

## News Updates

### Moody's assigns Aa2 rating to UAE government with stable outlook

– The UAE government received an Aa2 rating in creditworthiness - which is the highest sovereign rating in the region - with a stable outlook for the national economy by the international rating agency, Moody's. This is another testament to the success of the country's financial and economic vision and policies, and the strength and stability of its economic, financial and credit sectors. H.H. Sheikh Hamdan bin Rashid Al Maktoum, Deputy Ruler of Dubai and Minister of Finance, confirmed that this new classification reflects the strength and resilience of the country's economy and its ability to overcome various challenges - especially in light of the exceptional circumstances that the world is witnessing due to the COVID-19 pandemic. (Source: Zawya)

### Bahrain Puts Economic Recovery Ahead of Boosting Budget Revenue

– Bahrain could extend the duration of support measures to help businesses cope with the impact of the coronavirus after deploying the Gulf region's biggest stimulus relative to economic output. Before following some of its neighbors and exploring raising taxes to boost revenue, the focus is now on ensuring that a projected recovery gathers pace next year, Finance Minister Sheikh Salman bin Khalifa al Khalifa said in an interview. The government will “do what is necessary to ensure a positive path” while “observing very closely” what countries including Saudi Arabia and Oman are doing to bolster income, he said. (Source: Bloomberg)

### Britain, EU set Sunday deadline to clinch Brexit trade deal

– British Prime Minister Boris Johnson and the European Union's chief executive gave themselves until the end of the weekend to seal a new trade pact after failing to overcome persistent rifts over a “frank” and “lively” dinner of turbot on Wednesday. Following Brexit, Britain drops out of the EU's trading orbit in three weeks. Failure to agree new rules to govern everything from trade to energy ties would snarl borders, shock financial markets and sow chaos through supply chains in a world already grappling with the economic cost of COVID-19. “We agreed that the (negotiating) teams should immediately reconvene to try to resolve these essential issues,” European Commission President Ursula von der Leyen said after the dinner, which she described as “lively and interesting”. “We will come to a decision by the end of the weekend,” she said, adding that EU and UK positions remained “far apart”. (Source: Reuters)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.81	5.14	KSA	2025	1.23	6.57
Abu Dhabi	2030	1.60	9.38	KSA	2030	2.12	10.15
Abu Dhabi	2050	2.73	19.41	KSA	2050	3.30	9.08
Bahrain	2026	3.33	-1.20	Oman	2025	4.34	-1.91
Bahrain	2030	4.74	16.96	Oman	2029	5.58	-2.06
Bahrain	2047	6.11	-3.78	Oman	2048	6.88	-2.65
Dubai	2029	2.59	2.64	Qatar	2025	0.98	6.39
Kuwait	2022	0.18	1.29	Qatar	2030	1.73	11.69
Kuwait	2027	1.18	5.64	Qatar	2050	2.82	22.76

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.52	8.08	-0.10	8.06
S&P MENA Bond and Sukuk Index	2.06	NA	-0.02	8.72
Bloomberg Emerging Markets USD Index	3.63	6.80	-0.04	5.33
Bloomberg Global Aggregate Index	0.87	7.42	-0.13	8.16

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	10/12/2020	31/12/2019	10/12/2020	31/12/2019	10/12/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	1.9375	3.1875
SAIBOR	0.8275	2.2314	0.8763	2.2557	0.9475	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.1327	2.2500	1.1912	2.3500	1.2908	2.5333
AEIBOR	0.3578	2.2086	0.5593	2.1914	0.5869	2.2900
EURIBOR	-0.5360	-0.3830	-0.5180	-0.3240	-0.5040	-0.2490
LIBOR	0.2300	1.9084	0.2534	1.9121	0.3373	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2022	-0.11	-88.6
2-Year	0.2206	-0.29	-87.0
5-Year	0.4572	-0.62	-73.6
7-Year	0.6705	-0.89	-62.7
10-Year	0.9322	-0.93	-50.8
30-Year	1.4080	-0.93	-32.7

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.14	0.01
5-Year	0.40	0.04
10-Year	0.93	0.10
30-Year	1.67	0.26

Source: Bloomberg

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3044	0.0000	-0.43
SAR	3.7515	0.0000	0.00
BHD	0.3771	0.0027	0.00
QAR	3.6417	-0.0082	0.00
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.09	-0.01
5-Year	-0.04	0.00
10-Year	0.26	-0.06
30-Year	0.81	-0.25

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.80	0.00
5-Year	-0.81	0.00
10-Year	-0.66	-0.03
30-Year	-0.18	-0.18

## Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	A1	AA-	AA
KSA	A1	A-u	A
UAE	Aa2	NR	AA-
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

	10-Dec 2020	31-Dec 2019
Kuwait	39.19	36.700
KSA	62.60	56.915
Abu Dhabi	34.42	36.090
Dubai	101.41	91.005
Qatar	34.66	36.705
Bahrain	246.18	175.995
Oman	347.54	234.400
Iraq	499.30	383.680
Egypt	340.87	277.420
Morocco	91.67	91.435
Turkey	367.93	282.130
US	12.86	10.810
UK	16.42	16.210
China	28.25	31.205
Japan	14.25	21.042
Germany	9.28	7.080
France	15.75	16.130