

News Updates

Tunisia Central Bank Holds Key Rate as Crisis Roils Economy –

Tunisia's central bank held its benchmark interest rate and urged authorities to work toward restoring investor confidence, as the North African nation struggles with its worst constitutional crisis in a decade. The bank's board kept the key rate at 6.25% on Tuesday at its first meeting since President Kais Saied last week suspended parliament and fired the prime minister. Ratings agencies said the upheaval at the apex of power could further delay talks with the International Monetary Fund over a new loan program. The central bank said that “more coordination” was needed by all stakeholders to develop an economic reform program and find ways to exit the country's crisis, ensuring stability and the smooth functioning of state institutions. It urged authorities to “restore the confidence” of international financial institutions and foreign investors. *(Source: Bloomberg)*

Fitch: Egyptian Bank Credit Risks Ease on Better Operating Environment –

They revised their outlook on the Egyptian banking sector's operating environment to stable from negative in July, largely due to the improvement in foreign-currency (FC) liquidity, which had net foreign assets of USD1.7 billion at end-June 2021. This compares with net foreign liabilities of USD5.3 billion at end-April 2020 after foreign investors sold their holdings of local-currency government securities at the start of the pandemic, causing USD17 billion worth of portfolio outflows. Egyptian banks' Issuer Default Ratings that are driven by their Viability Ratings are now on Stable Outlook, reflecting the stable outlook on the operating environment. *(Source: Fitch Ratings)*

Oil Sinks a Second Day with Delta's Spread a Menace to Demand –

Oil declined for a second day as the spread of Covid-19's delta variant in China threatened to disrupt the recovery in global crude consumption. West Texas Intermediate futures ended Tuesday's session down 1% at the lowest closing price in almost two weeks. Nearly half of China's 32 provinces have been gripped by the latest outbreak in Asia's largest oil market, with 5% of worldwide short-term oil demand potentially at risk, according to calculations by China National Petroleum Corp. The price drop was tempered somewhat by a rally in equities trading and the “potential hijack” of a ship in the Gulf of Oman. Meanwhile, in the U.S., crude stockpiles fell 879,000 barrels last week and gasoline supplies dropped by 5.75 million barrels, according to people familiar with the industry-funded American Petroleum Institute's inventory data on Tuesday. Crude rallied strongly in the first half of the year as the rollout of vaccines allowed major economies to reopen, boosting oil demand and draining the glut built up during initial waves of the pandemic. However, the fast-spreading delta variant has led to renewed restrictions in many countries. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.65	-0.46	KSA	2025	1.06	-0.43
Abu Dhabi	2030	1.84	-2.60	KSA	2030	2.16	-1.57
Abu Dhabi	2050	2.96	-4.01	KSA	2050	3.44	-3.09
Bahrain	2026	3.88	-3.75	Oman	2025	3.25	2.53
Bahrain	2030	5.58	-5.98	Oman	2029	4.87	3.31
Bahrain	2047	6.93	-9.63	Oman	2048	6.53	2.61
Dubai	2029	2.45	-0.37	Qatar	2025	0.86	-1.29
Kuwait	2022	0.13	-1.40	Qatar	2030	1.93	-3.13
Kuwait	2027	1.18	-1.74	Qatar	2050	3.10	-5.00

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.57	8.08	0.06	0.68
S&P MENA Bond and Sukuk Index	2.16	NA	0.05	0.25
Bloomberg Emerging Markets USD Index	3.90	6.80	0.09	-0.13
Bloomberg Global Aggregate Index	0.96	7.42	0.03	-1.62

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	4/8/2021	31/12/2020	4/8/2021	31/12/2020	4/8/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7943	0.8175	0.8443	0.8700	0.9143	0.9413
BHIBOR	1.5750	2.2500	1.7167	2.5333	1.8667	2.6833
QATAR	0.9833	1.1206	1.0833	1.1960	1.2833	1.3636
AEIBOR	0.3881	0.5125	0.5100	0.4908	0.6708	0.6538
EURIBOR	-0.5430	-0.5450	-0.5230	-0.5260	-0.5020	-0.4990
LIBOR	0.1238	0.2384	0.1566	0.2576	0.2324	0.3419

USD Swap Rates

	Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.1438	0.00	-25.3	KWD	0.3005	0.0000
2-Year	0.2510	0.26	26.9	SAR	3.7503	-0.0027
5-Year	0.7383	0.34	71.7	BHD	0.3770	0.0000
7-Year	0.9653	0.22	47.5	QAR	3.6420	0.0082
10-Year	1.1946	0.16	29.1	OMR	0.3850	0.0000
30-Year	1.5871	0.57	13.2	AED	3.6731	0.0000

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.17	0.00	0.04	-0.03	-0.71	0.00
5-Year	0.65	-0.01	0.22	-0.02	-0.83	0.00
10-Year	1.17	-0.01	0.52	0.00	-0.63	0.00
30-Year	1.85	-0.12	0.94	0.28	-0.01	0.00

UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.17	0.00	0.04	-0.03	-0.71	0.00
5-Year	0.65	-0.01	0.22	-0.02	-0.83	0.00
10-Year	1.17	-0.01	0.52	0.00	-0.63	0.00
30-Year	1.85	-0.12	0.94	0.28	-0.01	0.00

German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.17	0.00	0.04	-0.03	-0.71	0.00
5-Year	0.65	-0.01	0.22	-0.02	-0.83	0.00
10-Year	1.17	-0.01	0.52	0.00	-0.63	0.00
30-Year	1.85	-0.12	0.94	0.28	-0.01	0.00

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	4-Aug 2021	31-Dec 2020
Kuwait	46.10	40.69
KSA	54.84	63.77
Abu Dhabi	41.40	36.03
Dubai	86.33	104.06
Qatar	41.37	36.70
Bahrain	244.32	233.58
Oman	239.32	353.60
Iraq	551.12	542.74
Egypt	349.66	330.47
Morocco	94.44	102.56
Turkey	381.38	299.47
US	7.21	11.52
UK	8.00	15.13
China	37.87	26.70
Japan	16.28	14.74
Germany	8.62	9.09
France	18.33	14.42