

News Updates

Oil Claws Back Losses Despite Looming Saudi Crude Supply Flood

Oil clawed back losses in early Asian trading despite a looming supply flood from Saudi Arabia and signs of deepening demand destruction. Futures rallied as much as 5.7% in New York after crashing to an 18-year low at the start of the week. In a rare glimmer of hope, Russia said Wednesday that it isn't profitable to produce more crude at the moment, although it added there are no plans to speak to Saudi Arabia following a plea by U.S. President Donald Trump for the former OPEC+ allies to meet and calm the markets.

Abu Dhabi Commercial Bank in talks with NMC Health over \$981 mln debt exposure

Abu Dhabi Commercial Bank (ADCB) is in talks with troubled UAE hospital operator NMC Health to tackle the company's financial defaults, the bank said on Thursday. ADCB has an exposure of about \$981 million to NMC, which represents less than 1% of the bank's total assets.

Proposed one-year delay of Expo 2020 will allow everyone to showcase their best

The Expo 2020 steering committee on Monday recommended to the International Bureau of Exhibitions, which is the intergovernmental organisation responsible for the International Expo, to study postponing the opening of Expo 2020 for a year.

Fed's New Repo Measures Followed a \$100 Billion Treasury Exodus

Foreign official holders of Treasuries dumped more than \$100 billion in the three weeks to March 25, on course for the biggest monthly drop on record. Countries reliant on oil exports and smaller Asian economies have been selling U.S. debt, and central banks have been primarily offloading older, less-liquid Treasuries. The Fed on Tuesday rolled out its latest effort to restore functioning in markets, on top of moves to ramp up debt purchases and backstop several sectors. It introduced a temporary repurchase agreement facility that let other central banks swap Treasuries for dollars.

Deal Shows Virus-Hit Airlines Can Sell Debt But Cost Steep

A bond deal by South Korea's biggest airline showed that while carriers pummeled by the coronavirus pandemic can still sell debt, they will need to pay a steep price. The fee Korean Air Lines Co. paid underwriters to issue won notes jumped to a record 1.157%, four times what it was charged in a similar deal in September.

Carnival Bond Yield Proves Irresistible Despite Economic Despair

Investors clamored to buy a new Carnival \$4 billion bond sale that pays interest of 11.5%, one of the highest coupons ever offered, particularly by an investment-grade rated company. Demand was so frenzied -- as high as around \$17 billion -- that Carnival was able to cut the coupon and increase the original size of the offering by an extra \$1 billion, according to people familiar with the situation.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.71	-2.36	KSA	2025	2.93	-3.16
Abu Dhabi	2047	3.59	-6.48	KSA	2029	3.28	-3.76
Bahrain	2024	7.52	-13.64	KSA	2049	4.45	-9.47
Bahrain	2029	8.41	-24.33	Oman	2025	8.21	-18.07
Bahrain	2047	8.93	-30.60	Oman	2029	11.14	-33.18
Dubai	2023	4.10	-5.06	Oman	2048	10.69	-36.51
Dubai	2029	4.86	-12.94	Qatar	2024	2.70	-2.48
Kuwait	2022	2.09	-0.68	Qatar	2028	3.03	-4.11
Kuwait	2027	2.69	-2.82	Qatar	2049	3.78	-5.21

Source: Bloomberg

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.76	7.50	-0.25	-7.62
S&P MENA Bond and Sukuk Index		NA	0.09	-4.31
Bloomberg Emerging Markets USD Index	7.08	6.58	-0.57	-10.00
Bloomberg Global Aggregate Index	1.23	7.47	0.11	-0.22

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	02/04/2020	31/12/2019	02/04/2020	31/12/2019	02/04/2020	31/12/2019
KIBOR	2.0000	2.7500	2.1875	2.9375	2.4375	3.1875
SAIBOR	1.1943	2.2314	1.1886	2.2557	1.1886	2.3071
BHIBOR	1.7500	2.2500	2.0500	2.7000	2.2333	2.8333
QATAR	1.2833	2.2500	1.3500	2.3500	1.4667	2.5333
AEIBOR	1.7129	2.2086	1.5213	2.1914	1.3546	2.2900
EURIBOR	-0.3630	-0.3830	-0.2870	-0.3240	-0.1710	-0.2490
LIBOR	1.4505	1.9084	1.1753	1.9121	0.9975	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.6504	-0.51	-63.3	KWD	0.3130	0.1826	-2.94
2-Year	0.4761	-0.21	-72.0	SAR	3.7700	-0.0717	-0.42
5-Year	0.5239	1.39	-69.7	BHD	0.3804	-0.0580	-0.61
7-Year	0.6075	2.44	-66.2	QAR	3.7078	0.0623	-0.96
10-Year	0.7118	3.25	-62.4	OMR	0.3852	0.0078	-0.03
30-Year	0.8790	3.80	-58.0	AED	3.6733	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.21	-0.01	0.11	-0.03	-0.69	0.01
5-Year	0.37	-0.07	0.19	-0.08	-0.63	-0.07
10-Year	0.60	-0.21	0.33	-0.25	-0.46	-0.26
30-Year	1.24	-0.52	0.78	-0.70	0.00	-1.01

UK Gilts

German Bunds

Sovereign Ratings

	Moody's	S&P	Fitch
Abu Dhabi	Aa2	AA	AA
Bahrain	B2u	B+	BB-
Kuwait	Aa2	AA-	AA
Oman	Ba2	BB-	BB
Qatar	Aa3	AA-	AA-
KSA	A1	A-u	A
UAE	Aa2	NR	NR
Egypt	B2	B	B+
Lebanon	Ca	SD	RD
Turkey	B1	B+u	BB-
Tunisia	B2	NR	B+
Morocco	Ba1	BBB-	BBB-
Jordan	B1	B+	BB-
China	A1	A+	A+
UK	Aa2	AA	AA
USA	Aaa	AA+u	AAA
USD 5-Year CDS			YTD Δ (%)
Abu Dhabi		125	246
Kuwait		105	186
Dubai		282	210
Bahrain		478	171
Qatar		140	281
KSA		190	233
Egypt		596	115
Lebanon	-		-100
Turkey		469	66
Iraq	-		10
Morocco		203	122
China		59	88
France		41	62
Germany		24	121
Japan		40	91
UK		31	183
US		24	87