

## News Updates

**DP World expected to sell about \$1.5bn in perpetual dollar sukuk** – Dubai-based port operator DP World is expected to sell about \$1.5 billion in perpetual sukuk, or Islamic bonds, at 6.125%, a document showed on Wednesday. DP World set the final spread after it began marketing the sukuk at 6.625% earlier on Wednesday. The sukuk are non-callable for 5-1/2 years. (Source: Reuters)

**APICORP sells \$750 million in 5-yr bonds** – The Arab Petroleum Investments Corporation (APICORP) sold \$750 million in five-year bonds on Wednesday and received more than \$900 million in orders for the debt sale, a document showed. APICORP sold the bonds at 110 basis points over midswaps, tightening from initial guidance of around 130 bps over midswaps when it began marketing the sale on Tuesday. Two sources familiar with the matter have said that investors wanted a spread of more than 200 bps and APICORP wanted a spread of 100 bps on the deal, prompting the company to wait for a better window to issue. The debt markets have improved significantly since, allowing for the tight spread. Fitch assigned APICORP an AA credit rating with a stable outlook on Tuesday, “driven by APICORP’s ‘excellent’ capitalisation and ‘low’ risk profile,” the ratings agency said. (Source: Reuters)

**Fitch affirms Qatar at 'AA-'; Outlook 'stable'** – Fitch Ratings has affirmed Qatar's long-term foreign-currency issuer default rating (IDR) at 'AA-' with a stable outlook. Qatar's 'AA-' ratings, Fitch said, “reflect a strong sovereign net foreign asset position, one of the world's highest ratios of GDP per capita and a flexible public finance structure allowing for favourable debt dynamics and a robust response to “limit the fiscal impact” of the coronavirus pandemic. Fitch said it expects “weaker hydrocarbon revenue and disruptions” to non-hydrocarbon income as a result of the coronavirus pandemic will lead to low-single-digit deficits in 2020-2021, after surpluses in 2018-2019. The authorities have cut budgeted spending by 16% for the year mainly by postponing some non-essential development projects to beyond the 2022 World Cup. (Source: Gulf Times)

**IMF sees sharper than anticipated recession in Saudi Arabia** – Saudi Arabia's economy will shrink by 6.8% this year, the International Monetary Fund (IMF) said on Wednesday, a sharper decline than the 2.3% contraction estimated in April, as low oil prices and the coronavirus pandemic hit the kingdom hard. In an update of its April World Economic Outlook forecast, the IMF said it now expects a deeper global recession in 2020 and a slower recovery in 2021, as the coronavirus crisis intensifies in many emerging and developing countries. In response to the crisis, Riyadh raised \$7 billion in the international debt markets and used some \$40 billion of foreign reserves to boost the firepower of its sovereign fund PIF, which bought billions of dollars of stakes in overseas companies. (Source: Zawya)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.72	3.95	KSA	2025	1.56	2.71
Abu Dhabi	2047	2.92	4.68	KSA	2029	2.28	3.56
Bahrain	2024	4.13	-3.37	KSA	2049	3.66	2.89
Bahrain	2029	5.33	-6.31	Oman	2025	5.16	-5.22
Bahrain	2047	6.48	-8.05	Oman	2029	6.77	-9.83
Dubai	2023	1.77	0.84	Oman	2048	7.81	-13.14
Dubai	2029	3.03	-0.20	Qatar	2024	1.28	2.46
Kuwait	2022	0.74	1.49	Qatar	2028	1.95	2.79
Kuwait	2027	1.67	3.29	Qatar	2049	3.13	6.03

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.05	7.32	0.09	2.44
S&P MENA Bond and Sukuk Index	2.51	NA	-0.03	4.01
Bloomberg Emerging Markets USD Index	4.63	6.26	0.18	-0.29
Bloomberg Global Aggregate Index	0.98	7.33	0.27	3.35

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	25/06/2020	31/12/2019	25/06/2020	31/12/2019	25/06/2020	31/12/2019
KIBOR	1.6875	2.7500	1.8750	2.9375	2.1250	3.1875
SAIBOR	0.9986	2.2314	1.0543	2.2557	1.1029	2.3071
BHIBOR	2.2500	2.6667	2.4333	2.7000	2.5667	2.8333
QATAR	1.0965	2.2500	1.1851	2.3500	1.3090	2.5333
AEIBOR	0.7071	2.2086	0.6774	2.1914	1.0115	2.2900
EURIBOR	-0.4090	-0.3830	-0.2690	-0.3240	-0.1880	-0.2490
LIBOR	0.2969	1.9084	0.3826	1.9121	0.5654	1.9963

## USD Swap Rates

	Currencies				Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.2834	-0.50	-84.0	KWD	0.3075	0.0813	-1.42
2-Year	0.2502	-0.24	-85.3	SAR	3.7522	-0.0027	-0.01
5-Year	0.3601	-1.23	-79.2	BHD	0.3772	0.0000	-0.01
7-Year	0.4990	-2.10	-72.2	QAR	3.6420	0.0000	0.01
10-Year	0.6711	-3.04	-64.6	OMR	0.3851	0.0000	-0.01
30-Year	0.9604	-4.56	-54.1	AED	3.6731	0.0000	0.00

## US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.19	0.01	-0.08	0.02
5-Year	0.31	0.08	-0.03	0.08
10-Year	0.68	0.31	0.19	0.28
30-Year	1.44	1.17	0.64	1.41

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

	25-Jun 2020	31-Dec 2019
Kuwait	69.540	36.700
KSA	96.960	56.915
Abu Dhabi	72.060	36.090
Dubai	168.380	91.005
Qatar	72.080	36.705
Bahrain	336.910	175.995
Oman	488.760	234.400
Iraq	775.120	383.680
Egypt	482.890	277.420
Morocco	137.410	91.435
Turkey	491.190	282.130
US	11.810	10.810
UK	26.810	16.210
China	48.830	31.205
Japan	16.640	21.042
Germany	14.500	7.080
France	20.620	16.130