

News Update – 31 December 2019

Saudi Arabia issues \$32bln debt instruments in 2019 – Saudi Arabia issued debt instruments, including US dollar and euro-denominated bonds, worth a total of around \$32.01 billion during 2019. The Saudi government collected around SAR 69.84 billion during the year from the local Islamic bonds (Sukuk) market, compared with SAR 48.38 billion in 2018, with an increase of 44.36%, according to official data collected by Mubasher. International Sukuk issuances stood at SAR 9.38 billion, 25% up from SAR 7.5 billion in 2018.

Kuwaiti bank deposits rise 1.2% YoY in October – Total deposits in Kuwait's local banks grew by 1.2% year-on-year (YoY) to KWD 43.6 billion in October, according to data by the Central Bank of Kuwait (CBK). Meanwhile, the banks' credit activity surged by 4.7% YoY after the credit facilities had recorded KWD 38.3 billion by the end of October. Kuwaiti banks' deposits grew by KWD 535 million on an annual basis, driven by a 9.9% increase or KWD 635 million in the government sector's deposits and a decrease of 0.3% or KWD 100.4 million in the private sector, a report by Kuwait Finance House (KFH) referred. The report remarked that the private sector's market share of deposits decreased to 83.9% in October from 84.7% in the same period last year, while the government sector's market share levelled up to 16.1% from 15.3%, following an increase in the government deposits and a slight decline in the private sector.

Dubai budget sets record spending to boost growth ahead of Expo 2020 – Dubai expects to substantially increase state spending next year to stimulate the emirate's economy and support the Expo 2020 world fair, according to the 2020 budget released on Sunday. State spending will increase by 17% to a record 66.4 billion dirhams (\$18.1 billion), compared with 56.8 billion seen in the budget plan for 2019, a Dubai government statement said. The increase is despite infrastructure spending being set to drop for a second consecutive year, to 8 billion dirhams, as the emirate nears the start of Expo 2020. Dubai, with a diversified trade and tourism economy but which does not have vast oil wealth and which has faced a real estate market downturn since prices peaked in 2014, is banking on Expo 2020 to boost economic activity.

GCC Sovereign Yields (31 December 2019)

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.36	9.63	KSA	2025	2.33	8.64
Abu Dhabi	2047	3.18	21.52	KSA	2029	2.79	12.72
Bahrain	2024	3.41	8.63	KSA	2049	3.82	24.02
Bahrain	2029	4.53	18.87	Oman	2025	4.17	13.67
Bahrain	2047	5.88	25.37	Oman	2029	5.32	4.76
Dubai	2023	2.40	4.19	Oman	2048	6.66	21.63
Dubai	2029	3.09	10.00	Qatar	2024	2.12	4.68
Kuwait	2022	1.89	3.33	Qatar	2028	2.49	9.80
Kuwait	2027	2.28	8.03	Qatar	2049	3.48	23.83

Source: Bloomberg

Bonds and Sukuk Indices (31 December 2019)

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.17	7.33	-0.05	14.51
S&P MENA Bond and Sukuk Index	2.94	NA	-0.05	13.63
Bloomberg Emerging Markets USD Index	4.86	6.28	0.01	13.14
Bloomberg Global Aggregate Index	1.45	7.27	0.05	6.68

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
KIBOR	2.7500	2.3125	2.9375	2.5625	3.1875	2.8125
SAIBOR	2.2343	2.9750	2.2571	3.1150	2.3071	3.3413
BHIBOR	2.2500	3.5500	2.7000	4.0833	2.8333	4.7000
QATAR	2.2500	2.9056	2.3500	3.0889	2.5333	3.3028
AEIBOR	2.1706	2.8375	2.2143	3.1849	2.3442	3.5737
EURIBOR	-0.3900	-0.3090	-0.3250	-0.2370	-0.2470	-0.1170
LIBOR	1.9446	2.8076	1.9208	2.8756	2.0043	3.0054

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.7742	0.66	-35.7
2-Year	1.6780	0.00	-36.8
5-Year	1.6949	-0.26	-34.1
7-Year	1.7563	-0.07	-33.1
10-Year	1.8472	-0.10	-31.8
30-Year	2.0350	0.01	-28.3

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3033	0.0099	0.12
SAR	3.7515	0.0453	0.01
BHD	0.3771	-0.0027	-0.03
QAR	3.6653	0.0136	-0.25
OMR	0.3850	-0.0649	0.00
AED	3.6731	-0.0082	-0.01

US Treasuries

	Yield %	1D Δ (%)
2-Year	1.57	0.01
5-Year	1.67	0.01
10-Year	1.88	0.01
30-Year	2.33	0.01

UK Giltts

	Yield %	1D Δ (%)
2-Year	0.56	-0.08
5-Year	0.63	-0.34
10-Year	0.86	-1.06
30-Year	1.36	-2.91

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.62	-0.06
5-Year	-0.48	-0.29
10-Year	-0.19	-0.69
30-Year	0.34	-2.00

	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	33.170		-48.15
Kuwait	33.930		-44.23
Dubai	83.570		-30.89
Bahrain	165.770		-39.65
Qatar	34.580		-56.06
KSA	54.280		-46.71
Egypt	277.850		-25.28
Lebanon	2331.980		213.70
Turkey	280.464		-21.94
Iraq	327.390		-26.17
Morocco	79.910		-18.73
China	30.622		-53.21
France	16.130		-53.68
Germany	7.080		-38.28
Japan	19.598		-10.02
UK	16.210		-53.62
US	10.810		-39.65