

## News Updates

**Abu Dhabi tightens guidance, gets over \$23bln demand for three-part bonds** – Abu Dhabi tightened the price guidance on Tuesday for a three-tranche U.S. dollar-denominated bond offering and received more than \$23 billion in orders for the debt sale, a document showed. The notes due in 2023 were tightened to 70-75 basis points (bps) over U.S. Treasuries from around 95 bps earlier in the day. The tranche due in March 2031 was tightened to 110-115 bps from around 135 bps and the bonds due in 2070 were tightened to 2.75-2.8% from around 3%. (Source: Zawya)

**Qatar's Masraf Al Rayan hires banks for five-year dollar sukuk** – Qatari Islamic lender Masraf Al Rayan has hired banks for a potential benchmark sale of five-year dollar sukuk, a document showed on Monday. Masraf Al Rayan hired Al Rayan Investment, Credit Agricole, HSBC, Mizuho, MUFG, QNB Capital, Societe Generale and Standard Chartered to arrange investor calls from Monday, to be followed by an issuance subject to market conditions, the document showed. (Source: Zawya)

**Fitch downgrades Oman's OETC, Mazoon and Omantel to 'BB-'** – Fitch has downgraded Oman Electricity Transmission Company (OETC), Mazoon and Omantel's long-term foreign currency issuer default ratings, as well as the long-term local currency issuer default ratings of OETC and Mazoon, from BB to BB- and keeping their outlook negative. Last week, Fitch downgraded Oman's credit rating for the second time this year, bringing it down a notch to 'BB-' from 'BB' and keeping its outlook negative, citing the continuing erosion of its fiscal and external balance sheets. “OETC's, Mazoon's and Omantel's ratings are assessed using Fitch's Government Related Entities (GRE) Rating Criteria. Their Standalone Credit Profiles (SCP) are higher than the Oman sovereign rating of 'BB-',” said Fitch. “We do not envisage them to be rated higher than the sovereign's, given the moderate-to-strong legal and operational linkages between the government and each of these companies. Changes to the sovereign rating would therefore likely be reflected in the ratings of OETC, Mazoon and Omantel.” Fitch also downgraded Bahrain from BB- to B+ Outlook Stable earlier this month. (Source: Zawya)

**U.S. consumer confidence at six-year low; underscores concerns about economic recovery** – U.S. consumer confidence dropped to a more than six-year low in August as households worried about the labor market and incomes, casting doubts on the sustainability of the economy's recovery from the COVID-19 recession. The Conference Board said on Tuesday its consumer confidence index dropped to a reading of 84.8 this month from 91.7 in July. Economists polled by Reuters had forecast a reading of 93 in August. The ebb in confidence followed the expiration of a \$600 weekly unemployment benefit supplement on July 31 and a flare-up in new coronavirus infections across the country. (Source: Reuters)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.06	4.53	KSA	2025	1.53	5.51
Abu Dhabi	2030	1.69	8.91	KSA	2030	2.19	9.67
Abu Dhabi	2050	2.66	21.14	KSA	2050	3.20	11.15
Bahrain	2026	3.89	-2.90	Oman	2025	5.20	-5.15
Bahrain	2030	5.04	14.84	Oman	2029	6.28	-6.67
Bahrain	2047	6.29	-5.85	Oman	2048	7.62	-11.00
Dubai	2029	2.73	1.85	Qatar	2025	1.10	6.46
Kuwait	2022	0.65	1.37	Qatar	2030	1.78	11.65
Kuwait	2027	1.26	5.60	Qatar	2050	2.76	24.28

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.62	8.08	0.12	6.63
S&P MENA Bond and Sukuk Index	2.10	NA	0.09	8.20
Bloomberg Emerging Markets USD Index	4.16	6.80	0.15	3.45
Bloomberg Global Aggregate Index	0.87	7.42	0.10	5.94

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	26/08/2020	31/12/2019	26/08/2020	31/12/2019	26/08/2020	31/12/2019
KIBOR	1.5625	2.7500	1.8125	2.9375	2.1250	3.1875
SAIBOR	0.8943	2.2314	0.9457	2.2557	0.9986	2.3071
BHIBOR	2.2833	2.6667	2.5000	2.7000	2.6833	2.8333
QATAR	1.1500	2.2500	1.2250	2.3500	1.3750	2.5333
AEIBOR	0.4687	2.2086	0.6669	2.1914	0.6318	2.2900
EURIBOR	-0.4880	-0.3830	-0.4420	-0.3240	-0.3770	-0.2490
LIBOR	0.2338	1.9084	0.2974	1.9121	0.4391	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2355	0.67	-86.7
2-Year	0.2268	0.65	-86.6
5-Year	0.3390	1.36	-80.4
7-Year	0.4817	2.17	-73.2
10-Year	0.6745	2.90	-64.4
30-Year	1.0170	3.75	-51.4

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3058	0.0000	-0.88
SAR	3.7508	0.0027	0.03
BHD	0.3770	-0.0027	0.02
QAR	3.6420	0.0055	0.01
OMR	0.3850	0.0000	-0.01
AED	3.6731	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.16	0.00
5-Year	0.29	-0.05
10-Year	0.68	-0.24
30-Year	1.38	-0.66

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.03	-0.04
5-Year	-0.01	-0.18
10-Year	0.26	-0.65
30-Year	0.84	-1.51

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.68	-0.03
5-Year	-0.68	-0.16
10-Year	-0.50	-0.55
30-Year	0.00	-1.97

Source: Bloomberg

## Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	Aa2	AA-	AA
KSA	A1	A-u	A
UAE	Aa2	NR	NR
Abu Dhabi	Aa2	AA	AA
Qatar	Aa3	AA-	AA-
Bahrain	B2u	B+	B+
Oman	Ba3	BB-	BB-
Egypt	B2	B	B+
Lebanon	C	SD	RD
Jordan	B1	B+	BB-
Turkey	B1	B+u	BB-
Tunisia	B2	NR	B
Morocco	Ba1	BBB-	BBB-
US	Aaa	AA+u	AAA
UK	Aa2	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	26-Aug 2020	31-Dec 2019
Kuwait	52.490	36.700
KSA	83.990	56.915
Abu Dhabi	46.570	36.090
Dubai	152.460	91.005
Qatar	45.650	36.705
Bahrain	313.690	175.995
Oman	446.740	234.400
Iraq	573.060	383.680
Egypt	425.870	277.420
Morocco	124.220	91.435
Turkey	541.120	282.130
US	13.030	10.810
UK	17.010	16.210
China	35.420	31.205
Japan	16.010	21.042
Germany	9.750	7.080
France	16.200	16.130