

## News Updates

**CBK issues KWD 280m bonds** – The Central Bank of Kuwait (CBK) has offered KWD 280 million worth of bonds and related tawarruq, with a 1.375% return rate. The bonds have a six-month maturity period, according to official data by the CBK. It is worthy to mention that bonds and related tawarruq are local bonds offered by CBK to banks working in the Kuwaiti financial sector to regulate the market's liquidity. (Source: Mubasher)

**CI reaffirms KAMCO's credit ratings with stable outlook** – Capital Intelligence Ratings (CI) on Tuesday has reaffirmed the long and short-term foreign currency corporate ratings of Kamco Invest at 'BBB' and 'A3', respectively. The outlook on the ratings remained 'Stable' despite the impacts of the oil prices plunge and the coronavirus (COVID-19) on the Kuwait economy, according to a stock exchange statement on Tuesday. The 'BBB' rating captures good credit quality and a satisfactory capacity for timely fulfilment of financial obligations. Moreover, it indicates acceptable credit characteristics with some vulnerability to adverse changes in business, economic, and financial conditions. (Source: Mubasher)

**Dubai Islamic Bank sells \$1bln in long 5-yr dollar sukuk** – Dubai Islamic Bank, the United Arab Emirates' largest Islamic lender, sold \$1 billion in long five-year dollar sukuk, a document showed on Tuesday, closing a deal the bank had postponed during financial market volatility earlier this year. It sold the Islamic bonds at 245 basis points over midswaps, tightening the spread by 35 bps from its initial price guidance earlier on Tuesday. It received around \$4.5 billion in orders for the sukuk, which will mature on January 16, 2026. Reuters reported last week that DIB was reviving a planned sukuk issuance that it had postponed due to turbulent market conditions resulting from the new coronavirus outbreak. (Source: Zawya)

**Fitch affirms Ras Al Khaimah at 'A'; outlook stable** – Fitch Ratings has affirmed Ras Al Khaimah's (RAK) Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'A' with a Stable Outlook. The ratings are supported by the benefits of RAK's membership of the UAE, a low government debt burden and high GDP per capita. The emirate's small size and weaknesses in the policy framework, including the poor availability of economic data, weigh on the ratings. The affirmation reflects our expectation that the pandemic shock will not have a lasting impact on RAK's fiscal position, which has significantly improved over the past five years. We expect economic activity to contract by 6.4% in real terms in 2020 due to the global recession which will weigh on the large export-driven manufacturing sector (26% of GDP) and the mining and quarrying sector (5% of GDP). The loss of international tourism will be only partially offset by the resumption of intra-UAE tourism in April. (Source: Zawya)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.88	2.98	KSA	2025	1.81	1.71
Abu Dhabi	2047	3.08	1.77	KSA	2029	2.50	1.82
Bahrain	2024	4.10	-3.36	KSA	2049	3.81	0.45
Bahrain	2029	5.50	-7.40	Oman	2025	5.46	-6.60
Bahrain	2047	6.56	-8.95	Oman	2029	6.79	-10.09
Dubai	2023	1.58	1.49	Oman	2048	7.94	-14.68
Dubai	2029	3.10	-0.66	Qatar	2024	1.51	1.72
Kuwait	2022	0.99	1.17	Qatar	2028	2.13	1.64
Kuwait	2027	1.78	2.66	Qatar	2049	3.25	3.89

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.26	7.32	0.40	0.68
S&P MENA Bond and Sukuk Index	2.71	NA	0.33	2.31
Bloomberg Emerging Markets USD Index	4.69	6.26	0.54	-0.78
Bloomberg Global Aggregate Index	1.05	7.33	0.32	2.42

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	10/06/2020	31/12/2019	10/06/2020	31/12/2019	10/06/2020	31/12/2019
KIBOR	1.6875	2.7500	1.9375	2.9375	2.1250	3.1875
SAIBOR	1.0414	2.2314	1.1057	2.2557	1.1443	2.3071
BHIBOR	2.1833	2.6667	2.2667	2.7000	2.4667	2.8333
QATAR	1.2310	2.2500	1.3178	2.3500	1.4275	2.5333
AEIBOR	0.8993	2.2086	0.9246	2.1914	1.1261	2.2900
EURIBOR	-0.3650	-0.3830	-0.1950	-0.3240	-0.1200	-0.2490
LIBOR	0.3098	1.9084	0.4834	1.9121	0.6299	1.9963

## USD Swap Rates

	Currencies				Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.3165	-0.45	-82.1	KWD	0.3078	0.0650	-1.51
2-Year	0.2930	-1.39	-82.7	SAR	3.7540	0.0053	-0.03
5-Year	0.4525	-3.97	-73.8	BHD	0.3773	0.0000	-0.02
7-Year	0.6196	-4.54	-65.5	QAR	3.6416	-0.0055	0.00
10-Year	0.8085	-5.09	-57.3	OMR	0.3851	0.0000	-0.01
30-Year	1.1021	-6.14	-47.3	AED	3.6731	0.0000	0.00

## US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.20	0.04	0.00	-0.02
5-Year	0.41	0.21	0.08	-0.02
10-Year	0.82	0.51	0.33	-0.04
30-Year	1.57	1.57	0.73	1.12

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+	BB-
Oman	Ba2	BB-	BB
Egypt	B2	B	B+
Lebanon	Ca	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

	10-Jun 2020	31-Dec 2019
Kuwait	70.530	36.700
KSA	93.130	56.915
Abu Dhabi	72.420	36.090
Dubai	172.880	91.005
Qatar	71.790	36.705
Bahrain	352.410	175.995
Oman	542.570	234.400
Iraq	615.070	383.680
Egypt	505.610	277.420
Morocco	132.230	91.435
Turkey	443.930	282.130
US	11.750	10.810
UK	26.810	16.210
China	46.200	31.205
Japan	16.850	21.042
Germany	14.280	7.080
France	23.160	16.130