

News Updates

ABK gets Central Bank approval for Tier 2 unsecured bond – Ahli Bank of Kuwait (ABK) has received approval from the Central Bank of Kuwait to issue up to \$750 million subordinated Tier 2 unsecured bonds, the bank said in a Boursa disclosure released yesterday. The bonds will be issued under ABK's Euro Medium Term Note Program. *(Source: ABK Disclosure)*

Kuwait, Iraq back OPEC+ oil supply rise plan, despite calls for more – Kuwait and Iraq support sticking to plans to raise oil output by 400,000 barrels per day (bpd) at an OPEC+ meeting on Thursday, as the U.S. called again for extra supply to cool rising prices. Kuwait's oil minister Mohammad Abdulatif al-Fares said on Monday that the OPEC member supports the plan to raise output, which would ensure adequate crude supply to balance the global market, state news agency KUNA reported. Iraq's state oil marketing company, SOMO, said on Saturday that the OPEC member sees raising output as already planned was sufficient to meet demand and stabilize the market. U.S. President Joe Biden on Saturday urged major G20 energy producing countries with spare capacity to boost production to ensure a stronger global economic recovery. President Biden's statement is part of a broad effort by the White House to pressure OPEC and its allies to increase supply. Brent crude prices were trading at near \$85 a barrel on Monday, despite China announcing a release of fuel reserves to increase market supply and support price stability in some regions. Saudi Arabia has already dismissed calls for more oil supplies from the group, saying the oil market was well-supplied. *(Source: Reuters)*

U.S. Treasury yields mixed as Treasury plans more borrowing – U.S. Treasury yields were mixed on Monday as the federal government disclosed an increased borrowing need this quarter, while the market looked ahead to the likely announcement by the Federal Reserve that it will commence tapering its asset purchases. The benchmark 10-year yield was last up 1.2 basis points at 1.568%. The U.S. Treasury said it plans to borrow \$1.015 trillion in the fourth quarter, up from an August estimate of \$703 billion, due to having a lower balance at the beginning of the quarter. The market is focused on the Fed's two-day meeting and Wednesday's widely expected announcement that the central bank's monthly \$120 billion purchases of Treasuries and mortgage-backed securities will be reduced. *(Source: Reuters)*

Yellen says U.S economy is not overheating – U.S. Treasury Secretary Janet Yellen on Monday said she does not think the U.S. economy is overheating and that while inflation is higher than in recent years, it is related to disruption from the COVID-19 pandemic. Data last week showed that U.S. consumer spending increased solidly in September, which together with falling COVID-19 infections and recovering consumer confidence bode well for a pickup in economic activity in the final quarter. While inflation pressures are broadening out, Yellen reiterated that she believed price rises are transitory. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.09	-2.28	KSA	2025	1.32	-1.78
Abu Dhabi	2030	2.05	-4.39	KSA	2030	2.38	-3.38
Abu Dhabi	2050	3.07	-6.00	KSA	2050	3.56	-5.16
Bahrain	2026	3.99	-4.71	Oman	2025	3.29	2.10
Bahrain	2030	5.59	-6.29	Oman	2029	4.77	3.80
Bahrain	2047	7.11	-11.63	Oman	2048	6.58	1.92
Dubai	2029	2.48	-0.97	Qatar	2025	1.20	-3.06
Kuwait	2022	-0.13	-1.96	Qatar	2030	2.20	-5.35
Kuwait	2027	1.60	-4.07	Qatar	2050	3.20	-6.61

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.74	8.08	-0.02	0.20
S&P MENA Bond and Sukuk Index	2.35	NA	-0.01	-0.39
Bloomberg Emerging Markets USD Index	4.34	6.80	-0.24	-1.79
Bloomberg Global Aggregate Index	1.30	7.42	-0.03	-4.32

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	2/11/2021	31/12/2020	2/11/2021	31/12/2020	2/11/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.8286	0.8175	0.8771	0.8700	0.9471	0.9413
BHIBOR	1.5000	2.2500	1.5583	2.5333	1.7667	2.6833
QATAR	1.1797	1.1206	1.2281	1.1960	1.3500	1.3636
AEIBOR	0.3219	0.5125	0.5158	0.4908	0.8500	0.6538
EURIBOR	-0.5530	-0.5450	-0.5270	-0.5260	-0.4550	-0.4990
LIBOR	0.1323	0.2384	0.2010	0.2576	0.3611	0.3419

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.3203	-0.41	66.4	KWD	0.3018	-0.0331	0.50	Gold	1,794.80	-6.09
2-Year	0.6917	-1.13	249.7	SAR	3.7513	-0.0027	0.01	Silver	24.04	-9.83
5-Year	1.2360	-1.14	187.4	BHD	0.3771	-0.0027	-0.01	Copper	434.95	23.43
7-Year	1.4151	-0.79	116.2	QAR	3.6421	0.0027	0.00	Nat. Gas	5.23	79.47
10-Year	1.5659	-0.67	69.2	OMR	0.3850	0.0000	0.00	Aluminum	2,713.75	35.25
30-Year	1.7437	0.08	24.4	AED	3.6730	0.0082	0.01	Crude Oil	84.70	67.36

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.48	0.04	0.67	0.04	-0.87	0.00
5-Year	1.16	0.07	0.82	-0.02	-0.58	0.07
10-Year	1.55	0.09	1.06	-0.24	-0.24	0.02
30-Year	1.96	0.05	1.14	-0.67	0.14	-0.82

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	Caa1	NR	B-
Morocco	Ba1	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	2-Nov 2021	31-Dec 2020
Kuwait	46.48	40.69
KSA	48.73	63.77
Abu Dhabi	41.89	36.03
Dubai	84.49	104.06
Qatar	42.15	36.70
Bahrain	278.15	233.58
Oman	239.32	353.60
Iraq	455.27	542.74
Egypt	457.36	330.47
Morocco	90.05	102.56
Turkey	440.88	299.47
US	12.92	11.52
UK	9.45	15.13
China	46.59	26.70
Japan	17.12	14.74
Germany	8.04	9.09
France	21.41	14.42