

News Update

Saudi Arabia’s holdings in US treasuries at \$135.6bn in November–

Saudi Arabia’s holdings in US treasuries reached \$135.6 billion by the end of November, representing a marginal decline of 2.58 percent compared to October, official data showed. The Kingdom’s holdings in US treasuries stood at \$139.2 billion in October, while it was \$143.9 billion and \$142.8 billion in September and August, respectively. Data released by the US Treasury Department revealed that Saudi Arabia maintained its 17th place among the largest holders of such financial instruments in November. The latest data also said that Saudi Arabia is the only country in the Gulf Cooperation Council region to secure a place among the top 20 holders of US Treasury securities. Saudi Arabia’s holdings of US Treasuries were distributed among long-term bonds worth \$112.3 billion, representing 83% of the total. Short-term bonds amounted to \$23.2 billion, accounting for 17%.

EMEA’s First Pulled Deal of Year a Case of Pricing It Too Tight– Arab Banking Corp. canceled its debut sale of Additional Tier 1 bonds due to investors withdrawing orders after the yield tightened too much. The deal was initially attractive, with orders exceeding \$750 million, but some investors were deterred when the yield was reduced from around 8% to 7.875%. This is the first pulled deal of the year in the EMEA region, where several banks have been tapping the market early for regulatory capital to take advantage of historically tight risk premiums.

Oil Steadies Near \$81 as Market Braces for Second Trump Term– Crude has rallied at the start of the year, after frigid weather in the Northern Hemisphere drove higher heating demand and broader US sanctions on Russia’s oil industry left customers in Asia seeking alternative supplies. Trading volumes for Monday’s session may be lower due to a federal holiday in the US. The additional sanctions on Russia have upended tanker markets, led to prices of Middle Eastern crude surging and Brent’s prompt spread widening in a bullish backwardation structure. Speculators have increased their long-only positions on Brent, although there’s also been a smaller buildup of shorts. Scott Bessent, Trump’s nominee for Treasury secretary, said last week he would support dialing up measures targeting Russia’s oil industry, which would likely mean even more disruption. The President-elect’s pick for national security adviser has previously vowed “maximum pressure” on Iran. “If Bessent gets his way, the energy sanctions will only tighten,” said Vishnu Varathan, head of economics and strategy for Mizuho Bank Ltd. “But the bigger picture for me is that the US is intent on extending its reach as a dominant energy exporter.”

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.63	0.19	KSA	2027	4.83	0.25
Abu Dhabi	2029	4.75	0.11	KSA	2029	5.00	-0.02
Abu Dhabi	2031	4.88	0.22	KSA	2032	5.20	0.12
Abu Dhabi	2050	5.73	-1.78	KSA	2050	6.11	-1.24
Bahrain	2028	6.23	-0.18	Oman	2027	5.36	0.37
Bahrain	2032	6.68	-0.13	Oman	2031	5.60	-0.01
Bahrain	2051	7.69	0.26	Oman	2051	6.66	-0.94
Dubai	2029	4.49	-0.28	Qatar	2028	4.61	-0.08
Dubai	2050	6.11	-2.42	Qatar	2030	4.63	-0.30
Kuwait	2027	4.84	0.09	Qatar	2050	5.60	-1.36

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.58	6.34	0.12	-0.31
S&P MENA Bond and Sukuk Index	5.42	6.72	0.20	-0.36
Bloomberg Emerging Markets USD Index	6.72	5.86	0.05	0.17
Bloomberg Global Aggregate Index	3.74	6.48	0.01	-0.41

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	20/01/2025	31/12/2024	20/01/2025	31/12/2024	20/01/2025	31/12/2024
KIBOR	4.00	4.00	4.19	4.25	4.38	4.56
SAIBOR	5.34	5.34	5.47	5.60	5.24	5.87
BHIBOR	5.69	6.14	5.56	6.27	5.56	6.55
QATAR	4.65	5.28	4.50	5.42	4.40	5.58
AEIBOR	4.33	4.31	4.32	4.94	4.40	5.04
EURIBOR	2.70	2.13	2.64	2.69	2.52	3.29
LIBOR	4.85	4.77	4.68	5.14	6.04	5.48
SOFR	4.29	5.33	4.25	5.16	4.19	4.77

USD Swap Rates

	USD Swap Rates			Currencies			Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)	
1-Year	4.21	0.02	0.81	KWD	0.31	-0.01	Crude Oil	80.67	8.08
2-Year	4.14	0.04	1.56	SAR	3.75	0.01	Gold	2748.10	4.06
5-Year	4.13	0.04	2.34	EUR	1.03	0.31	Silver	31.24	6.82
7-Year	4.15	0.03	2.43	GBP	1.22	0.35	Copper	434.30	7.86
10-Year	4.17	0.02	2.48	JPY	155.99	0.20	Nat. Gas	3.79	4.32
30-Year	4.05	0.00	2.87	CNH	7.32	0.28	Aluminum	2691.04	5.66

Yield Curves

	US Treasuries		UK Guilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
1-Year	4.20	0.00	4.50	0.01	NA	NA
2-Year	4.28	0.00	4.36	0.02	2.22	0.00
5-Year	4.43	0.01	4.38	0.09	2.16	0.01
10-Year	4.63	0.01	4.66	0.15	2.38	0.07
30-Year	4.86	0.02	5.21	0.41	2.75	0.34

	Sovereign Ratings		
	Moody’s	S&P	Fitch
Kuwait	A1	A+	AA-
KSA	Aa3	Au	A+
UAE	Aa2	NR	AA-
Abu Dhabi	Aa2	AA	AA
Qatar	Aa2	AA	AA
Bahrain	B2	B+	B+
Oman	Ba1	BBB-	BB+
Egypt	Caa1	B-	B
Lebanon	C	SD	WD
Jordan	Ba3	BB-	BB-
Turkey	B1	BB-u	BB-
Tunisia	Caa2	NR	CCC+
Morocco	Ba1	BB+	BB+u
US	Aaa	AA+u	AA+u
UK	Aa3	AAu	AA-u
China	A1	A+	A+u

	20-Jan 2025	31-Dec 2024
USD 5Yr CDS		
Kuwait	48.50	54.05
KSA	64.31	62.19
Abu Dhabi	41.02	41.61
Dubai	57.07	59.39
Qatar	41.83	41.27
Bahrain	177.20	181.22
Oman	99.56	95.76
Iraq	187.51	246.58
Egypt	NA	NA
Morocco	93.38	91.19
Turkey	270.61	257.13
US	33.24	30.89
UK	21.65	19.69
China	56.59	64.57
Japan	19.15	19.11
Germany	12.42	12.60
France	36.12	36.96