263	-3.86	43.3	OMR	0.3850	0.0000
30-Year	1.6560	-2.06	18.1	AED	3.6730	0.0000

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.22	0.05	0.11	0.04	-0.71	0.00
5-Year	0.80	0.25	0.29	0.08	-0.78	0.02
10-Year	1.31	0.41	0.58	0.21	-0.58	0.12
30-Year	1.92	0.71	1.00	0.58	0.04	0.24

Currencies

	USD	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)
Gold	1,819.50	-4.80				
Silver	24.11	-9.55				
Copper	433.20	22.93				
Nat. Gas	4.39	60.09				
Aluminum	2,641.25	32.08				
Crude Oil	72.70	42.41				

UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.22	0.05	0.11	0.04	-0.71	0.00
5-Year	0.80	0.25	0.29	0.08	-0.78	0.02
10-Year	1.31	0.41	0.58	0.21	-0.58	0.12
30-Year	1.92	0.71	1.00	0.58	0.04	0.24

Commodities

	USD	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)
Gold	1,819.50	-4.80				
Silver	24.11	-9.55				
Copper	433.20	22.93				
Nat. Gas	4.39	60.09				
Aluminum	2,641.25	32.08				
Crude Oil	72.70	42.41				

German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.22	0.05	0.11	0.04	-0.71	0.00
5-Year	0.80	0.25	0.29	0.08	-0.78	0.02
10-Year	1.31	0.41	0.58	0.21	-0.58	0.12
30-Year	1.92	0.71	1.00	0.58	0.04	0.24

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

	29-Aug 2021	31-Dec 2020
Kuwait	46.07	40.69
KSA	50.63	63.77
Abu Dhabi	40.77	36.03
Dubai	76.63	104.06
Qatar	40.64	36.70
Bahrain	249.12	233.58
Oman	241.25	353.60
Iraq	562.87	542.74
Egypt	345.07	330.47
Morocco	93.82	102.56
Turkey	365.70	299.47
US	7.85	11.52
UK	7.68	15.13
China	33.13	26.70
Japan	16.20	14.74
Germany	8.72	9.09
France	18.21	14.42