

News Updates

UAE central bank to revise 2020 growth forecast due to coronavirus –

The United Arab Emirates' central bank will reassess its forecast for economic growth in 2020 due to the coronavirus outbreak, said Magda Kandil, chief economist and head of research and statistics at the bank. "Given what has transpired already, given implications on supply chain and demand, and disruption of transportation and tourism and cancellation of events, this will weigh negatively on global growth, and I think the UAE, we have to be realistic in this regard, will see some impact of this," she said, speaking on Dubai Eye radio on Tuesday. The International Monetary Fund last year had forecast 2020 growth of 2.5% for the United Arab Emirates.

Moody's downgrades NMC's CFR to Caa1; will subsequently withdraw all ratings –

Moody's Investors Service, ("Moody's") has today downgraded NMC Health plc's (NMC) corporate family rating (CFR) to Caa1 from Ba2 and the company's probability of default rating (PDR) to Caa1-PD from Ba2-PD. Concurrently Moody's has downgraded the rating of the \$400 million USD-denominated trust certificates (or sukuk) of NMC Healthcare Sukuk Limited due 2023 to Caa1 from Ba2 and kept all ratings under review for downgrade. Moody's will subsequently withdraw all ratings. The downgrade to Caa1 reflects a deepening of the governance shortfalls affecting the company. The recent removal of the CEO, absence of the CFO and suspension of a member of the treasury team points to significant weaknesses in terms of oversight, financial management and operational controls.

Gulf Bonds Shielded From EM Bond Rout, With One Exception –

Investors' preference for high-grade dollar debt has helped shield most Gulf Cooperation Council nations from an EM bond rout. GCC bonds, whose average sovereign credit rating is A+, were largely steady even as developing-nation sovereign debt lost 2% last week. One exception is Oman's dollar debt, which will likely remain under pressure given the nation the most exposed regionally to the slump in oil. The sultanate needs a higher crude price to balance its budget, and there's no guarantee that Arab nations would rescue it from a crisis. This vulnerability is evident in the yield gap between Oman's bond due 2029 and Bahrain's debt of similar maturity -- that has widened to around 90 basis points from the all-time low of 50 basis points reached on March 20.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Yield Δ (YTD %)	Sovereigns	Maturity	Yield %	Yield Δ (YTD %)
Abu Dhabi	2027	1.98	-17.21	KSA	2025	2.13	-9.21
Abu Dhabi	2047	2.97	-7.65	KSA	2029	2.52	-10.92
Bahrain	2024	3.46	1.52	KSA	2049	3.59	-6.99
Bahrain	2029	4.77	5.33	Oman	2025	4.18	0.39
Bahrain	2047	6.11	4.22	Oman	2029	5.61	5.52
Dubai	2023	2.57	5.69	Oman	2048	6.96	4.56
Dubai	2029	3.18	1.70	Qatar	2024	1.75	-18.34
Kuwait	2022	1.55	-18.83	Qatar	2028	2.15	-13.93
Kuwait	2027	1.97	-14.72	Qatar	2049	3.15	-9.54

Source: Bloomberg

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.96	7.33	0.67	2.09
S&P MENA Bond and Sukuk Index	2.65	NA	0.41	2.72
Bloomberg Emerging Markets USD Index	4.76	6.28	0.31	1.66
Bloomberg Global Aggregate Index	1.05	7.27	0.45	2.41

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	03/03/2020	31/12/2019	03/03/2020	31/12/2019	03/03/2020	31/12/2019
KIBOR	2.5000	2.7500	2.7500	2.9375	3.0000	3.1875
SAIBOR	1.9843	2.2314	1.9800	2.2557	1.9871	2.3071
BHIBOR	2.1500	2.2500	2.6000	2.7000	2.7333	2.8333
QATAR	2.3500	2.2500	2.4500	2.3500	2.7250	2.5333
AEIBOR	1.8850	2.2086	1.6836	2.1914	1.9761	2.2900
EURIBOR	-0.4240	-0.3830	-0.3860	-0.3240	-0.3110	-0.2490
LIBOR	1.4628	1.9084	1.3973	1.9121	1.3815	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.0167	-3.23	-42.6
2-Year	0.9144	-4.74	-46.1
5-Year	0.9511	-5.83	-45.0
7-Year	1.0127	-5.32	-43.7
10-Year	1.1058	-4.82	-41.6
30-Year	1.3042	-4.68	-37.6

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3062	0.1209	-0.99
SAR	3.7520	-0.0027	-0.01
BHD	0.3771	0.0000	0.00
QAR	3.6680	-0.0218	-0.23
OMR	0.3855	0.0078	-0.01
AED	3.6731	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.85	0.12
5-Year	0.89	0.27
10-Year	1.12	0.45
30-Year	1.68	1.07

UK Gilts

	Yield %	1D Δ (%)
2-Year	0.25	0.12
5-Year	0.28	0.21
10-Year	0.40	0.47
30-Year	0.91	0.69

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.84	0.09
5-Year	-0.82	0.19
10-Year	-0.65	0.16
30-Year	-0.17	0.54

Sovereign Ratings

	Moody's	S&P	Fitch
Abu Dhabi	Aa2	AA	AA
Bahrain	B2	B+	BB-
Kuwait	Aa2	AA	AA
Oman	Ba1	BB	BB+
Qatar	Aa3	AA-	AA-
KSA	A1	A-	A
UAE	Aa2	NR	NR
Egypt	B2	B	B+
Lebanon	Ca	CC	CC
Turkey	B1	B+	BB-
Tunisia	B2	NR	B+
Morocco	Ba1	BBB-	BBB-
Jordan	B1	B+	BB-
China	A1	A+	A+
UK	Aa2	AA	AA
USA	Aaa	AA+	AAA
USD 5-Year CDS			YTD Δ (%)
Abu Dhabi	45.910		34.00
Kuwait	40.960		19.17
Dubai	111.860		29.64
Bahrain	206.020		19.91
Qatar	50.640		44.64
KSA	80.600		44.74
Egypt	329.330		22.20
Lebanon	13513.40		737.90
Turkey	297.601		6.19
Iraq	419.220		22.48
Morocco	100.070		20.42
China	44.186		45.81
France	16.470		-2.50
Germany	8.140		10.02
Japan	21.983		12.14
UK	18.450		4.19
US	14.000		25.67