

News Updates

Commercial Bank of Dubai Is Said to Plan Bond After 5-Year Break –

Commercial Bank of Dubai PSC is looking to follow the emirate's government in returning to global debt markets with a plan to sell dollar-denominated bonds after a hiatus of almost five years, according to people with knowledge of the matter. The lender, which is 20% owned by the Dubai government, is seeking to sell benchmark-size five-year securities, said the people, asking not to be identified because the information is private. Benchmark typically means the equivalent of at least \$500 million. The talks may not result in a deal and the timeline would depend on market conditions, they said. At its annual general meeting in March, the bank approved the issuance of up to \$750 billion in additional Tier 1 bonds (Source: Bloomberg)

Tabreed shareholders approve issuance of up to \$1bn in bonds or sukuk –

The National Central Cooling Company, also known as Tabreed, gained approval from shareholders to raise up to \$1 billion through the issuance of bonds or sukuk to fund acquisitions, as well as for general corporate purposes. Shareholders authorised the board to issue bonds or sukuk in one or more tranches over the next 12 months, the company said in a filing on Wednesday to the Dubai Financial Market, where its shares trade. Debt instruments will be “offered to qualified investors, with a total value of up to \$1bn in aggregate and a tenor of up to 30 years and at a profit rate not exceeding the prevailing market rate available to companies with the same credit rating as the company”, according to the statement. (Source: The National (UAE))

Fed to Debate Bond-Buying Program in Possible Step Toward Action

– U.S. central bankers look poised to discuss the future of the Federal Reserve's asset-purchase program when they meet again in November, potentially heralding a shift in what they buy, or an increase in how much they purchase. Minutes of the Federal Open Market Committee's Sept. 15-16 meeting released Wednesday showed that “some participants also noted that in future meetings it would be appropriate to further assess and communicate how the committee's asset-purchase program could best support” the Fed's dual-mandate objectives. The readiness of some officials to examine the bond-buying program signals they'd be open to altering or increasing the purchases -- perhaps before the end of the year -- as a way to further bolster the economy's slowing recovery from the Covid-19 pandemic. Officials would be unlikely to consider cutting purchases. They next meet Nov. 4-5, a day after the U.S. presidential election. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.98	4.70	KSA	2025	1.30	6.45
Abu Dhabi	2030	1.68	8.84	KSA	2030	2.10	10.33
Abu Dhabi	2050	2.75	18.97	KSA	2050	3.35	8.24
Bahrain	2026	4.34	-5.11	Oman	2025	5.25	-5.31
Bahrain	2030	5.75	9.16	Oman	2029	6.66	-8.99
Bahrain	2047	6.72	-10.81	Oman	2048	7.77	-12.56
Dubai	2029	2.66	2.26	Qatar	2025	1.03	6.51
Kuwait	2022	0.45	1.39	Qatar	2030	1.79	11.38
Kuwait	2027	1.34	4.98	Qatar	2050	2.89	21.09

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.70	8.08	0.18	5.90
S&P MENA Bond and Sukuk Index	2.16	NA	0.18	7.42
Bloomberg Emerging Markets USD Index	4.02	6.80	-0.06	2.29
Bloomberg Global Aggregate Index	0.92	7.42	-0.25	5.56

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	10/8/2020	31/12/2019	10/8/2020	31/12/2019	10/8/2020	31/12/2019
KIBOR	1.5625	2.7500	1.8125	2.9375	2.1250	3.1875
SAIBOR	0.8625	2.2314	0.9100	2.2557	0.9763	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.2168	2.2500	1.2682	2.3500	1.3798	2.5333
AEIBOR	0.3850	2.2086	0.6256	2.1914	0.7908	2.2900
EURIBOR	-0.5050	-0.3830	-0.4790	-0.3240	-0.4600	-0.2490
LIBOR	0.2298	1.9084	0.2393	1.9121	0.3439	1.9963

USD Swap Rates

	Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2209	-0.15	-87.5
2-Year	0.2364	-0.21	-86.1
5-Year	0.4076	-0.78	-76.4
7-Year	0.5749	-1.02	-68.0
10-Year	0.8004	-1.17	-57.8
30-Year	1.2140	-1.55	-42.0

US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.01	-0.02	-0.02
5-Year	0.33	0.04	-0.03	-0.06
10-Year	0.78	0.12	0.30	-0.20
30-Year	1.57	0.34	0.88	-0.30

Source: Bloomberg

Sovereign Ratings

	Moody's S&P Fitch		
	Moody's	S&P	Fitch
Kuwait	A1	AA-	AA
KSA	A1	A-u	A
UAE	Aa2	NR	NR
Abu Dhabi	Aa2	AA	AA
Qatar	Aa3	AA-	AA-
Bahrain	B2	B+	B+
Oman	Ba3	BB-	BB-
Egypt	B2	B	B+
Lebanon	C	SD	RD
Jordan	B1	B+	BB-
Turkey	B2	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

	08-Oct 2020	31-Dec 2019
Kuwait	55.17	36.700
KSA	77.15	56.915
Abu Dhabi	43.10	36.090
Dubai	140.61	91.005
Qatar	42.29	36.705
Bahrain	331.66	175.995
Oman	453.90	234.400
Iraq	612.95	383.680
Egypt	438.13	277.420
Morocco	120.69	91.435
Turkey	509.25	282.130
US	14.66	10.810
UK	17.62	16.210
China	41.90	31.205
Japan	15.91	21.042
Germany	10.17	7.080
France	16.45	16.130