

News Update – 22 December 2019

Fitch Affirms Abu Dhabi National Oil Company at 'AA'; Outlook Stable

– Fitch Ratings has affirmed Abu Dhabi National Oil Company's (ADNOC) Long-Term Issuer Default Rating (IDR) at 'AA' with a Stable Outlook. Fitch assesses ADNOC's standalone credit profile (SCP) at 'aa+', which reflects (i) the company's high upstream production and vast oil reserves (ii) very low cost of production (iii) integration into downstream operations (iv) very conservative financial policies, high financial flexibility and low leverage (v) strong unit profitability comparable to that of global oil majors.

Fitch Rates Boubyan Sukuk Limited's Trust Certificate Issuance

Programme Final 'A+/'F1' – Fitch Ratings has assigned Boubyan Bank K.S.C.P.'s (BBY) up to USD1 billion trust certificate issuance programme, housed under Boubyan Sukuk Limited (BSL), final ratings of 'A+/'F1'. The final ratings are the same as the expected ratings assigned on 1 November 2019, and follow the receipt of the final documentation conforming to information already provided. The trust certificate issuance programme's ratings are in line with BBY's Long- and Short-Term Foreign-Currency Issuer Default Ratings (IDRs) of 'A+' and 'F1', respectively, which in turn are driven by an extremely high probability of support from the Kuwaiti authorities.

EFG Hermes Announces Close on Egypt's First Short-Term Bond

Transaction, Valued at EGP 400 Million – EFG Hermes, the leading financial services corporation in Frontier Emerging Markets (FEM), announced that its Investment Banking Division has successfully completed the Egyptian market's first short-term bond transaction. The transaction saw EFG Hermes Investment Banking arrange the issuance of EGP 400 million, representing the first tranche of the EGP 2 billion bond, which was originated by EFG Hermes' subsidiary Hermes Securities Brokerage (HSB).

Qatar announces biggest budget in five years, expects smaller surplus

– Qatar said on Monday it plans to spend 1.9% more in 2020 than this year, outlining a 210.5 billion Qatari riyal (\$58 billion) budget to complete infrastructure projects including facilities for the 2022 soccer World Cup. It was the major approved projects," the finance ministry said in a statement on Monday.

GCC Sovereign Yields (22 December 2019)

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.40	9.44	KSA	2025	2.35	8.59
Abu Dhabi	2047	3.20	21.13	KSA	2029	2.83	12.45
Bahrain	2024	3.43	8.59	KSA	2049	3.85	23.73
Bahrain	2029	4.54	18.79	Oman	2025	4.17	13.69
Bahrain	2047	5.87	25.48	Oman	2029	5.32	4.69
Dubai	2023	2.44	4.08	Oman	2048	6.66	21.65
Dubai	2029	3.12	9.74	Qatar	2024	2.14	4.66
Kuwait	2022	1.92	3.27	Qatar	2028	2.49	9.83
Kuwait	2027	2.30	7.89	Qatar	2049	3.48	23.91

Source: Bloomberg

Bonds and Sukuk Indices (22 December 2019)

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.17	7.33	-0.01	14.43
S&P MENA Bond and Sukuk Index	2.94	NA	-0.14	13.56
Bloomberg Emerging Markets USD Index	4.88	6.28	0.04	12.74
Bloomberg Global Aggregate Index	1.47	7.27	-0.08	6.18

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	22/12/2019	31/12/2018	22/12/2019	31/12/2018	22/12/2019	31/12/2018
KIBOR	2.7500	2.3125	2.9375	2.5625	3.1875	2.8125
SAIBOR	2.2386	2.9750	2.2571	3.1150	2.3086	3.3413
BHIBOR	2.2500	3.5500	2.7000	4.0833	2.8333	4.7000
QATAR	2.2000	2.9056	2.3000	3.0889	2.4500	3.3028
AEIBOR	2.1325	2.8375	2.2879	3.1849	2.2959	3.5737
EURIBOR	-0.3880	-0.3090	-0.3300	-0.2370	-0.2530	-0.1170
LIBOR	1.9348	2.8076	1.9205	2.8756	1.9996	3.0054

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.7955	1.00	-34.9
2-Year	1.7099	0.90	-35.6
5-Year	1.7310	0.65	-32.7
7-Year	1.7880	0.70	-31.8
10-Year	1.8773	0.60	-30.7
30-Year	2.0566	0.26	-27.5

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3037	-0.0296	-0.05
SAR	3.7516	0.0027	0.00
BHD	0.3770	-0.0027	-0.02
QAR	3.6677	-0.0082	-0.31
OMR	0.3855	-0.0026	0.00
AED	3.6732	0.0000	-0.01

US Treasuries

	Yield %	1D Δ (%)
2-Year	1.63	0.00
5-Year	1.73	0.01
10-Year	1.92	0.04
30-Year	2.34	0.26

UK Gilt

	Yield %	1D Δ (%)
2-Year	0.53	-0.02
5-Year	0.58	0.06
10-Year	0.78	0.20
30-Year	1.28	0.34

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.65	0.01
5-Year	-0.53	0.05
10-Year	-0.26	0.17
30-Year	0.27	0.29

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	Caa2	CCC	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	33.940		-47.01
Kuwait	33.920		-44.25
Dubai	84.570		-30.11
Bahrain	160.680		-41.40
Qatar	34.920		-55.64
KSA	54.670		-46.34
Egypt	273.840		-26.30
Lebanon	2323.950		215.59
Turkey	283.114		-21.22
Iraq	355.060		-20.75
Morocco	83.950		-15.09
China	30.816		-52.89
France	16.560		-52.37
Germany	7.480		-36.83
Japan	21.019		-10.02
UK	16.100		-53.70
US	12.540		-31.49