

News Updates

Al Rajhi Bank to issue USD sukuk to Saudi, international investors –

Al Rajhi Bank has announced plans to issue USD-denominated additional tier 1 capital sustainable sukuk under its international sukuk programme. The offering is expected to be conducted through a special purpose vehicle to Saudi Arabian and international investors, according to a bourse filing. It is aimed at fulfilling the bank’s financial and strategic objectives. The bank has mandated Al Rajhi Capital Company, Citigroup Global Markets Limited, Dubai Islamic Bank (DIB), Emirates NBD Bank, Goldman Sachs International, HSBC Bank, and Standard Chartered Bank as Joint lead managers and book-runners for the sukuk offering. In March 2024, Al Rajhi Bank concluded the issuance of a \$1 billion USD-denominated Shari’ah-compliant sustainable sukuk. *(Source: Mubasher)*

Aqaseem plans Sukuk issuance worth SAR 500M –

Aqaseem Factory for Chemicals and Plastics Co.’s board announced its intention to set up a SAR Sukuk program. The company will issue local SAR-denominated, Shariah-compliant Sukuks at a value of SAR 500 million. The funding will be used to serve for the company’s general commercial purposes and meet its financial and strategic objectives, according to a statement to Tadawul. The offering is subject to approvals of the relevant official authorities and will be made in accordance with the relevant laws and regulations. The board appointed Al Khair Capital as the financial advisor for the process. *(Source: Arqaam)*

Fitch Expects ESG Sukuk Bond Market to Reach \$50b in Two Years –

ESG sukuk will cross \$50b of outstanding globally within the next two years, as issuers aim to meet their funding diversification goals, according to Fitch Ratings. Regulatory initiatives could support standardization, ecosystem development and aid transparency, Bashar Al Natoon, global head of Islamic finance writes in a note. In April, the UAE’s Securities and Commodities Authority announced the extension of the waiver of registration fees for green or sustainability-linked sukuk and bonds. Saudi Arabia and Oman have introduced Green Financing Frameworks. ICMA, IDB and LSE published new guidance on the issuance of ESG sukuk. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.95	-2.05	KSA	2027	5.04	-1.11
Abu Dhabi	2029	4.83	-3.15	KSA	2029	5.03	-2.73
Abu Dhabi	2031	4.87	-3.82	KSA	2032	5.13	-3.79
Abu Dhabi	2050	5.47	-7.44	KSA	2050	5.86	-6.44
Bahrain	2028	6.15	-1.27	Oman	2027	5.72	-2.02
Bahrain	2031	6.67	-0.50	Oman	2031	5.76	-2.81
Bahrain	2051	7.80	-2.01	Oman	2051	6.65	-4.00
Dubai	2029	4.62	-1.06	Qatar	2028	4.85	-2.75
Dubai	2050	6.07	-5.88	Qatar	2030	4.76	-4.27
Kuwait	2027	4.94	-1.96	Qatar	2050	5.44	-7.93

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.64	6.62	-0.09	-1.44
S&P MENA Bond and Sukuk Index	5.48	7.12	-0.05	-1.82
Bloomberg Emerging Markets USD Index	7.24	5.97	-0.19	1.11
Bloomberg Global Aggregate Index	3.91	6.57	-0.34	-3.33

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	09/05/2024	31/12/2023	09/05/2024	31/12/2023	09/05/2024	31/12/2023
KIBOR	4.31	4.00	4.50	4.25	4.69	4.56
SAIBOR	6.24	5.34	6.20	5.60	5.94	5.87
BHIBOR	6.32	6.14	6.33	6.27	6.36	6.55
QATAR	6.00	5.28	6.10	5.42	6.25	5.58
AEIBOR	5.32	4.31	5.16	4.94	5.34	5.04
EURIBOR	3.79	2.13	3.80	2.69	3.65	3.29
LIBOR	5.58	4.77	5.72	5.14	6.04	5.48
SOFR	5.33	5.33	5.29	5.16	5.15	4.77

	USD Swap Rates			Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	5.16	-0.02	8.4	KWD	0.3073	-0.0098	0.55	Crude Oil	83.93	9.81
2-Year	4.76	0.54	17.1	SAR	3.7508	0.0000	-0.02	Gold	2,324.10	10.08
5-Year	4.27	1.33	21.1	EUR	1.0745	-0.0279	-2.66	Silver	27.81	13.28
7-Year	4.18	1.49	20.2	GBP	1.2492	-0.0480	-1.88	Copper	455.40	15.97
10-Year	4.13	1.54	18.9	JPY	155.6000	-0.0450	-9.36	Nat. Gas	2.19	-13.06
30-Year	3.89	1.37	17.4	CNH	7.2289	0.0138	-1.42	Aluminum	2,501.04	3.68

	US Treasuries		UK GUILTS		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
1-Year	5.12	-0.02	4.61	0.01	NA	NA
2-Year	4.85	-0.02	4.30	0.01	3.53	0.00
5-Year	4.51	-0.07	4.02	0.00	2.61	0.00
10-Year	4.50	-0.13	4.14	-0.13	2.41	0.00
30-Year	4.65	-0.20	4.61	-0.14	2.58	0.00

	Sovereign Ratings		
	Moody's	S&P	Fitch
Kuwait	A1	A+	AA-
KSA	A1	Au	A+
UAE	Aa2	NR	AA-
Abu Dhabi	Aa2	AA	AA
Qatar	Aa2	AA	AA-
Bahrain	B2	B+	B+
Oman	Ba1	BB+	BB+
Egypt	Caa1	B-	B-
Lebanon	C	SD	RDu
Jordan	B1	B+	BB-
Turkey	B3	B+u	B
Tunisia	Caa2	NR	CCC-
Morocco	Ba1	BB+	BB+u
US	Aaa	AA+u	AAAu
UK	Aa3	AAu	AA-u
China	A1	A+	A+u

	09-May 2024	31-Dec 2023
USD 5Yr CDS		
Kuwait	52.05	35.96
KSA	50.51	50.21
Abu Dhabi	38.61	39.60
Dubai	64.37	60.36
Qatar	39.14	43.52
Bahrain	178.82	198.10
Oman	94.80	112.12
Iraq	350.76	411.62
Egypt	NA	NA
Morocco	84.87	109.36
Turkey	282.08	279.01
US	40.85	45.19
UK	22.18	33.74
China	64.04	59.80
Japan	22.47	22.74
Germany	7.25	15.61
France	22.12	22.94