

News Updates

Qatar starts marketing 5-, 10-, 30-year dollar bonds - Qatar on Tuesday started marketing U.S. dollar-denominated bonds in tranches of 5, 10, and 30 years, sources familiar with the matter said. The 5-year tranche offers an initial price guidance of around 335 basis points over U.S. Treasuries, the 10-year offers around 340 bps over the same benchmark, and the 30-year tranche offers around 4.75%. The 30-year notes are Formosa bonds, or bonds sold in Taiwan by foreign borrowers and denominated in currencies other than the Taiwanese dollar.

Dubai Weighs Bond and Emirates Mulls Loans as Virus Hits Economy

Dubai is in talks with bankers about shoring up its finances and the emirate's flag carrier is mulling billions of dollars of loans, as the coronavirus pandemic hammers the economy.

Kuwait's Wealth Fund on Standby as Oil Price, Virus Hit Finances

Kuwait's government has discussed the possibility of turning to the sovereign wealth fund for a loan should the oil-price slump and the mounting cost of fighting the coronavirus pandemic deplete its cash reserves. The option of a loan or investment by the Future Generations Fund is one of several available as a way to boost the finances during a difficult time. The fund is managed by Kuwait Investment Authority.

Fitch Joins Chorus of Alarm Over Oman's Deficit, Funding Risks

Fitch Ratings added to the drumbeat of credit assessors warning Oman about its precarious public finances as it comes under strain from the collapse in crude prices and the coronavirus pandemic. Under the assumption that Brent crude will average \$35 per barrel, Oman will run a budget shortfall this year of over \$10 billion, or around 16% of gross domestic product, according to a report on Monday. Fitch estimates Oman needed Brent at over \$80 to balance the books last year. Following a downgrade in March, it rates the Gulf state at BB, two steps below investment grade, with a negative outlook.

Virus Impact Leaves Morocco Considering Use of IMF Credit Line

Morocco is considering tapping at least part of a \$2.97 billion liquidity line with the International Monetary Fund, as the coronavirus outbreak forces authorities to scrap a cap on foreign borrowing. If taken, the move would be the first time the North African kingdom has sought to draw funds from the credit line since the arrangement was struck with the IMF in 2012. Morocco, which had initially budgeted \$3 billion in overseas borrowing for 2020, may now seek double that figure.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.59	-1.51	KSA	2025	2.84	-2.76
Abu Dhabi	2047	3.64	-7.17	KSA	2029	3.15	-2.84
Bahrain	2024	7.35	-13.22	KSA	2049	4.49	-9.91
Bahrain	2029	8.30	-23.63	Oman	2025	8.12	-17.56
Bahrain	2047	8.77	-29.33	Oman	2029	10.58	-30.74
Dubai	2023	4.01	-4.60	Oman	2048	10.40	-34.50
Dubai	2029	4.92	-13.08	Qatar	2024	2.76	-2.69
Kuwait	2022	1.65	0.10	Qatar	2028	3.16	-4.95
Kuwait	2027	2.40	-0.96	Qatar	2049	3.96	-8.11

Source: Bloomberg

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.68	7.50	-0.06	-7.31
S&P MENA Bond and Sukuk Index		NA	-0.20	-4.21
Bloomberg Emerging Markets USD Index	7.13	6.58	-0.16	-9.92
Bloomberg Global Aggregate Index	1.24	7.47	-0.23	-0.92

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	07/04/2020	31/12/2019	07/04/2020	31/12/2019	07/04/2020	31/12/2019
KIBOR	1.9375	2.7500	2.1875	2.9375	2.4375	3.1875
SAIBOR	1.2286	2.2314	1.2257	2.2557	1.2286	2.3071
BHIBOR	1.7500	2.2500	2.0833	2.7000	2.2667	2.8333
QATAR	1.3050	2.2500	1.3750	2.3500	1.4833	2.5333
AEIBOR	1.7898	2.2086	1.5863	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

	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.6667	0.65	-62.3	KWD	0.3130	0.0385	-2.68
2-Year	0.5070	1.53	-70.1	SAR	3.7646	-0.0053	-0.28
5-Year	0.5925	3.90	-65.7	BHD	0.3790	0.1242	-0.35
7-Year	0.6795	5.08	-62.2	QAR	3.6927	-0.3235	-0.53
10-Year	0.7770	6.07	-59.0	OMR	0.3854	0.0806	0.05
30-Year	0.9320	7.18	-55.4	AED	3.6732	0.0027	0.00

US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.28	-0.03	0.08	0.00
5-Year	0.48	-0.17	0.15	0.00
10-Year	0.72	-0.48	0.33	0.00
30-Year	1.34	-1.46	0.79	0.00

Sovereign Ratings

	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