

News Updates

Dana Gas Agrees to \$236 Million Sale of Egypt Assets to IPR – Dana Gas PJSC agreed to sell its Egyptian oil and gas fields for as much as \$236 million, enabling it to repay debt associated with Islamic bonds that mature this month. The company, based in the United Arab Emirates, will receive \$153 million in cash and as much as \$83 million in contingent payments for the sale to IPR Energy Group, it said in a statement. Dana Gas also will take an impairment charge in the third quarter related to the coronavirus pandemic's impact on its overall business, it said, without disclosing the size of the charge. Dana Gas had targeted completing the sale in the first quarter of the year to raise cash needed to pay sukuk due at the end of this month. The sale was delayed due to the coronavirus, and Dana Gas appointed a financial adviser in July, prompting investors to question whether the company would be able to make the payment. The company announced earlier this month it was arranging a bridge loan to help pay the sukuk, of which \$309 million is outstanding. (Source: Bloomberg)

Dubai announces \$136mln extra economic stimulus to support businesses – Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of The Executive Council of Dubai, has launched a AED500 million (\$136.15 million) economic stimulus package to support various business sectors across the economy, bringing the total value of stimulus packages introduced by the emirate to AED 6.8 billion in 2020. (Source: Zawya)

Egypt Debt Attracts More Foreigners as Holdings Double Since May – Foreign investors are returning in force to Egypt's local debt after the coronavirus sparked a selloff, more than doubling their holdings in five months. Encouraged by Egypt's recent financing agreements with the International Monetary Fund and others, foreigners increased investments in Treasury bills and bonds to \$21.1 billion in mid-October from \$10.4 billion in May, according to Mohamed Hegazy, head of the Finance Ministry's debt management unit. While still below the \$27.8 billion held in February, it's a welcome supply of fresh funding for the North African country. Two of its main sources of foreign currency -- tourism and Suez Canal receipts -- have taken blows from the pandemic. And although Egypt saw its biggest-ever capital outflows between March and May as part of a selloff that hit emerging markets across the globe, the reversal is being fueled by the world's best carry-trade returns after Argentina. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.91	4.88	KSA	2025	1.34	6.19
Abu Dhabi	2030	1.71	8.58	KSA	2030	2.05	10.73
Abu Dhabi	2050	2.82	17.39	KSA	2050	3.34	8.46
Bahrain	2026	4.10	-4.21	Oman	2025	5.52	-6.22
Bahrain	2030	5.71	9.38	Oman	2029	7.00	-11.05
Bahrain	2047	6.89	-12.51	Oman	2048	8.18	-16.53
Dubai	2029	2.61	2.64	Qatar	2025	0.98	6.63
Kuwait	2022	0.40	1.36	Qatar	2030	1.75	11.68
Kuwait	2027	1.23	5.52	Qatar	2050	2.89	21.12

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.71	8.08	-0.11	6.04
S&P MENA Bond and Sukuk Index	2.13	NA	-0.09	7.63
Bloomberg Emerging Markets USD Index	4.01	6.80	-0.03	2.33
Bloomberg Global Aggregate Index	0.92	7.42	0.02	6.28

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	26/10/2020	31/12/2019	26/10/2020	31/12/2019	26/10/2020	31/12/2019
KIBOR	1.5625	2.7500	1.8125	2.9375	2.1250	3.1875
SAIBOR	0.8475	2.2314	0.8963	2.2557	0.9625	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	0.6000	2.2500	0.7500	2.3500	1.1250	2.5333
AEIBOR	0.4200	2.2086	0.6575	2.1914	0.8145	2.2900
EURIBOR	-0.5120	-0.3830	-0.4960	-0.3240	-0.4640	-0.2490
LIBOR	0.2165	1.9084	0.2494	1.9121	0.3366	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2125	-0.07	-88.0
2-Year	0.2353	-0.38	-86.1
5-Year	0.4259	-2.04	-75.4
7-Year	0.6065	-2.72	-66.3
10-Year	0.8395	-3.34	-55.7
30-Year	1.2633	-3.62	-39.6

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3056	0.0000	-0.82
SAR	3.7506	0.0000	0.03
BHD	0.3771	0.0053	0.01
QAR	3.6413	-0.0082	0.01
OMR	0.3850	0.0000	-0.01
AED	3.6730	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.15	0.01
5-Year	0.36	0.09
10-Year	0.81	0.27
30-Year	1.61	0.76

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.05	0.00
5-Year	-0.04	0.02
10-Year	0.28	0.01
30-Year	0.84	0.14

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.79	0.02
5-Year	-0.80	-0.02
10-Year	-0.64	0.08
30-Year	-0.16	0.29

Source: Bloomberg

Sovereign Ratings

	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	B+	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-	BB+
US	Aaa	AA+u	AAA
UK	Aa2	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS

	26-Oct 2020	31-Dec 2019
Kuwait	45.16	36.700
KSA	70.78	56.915
Abu Dhabi	40.75	36.090
Dubai	130.00	91.005
Qatar	39.94	36.705
Bahrain	335.39	175.995
Oman	460.75	234.400
Iraq	667.09	383.680
Egypt	410.69	277.420
Morocco	118.30	91.435
Turkey	510.31	282.130
US	14.00	10.810
UK	18.13	16.210
China	36.00	31.205
Japan	15.53	21.042
Germany	9.83	7.080
France	16.06	16.130