

## News Updates

**Kuwait's Burgan Bank plans Tier 2 dollar bonds** – Kuwait's Burgan Bank has hired banks to arrange investor calls ahead of a planned issuance of US dollar-denominated Tier 2 bonds, a document issued by one of the banks and reviewed by Reuters showed on Monday. Tier 2 bonds are a form of subordinated debt, ranking ahead of equity but below senior bonds. Burgan - Kuwait's second-largest conventional bank by assets - has hired Citi and Standard Chartered as joint global coordinators. Other banks on the deal are Bank ABC, Emirates NBD Capital, First Abu Dhabi Bank, HSBC, JPMorgan, Kamco Invest, Mizuho Securities, MUFG, and NBK Capital. Burgan Bank is rated A+ by Fitch, A3 by Moody's and BBB+ by S&P. Burgan Bank's 11NC6 Subordinated RegS Tier 2 USD Notes IPTs are at the 3.250% area. (Source: Business Recorder, Bloomberg)

**Fitch Rates Burgan Bank's Subordinated Tier 2 Notes 'A-(EXP)'** – Fitch Ratings has assigned Burgan Bank K.P.S.C.'s subordinated Tier 2 notes an expected rating of 'A-(EXP)'. The subordinated notes are rated two notches below the bank's Long-Term IDR to reflect their subordinated status and Fitch's view of a high likelihood of poor recoveries in the event of default. Fitch do not notch the notes for incremental non-performance risk because the terms of the notes do not provide for loss absorption on a 'going concern' basis (e.g. coupon omission or write-down/conversion). In Fitch's opinion, this risk is low given their view of potential sovereign support that could be made available to the bank. (Source: Bloomberg)

**UAE Eases Oil Supply Cuts to Asia After OPEC+ Compromise Deal** – The United Arab Emirates will provide Asian oil buyers with a little more crude next month after OPEC+ reached a compromise deal on cuts. While OPEC's third-largest producer will still reduce supply to Asia in January, the curbs won't be as deep as this month in percentage terms. OPEC+ agreed last week to gradually increase supply from January after almost a week of fraught negotiations and heightened tension between Saudi Arabia and the UAE. Under the agreement, the UAE is able to pump an extra 38,000 barrels a day in January, compared with its August-December output. (Source: Bloomberg)

**MANDATE: Morocco \$Benchmark 7Y, 12Y, 30Y Investor Call** – The Kingdom of Morocco rated BBB-/BB+ (negative/stable) by S&P/Fitch, has mandated Barclays, BNP Paribas, J.P. Morgan and NATIXIS as Joint Lead Managers and Joint Bookrunners to make available to investors a recorded call starting on Monday 7th December 2020. A potential triple-tranche 144A/Regulation S USD-denominated senior unsecured benchmark offering across 7-year, 12-year and 30-year tranches is expected to follow subject to market conditions. (Source: Bloomberg)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.84	5.14	KSA	2025	1.24	6.57
Abu Dhabi	2030	1.58	9.60	KSA	2030	2.10	10.29
Abu Dhabi	2050	2.69	20.43	KSA	2050	3.25	10.13
Bahrain	2026	3.34	-1.20	Oman	2025	4.34	-1.87
Bahrain	2030	4.67	17.56	Oman	2029	5.46	-1.31
Bahrain	2047	6.11	-3.78	Oman	2048	6.78	-1.47
Dubai	2029	2.59	2.64	Qatar	2025	0.97	6.46
Kuwait	2022	0.23	1.33	Qatar	2030	1.70	11.97
Kuwait	2027	1.15	5.83	Qatar	2050	2.77	23.74

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.52	8.08	0.10	8.25
S&P MENA Bond and Sukuk Index	1.74	NA	0.03	8.82
Bloomberg Emerging Markets USD Index	3.62	6.80	0.07	5.38
Bloomberg Global Aggregate Index	0.87	7.42	0.14	8.23

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	8/12/2020	31/12/2019	8/12/2020	31/12/2019	8/12/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	1.9375	3.1875
SAIBOR	0.8288	2.2314	0.8775	2.2557	0.9488	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.0806	2.2500	1.1648	2.3500	1.2631	2.5333
AEIBOR	0.3450	2.2086	0.5850	2.1914	0.5919	2.2900
EURIBOR	-0.5320	-0.3830	-0.5120	-0.3240	-0.4900	-0.2490
LIBOR	0.2259	1.9084	0.2558	1.9121	0.3368	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2095	0.02	-88.2
2-Year	0.2263	0.08	-86.7
5-Year	0.4552	0.43	-73.7
7-Year	0.6729	0.61	-62.6
10-Year	0.9363	0.72	-50.6
30-Year	1.4055	0.71	-32.8

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3044	0.0000	-0.43
SAR	3.7515	0.0053	0.01
BHD	0.3771	0.0106	0.01
QAR	3.6417	-0.0082	0.00
OMR	0.3850	0.0000	0.00
AED	3.6731	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.14	0.00
5-Year	0.39	-0.02
10-Year	0.93	-0.08
30-Year	1.69	-0.20

Source: Bloomberg

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.09	0.06
5-Year	-0.03	0.24
10-Year	0.28	0.82
30-Year	0.85	1.76

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.77	0.01
5-Year	-0.79	0.08
10-Year	-0.64	0.31
30-Year	-0.16	1.14

## 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

	8-Dec 2020	31-Dec 2019
Kuwait	39.18	36.700
KSA	63.91	56.915
Abu Dhabi	34.71	36.090
Dubai	102.16	91.005
Qatar	35.22	36.705
Bahrain	243.50	175.995
Oman	351.40	234.400
Iraq	490.67	383.680
Egypt	332.71	277.420
Morocco	86.20	91.435
Turkey	355.52	282.130
US	12.59	10.810
UK	16.30	16.210
China	28.75	31.205
Japan	14.52	21.042
Germany	9.55	7.080
France	15.75	16.130