

News Updates

Dubai Islamic Bank, Noor Bank Exposure to NMC at \$541 Million - Dubai Islamic Bank and its unit Noor Bank have a combined exposure of \$541 million to troubled hospital operator NMC Health Plc. Dubai Islamic Bank's had exposure of about \$425 million at the end of March, while Noor Bank had at \$116 million, according to a statement. Noor Bank extended the credit to NMC prior to its acquisition by DIB. The aggregate exposure constitutes approximately 0.7% of the bank's total assets

Aramco Delays Oil Pricing Amid Saudi-Russia Row on Oil Cuts - Saudi Aramco delayed the release of its key monthly oil pricing list until later this week as the kingdom trades barbs with Russia about the OPEC+ meeting aimed at ending the collapse in oil prices. A new date for the announcement of Aramco's official selling prices for May is not yet set, and the release could be pushed to Tuesday or Thursday.

Staikouras Says Cyprus and Malta Also Support Using Coronabonds - Europe must identify a series of measures that will help countries confront the economic effects of the coronavirus and this could include use of a European Union solidarity fund or financing from the European Investment Bank, Greek Finance Minister Christos Staikouras said. Greece and 10 other euro-area countries, that now include Cyprus and Malta, support the joint issue of debt in the form of a so-called coronabond as one measure.

Top Fund Manager Is 'Hoovering Up' Huge Amounts of Cheap Credit - At a time when the chaos in global markets seems unending, a top-rated fund is pivoting toward taking on more risk and loading up on corporate debt. Half of the Allianz Strategic Bond Fund is now in investment grade credit, a turnaround from most holdings being in government bonds in January. This shift away from highly defensive is based on the global economy rebounding toward the end of the year, according to Mike Riddell, who manages the \$1.5 billion fund with Kacper Brzezniak. This would bode well for riskier assets such as corporate debt.

China's bond market posts robust growth in Q1 - China's bond market registered steady growth in the first quarter (Q1), providing support for the country's social and economic development as well as its fight against the novel coronavirus outbreak. A total of 12 trillion yuan (about 1.7 trillion U.S. dollars) of bonds were issued in Q1, up 14 percent year on year. The total bond balance rose 4 percent from the end of last year to 103 trillion yuan. The issuance of corporate credit bonds surged 35 percent year on year to 3 trillion yuan, and net financing via bonds stood at over 1.7 trillion yuan, according to the PBOC. Private enterprises issued bonds worth around 210 billion yuan in Q1 with net financing hitting about 93 billion yuan, a record high in nearly three years.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.62	-1.78	KSA	2025	2.87	-2.91
Abu Dhabi	2047	3.61	-6.80	KSA	2029	3.17	-2.96
Bahrain	2024	7.38	-13.40	KSA	2049	4.41	-8.82
Bahrain	2029	8.33	-23.80	Oman	2025	8.11	-17.57
Bahrain	2047	8.84	-29.76	Oman	2029	10.85	-32.05
Dubai	2023	4.05	-4.70	Oman	2048	10.49	-34.98
Dubai	2029	4.93	-13.21	Qatar	2024	2.75	-2.68
Kuwait	2022	1.71	-0.04	Qatar	2028	3.13	-4.84
Kuwait	2027	2.43	-1.20	Qatar	2049	3.92	-7.46

Source: Bloomberg

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.69	7.50	0.58	-7.25
S&P MENA Bond and Sukuk Index		NA	0.65	-4.01
Bloomberg Emerging Markets USD Index	7.04	6.58	0.18	-9.78
Bloomberg Global Aggregate Index	1.23	7.47	-0.23	-0.70

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	05/04/2020	31/12/2019	05/04/2020	31/12/2019	05/04/2020	31/12/2019
KIBOR	1.9375	2.7500	2.1875	2.9375	2.4375	3.1875
SAIBOR	1.2057	2.2314	1.1971	2.2557	1.1986	2.3071
BHIBOR	1.7500	2.2500	2.0833	2.7000	2.2667	2.8333
QATAR	1.2833	2.2500	1.3500	2.3500	1.4667	2.5333
AEIBOR	1.8075	2.2086	1.6481	2.1914	1.3987	2.2900
EURIBOR	-0.3410	-0.3830	-0.2770	-0.3240	-0.1490	-0.2490
LIBOR	1.3874	1.9084	1.2089	1.9121	1.0499	1.9963

USD Swap Rates

	Currencies			Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.6479	1.44	-63.4	KWD	0.3132	0.0964
2-Year	0.4698	0.97	-72.3	SAR	3.7662	0.0877
5-Year	0.5060	0.35	-70.7	BHD	0.3795	0.0475
7-Year	0.5698	0.08	-68.3	QAR	3.6725	0.3762
10-Year	0.6522	-0.50	-65.6	OMR	0.3852	0.0104
30-Year	0.7922	-3.38	-62.1	AED	3.6733	-0.0027

US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.23	0.00	0.06	0.06
5-Year	0.38	-0.01	0.14	0.12
10-Year	0.59	0.04	0.30	0.25
30-Year	1.21	0.92	0.77	0.31

	Sovereign Ratings		
	Moody's	S&P	Fitch
Abu Dhabi	Aa2	AA	AA
Bahrain	B2u	B+	BB-
Kuwait	Aa2	AA-	AA
Oman	Ba2	BB-	BB
Qatar	Aa3	AA-	AA-
KSA	A1	A-u	A
UAE	Aa2	NR	NR
Egypt	B2	B	B+
Lebanon	Ca	SD	RD
Turkey	B1	B+u	BB-
Tunisia	B2	NR	B+
Morocco	Ba1	BBB-	BBB-
Jordan	B1	B+	BB-
China	A1	A+	A+
UK	Aa2	AA	AA
USA	Aaa	AA+u	AAA
USD 5-Year CDS			YTD Δ (%)
Abu Dhabi	114		217
Kuwait	102		178
Dubai	298		228
Bahrain	485		175
Qatar	134		266
KSA	168		196
Egypt	558		101
Lebanon	NA		NA
Turkey	469		66
Iraq			NA
Morocco	204		123
China	62		97
France	42		66
Germany	24		127
Japan	40		91
UK	31		183
US	24		87