

News Updates

Saudi NCB launches SAR-denominated Tier 1 Sukuk – The National Commercial Bank (NCB) announced on Thursday the commencement of its perpetual private placement offer of additional Tier 1 Sukuk, subject to market conditions. The issuance target group of the SAR-denominated Sukuk are sophisticated investors as defined in the rules on the offer of securities and continuing obligations, according to a statement to the Saudi Stock Exchange (Tadawul). *(Source: Zawya)*

Dubai Islamic Bank to revive Islamic bond deal postponed amid market turmoil – Dubai Islamic Bank has revived plans to issue a U.S. dollar-denominated sukuk, or Islamic bond, sources familiar with the matter said, a deal the bank had postponed during financial market volatility earlier this year. The United Arab Emirates' largest shariah-compliant lender had hired a group of banks in February for a deal, which one source said would have been for around \$750 million. The sale was postponed due to turbulent market conditions resulting from the new coronavirus outbreak. The bank is now considering issuing the bond soon, two sources familiar with the matter said, with one of them saying the deal could happen as early as next Monday. *(Source: Zawya)*

IMF announces preliminary deal on \$5.2bln standby loan for Egypt – The International Monetary Fund on Friday said it had reached a staff-level agreement with Egypt for a one-year, \$5.2 billion standby loan to help the North African country grapple with the novel coronavirus pandemic and its economic fallout. The agreement, which must be finalized by the Fund's executive board, would safeguard economic gains achieved by Egypt over the past three years and put the country on strong footing for a sustained recovery, the IMF said. *(Source: Zawya)*

OPEC+ Agrees to Extend Output Cuts as Cheats Offer Penance – OPEC+ agreed to a one-month extension of its record output cuts and adopted a more stringent approach to ensuring members don't break their production pledges. The deal will underpin the oil market recovery, easing the financial pain felt by resource-dependent emerging economies, shale explorers in Texas, and blue-chip companies like Royal Dutch Shell Plc. With the cartel's video conference still under way, delegates said all nations had signed off on the new deal. The group will maintain its production cut of 9.7 million barrels a day to the end of July, instead of easing it to 7.7 million after this month as planned. In addition, the approved communique states that any member that doesn't implement 100% of its production cuts in May and June will make extra reductions from July to September to compensate for their failings. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.90	2.71	KSA	2025	1.72	1.75
Abu Dhabi	2047	3.15	0.50	KSA	2029	2.55	1.41
Bahrain	2024	4.37	-4.30	KSA	2049	3.92	-1.31
Bahrain	2029	5.74	-8.94	Oman	2025	5.68	-7.40
Bahrain	2047	6.61	-10.11	Oman	2029	7.03	-11.44
Dubai	2023	1.59	1.46	Oman	2048	8.08	-15.82
Dubai	2029	3.17	-1.14	Qatar	2024	1.57	1.50
Kuwait	2022	1.00	1.09	Qatar	2028	2.21	1.10
Kuwait	2027	1.79	2.54	Qatar	2049	3.31	2.66

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.32	7.32	0.01	0.28
S&P MENA Bond and Sukuk Index	2.74	NA	-0.31	1.97
Bloomberg Emerging Markets USD Index	4.78	6.26	0.40	-1.31
Bloomberg Global Aggregate Index	1.08	7.33	-0.17	2.10

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	07/06/2020	31/12/2019	07/06/2020	31/12/2019	07/06/2020	31/12/2019
KIBOR	1.6875	2.7500	1.9375	2.9375	2.1875	3.1875
SAIBOR	1.0600	2.2314	1.1200	2.2557	1.1571	2.3071
BHIBOR	2.2167	2.6667	2.2667	2.7000	2.4833	2.8333
QATAR	1.2079	2.2500	1.2705	2.3500	1.3940	2.5333
AEIBOR	0.9550	2.2086	0.9088	2.1914	1.1451	2.2900
EURIBOR	-0.3530	-0.3830	-0.1960	-0.3240	-0.1200	-0.2490
LIBOR	0.3176	1.9084	0.4805	1.9121	0.6278	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.3067	0.52	-82.7	KWD	0.3080	0.0000	-1.61
2-Year	0.2959	2.15	-82.6	SAR	3.7548	-0.0053	-0.09
5-Year	0.5093	6.13	-70.5	BHD	0.3771	0.0000	-0.02
7-Year	0.6854	6.59	-61.9	QAR	3.6416	-0.0055	0.00
10-Year	0.8814	6.40	-53.5	OMR	0.3850	0.0000	-0.01
30-Year	1.1854	3.50	-43.3	AED	3.6730	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.21	-0.02	-0.01	-0.01	-0.62	0.00
5-Year	0.46	-0.26	0.08	-0.09	-0.57	-0.10
10-Year	0.90	-0.66	0.35	-0.66	-0.32	-0.38
30-Year	1.67	-0.72	0.78	-1.54	0.25	-1.77

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

	7-Jun 2020	31-Dec 2019
Kuwait	74.550	36.700
KSA	115.940	56.915
Abu Dhabi	75.430	36.090
Dubai	179.570	91.005
Qatar	71.870	36.705
Bahrain	391.280	175.995
Oman	586.370	234.400
Iraq	615.070	383.680
Egypt	519.570	277.420
Morocco	135.610	91.435
Turkey	429.970	282.130
US	13.270	10.810
UK	26.930	16.210
China	46.410	31.205
Japan	17.260	21.042
Germany	14.680	7.080
France	22.160	16.130