

News

Oil Rebounds From Record Wipeout With Prices Edging Above Zero -

Oil rebounded in Asian trading, after plunging below zero for the first time in history amid rapidly filling American storage tanks, as the U.S. benchmark's May contract entered its final trading session. Futures in New York traded at around \$1 a barrel after sinking to as low as minus \$40.32. The June contract, however, which had trading volumes more than 60 times higher, rose above \$21. The spread between the two reflects the growing fear that those who take physical delivery of crude in the near future may not find any outlet or storage for those barrels as refineries curb operations.

Bahrain Follows Saudi Arabia, Oman With Budget Cuts Amid Crisis -

Bahrain announced drastic spending cuts to combat the global pandemic decimate revenue. The Gulf country will slash operating expenses for ministries and government departments by 30%. The cabinet also agreed to reschedule a number of construction and other projects to help meet emergency costs of preventing the spread of the virus.

Dana Gas to Use Egypt Sale Funds to Pay Debt If Deal Goes Ahead -

Dana Gas PJSC plans to use proceeds from the sale of its Egyptian assets to pay the outstanding \$397 million of its sukuk maturing in October should the deal go ahead. The Sharjah-based energy producer will use its cash position to make up any shortfall in payments, according to Chief Executive Officer's address to Tuesday's shareholders meeting. "In case the sale does not proceed, we are already exploring different mechanisms to raise money to pay the sukuk," he said.

The Fed Is Buying \$41 Billion of Assets Daily and It's Not Alone -

Central-bank balance sheets are expanding to record levels amid their latest buying spree, raising questions about how big they can get and whether those assets can ever be sold back to markets. Central banks in Group of Seven countries purchased \$1.4 trillion of financial assets in March, nearly five times as much as the previous monthly record set in April 2009. Morgan Stanley analysts estimate that the Federal Reserve, European Central Bank, Bank of Japan and Bank of England will expand their balance sheets by a cumulative \$6.8 trillion when all is said and done.

Argentina's Debt Plan Is Turned Down -

Three of the largest groups of Argentine bondholders on Monday rejected the government's proposal to restructure tens of billions of dollars in foreign debt, raising the likelihood that the country could enter into default as early as next month. The near-simultaneous statements from the committees presents a unified front against the current deal that investors hope will push Argentina to change its terms.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.46	-0.72	KSA	2025	2.66	-2.03
Abu Dhabi	2047	3.62	-6.88	KSA	2029	3.11	-2.52
Bahrain	2024	6.54	-10.74	KSA	2049	4.45	-9.24
Bahrain	2029	7.35	-18.47	Oman	2025	7.23	-14.05
Bahrain	2047	7.99	-23.09	Oman	2029	10.07	-28.27
Dubai	2023	3.70	-3.98	Oman	2048	10.12	-32.49
Dubai	2029	4.47	-10.16	Qatar	2024	2.17	-0.61
Kuwait	2022	1.59	0.24	Qatar	2028	2.81	-2.71
Kuwait	2027	2.14	0.63	Qatar	2049	3.87	-6.52

Source: Bloomberg

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.32	7.50	-0.20	-5.94
S&P MENA Bond and Sukuk Index		NA	0.03	-3.07
Bloomberg Emerging Markets USD Index	6.61	6.58	-0.06	-7.45
Bloomberg Global Aggregate Index	1.12	7.47	-0.12	0.59

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	21/04/2020	31/12/2019	21/04/2020	31/12/2019	21/04/2020	31/12/2019
KIBOR	1.7500	2.7500	2.0000	2.9375	2.2500	3.1875
SAIBOR	1.2286	2.2314	1.2314	2.2557	1.2314	2.3071
BHIBOR	1.8500	2.2500	2.0667	2.7000	2.3000	2.8333
QATAR	1.2467	2.2500	1.2944	2.3500	1.3944	2.5333
AEIBOR	1.5150	2.2086	1.5798	2.1914	1.6370	2.2900
EURIBOR	-0.2430	-0.3830	-0.1950	-0.3240	-0.1050	-0.2490
LIBOR	1.1090	1.9084	1.1025	1.9121	0.9819	1.9963

USD Swap Rates

	Currencies			Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.5656	0.81	-68.1	KWD	0.3121	-0.0064
2-Year	0.4260	0.44	-74.9	SAR	3.7550	-0.0266
5-Year	0.4660	0.53	-73.0	BHD	0.3783	0.0185
7-Year	0.5611	0.30	-68.8	QAR	3.6751	-0.1991
10-Year	0.6733	0.10	-64.5	OMR	0.3851	0.0130
30-Year	0.8315	-0.38	-60.2	AED	3.6732	0.0027

US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.20	0.00	0.08	0.00
5-Year	0.35	-0.01	0.19	0.00
10-Year	0.61	0.02	0.33	0.00
30-Year	1.21	0.32	0.71	0.00

Sovereign Ratings

	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	118
Kuwait	107
Dubai	275
Bahrain	450
Qatar	120
KSA	158
Egypt	614
Oman	689
Turkey	604
Iraq	1117
Morocco	177
China	40
France	39
Germany	22
Japan	33
UK	35
US	18