

## News Updates

**Banque Saudi Fransi completes SAR 5bn Additional Tier 1 Sukuk issue** - Banque Saudi Fransi (BSF) said on Wednesday it has completed offering SAR 5 billion worth of SAR-denominated Additional Tier 1 Sukuk through a private placement offer. The total number of Sukuk is 5,000 based on the minimum denomination and total issue size, the Saudi lender said in a statement to the Saudi Stock Exchange (Tadawul). The Sukuk has an annual return rate of 4.5% and a par value of SAR 1 million. On 19 October, the bank began issuing the Sukuk, targeting sophisticated investors, and appointed Saudi Fransi Capital as a sole bookrunner, lead arranger, and lead manager for the offer. (Source: Mubasher)

**External finance will remain elevated in MENA in 2021 despite narrowing deficits - IIF** – The Institute of International Finance (IIF) projects gross public external financing needs of the MENA region at about \$100 billion in 2021, driven largely by the six GCC countries. Strong demand for high-quality assets from the region will remain at least for the next few years given the large financial buffers in the form of official reserves and SWFs (particularly in the UAE, Qatar, Kuwait, and Saudi Arabia) and the resumption of fiscal adjustment. The modest decline in external financing needs due to narrower fiscal deficits in 2021 would be largely offset by higher external amortization, which is expected to increase from \$23 billion in 2020 to \$49 billion in 2021, IIF said in a report. "Despite narrowing of the deficits in 2021, external financing will remain elevated. With oil prices expected to remain below \$50/b for the foreseeable future, GCC authorities are implementing serious fiscal adjustment measures to put their finances on a more sustainable footing," said Garbis Iradian, IIF's Chief Economist, MENA. "Even so, fiscal and current account deficits are likely to decline only gradually, and the GCC countries may continue to rely on substantial foreign borrowing in the years ahead," he said. (Source: Zawya)

**Egypt Affirmed at B by S&P** – Egypt's long-term foreign currency debt rating was affirmed by S&P at B. Long-Term Local Currency Debt Rating was affirmed by S&P at B. Outlook remains stable. (Source: Bloomberg)

**Egypt's cabinet approves draft law on sovereign Sukuk** – Egypt's cabinet approved the new sovereign Sukuk draft law and will refer it to the parliament for approval, the Minister of Finance, Mohamed Maait, said. The country is preparing to issue its first sovereign Sukuk upon the approval of the parliament and the President Abdel Fattah El-Sisi, Maait added in a statement on Wednesday. The law will allow the country to enter the Islamic finance sector which witnessed transactions of about \$2.7 trillion at the end of June 2020. This move is part of the country's plan to diversify the investor base in government securities. (Source: Mubasher)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.86	5.07	KSA	2025	1.28	6.44
Abu Dhabi	2030	1.60	9.41	KSA	2030	2.08	10.46
Abu Dhabi	2050	2.70	20.22	KSA	2050	3.23	10.37
Bahrain	2026	3.79	-2.85	Oman	2025	5.19	-5.11
Bahrain	2030	5.42	11.66	Oman	2029	6.60	-8.63
Bahrain	2047	6.64	-9.90	Oman	2048	7.75	-12.29
Dubai	2029	2.43	3.64	Qatar	2025	0.99	6.52
Kuwait	2022	0.48	1.15	Qatar	2030	1.72	11.75
Kuwait	2027	1.24	5.33	Qatar	2050	2.75	24.22

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.63	8.08	-0.12	6.99
S&P MENA Bond and Sukuk Index	2.09	NA	-0.07	8.34
Bloomberg Emerging Markets USD Index	3.91	6.80	-0.12	3.44
Bloomberg Global Aggregate Index	0.88	7.42	0.06	7.20

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	08/11/2020	31/12/2019	08/11/2020	31/12/2019	08/11/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	2.0000	3.1875
SAIBOR	0.8450	2.2314	0.8938	2.2557	0.9575	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	0.9658	2.2500	1.0629	2.3500	1.3208	2.5333
AEIBOR	0.4899	2.2086	0.7178	2.1914	0.8154	2.2900
EURIBOR	-0.5130	-0.3830	-0.5120	-0.3240	-0.4830	-0.2490
LIBOR	0.2059	1.9084	0.2434	1.9121	0.3334	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2060	-0.20	-88.4
2-Year	0.2369	0.46	-86.0
5-Year	0.4226	2.80	-75.6
7-Year	0.6058	3.89	-66.3
10-Year	0.8400	4.95	-55.7
30-Year	1.2720	7.13	-39.2

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3059	0.0000	-0.92
SAR	3.7505	0.0027	0.03
BHD	0.3771	0.0000	-0.01
QAR	3.6410	0.0110	0.02
OMR	0.3850	0.0000	-0.01
AED	3.6730	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.15	-0.01
5-Year	0.36	-0.17
10-Year	0.82	-0.51
30-Year	1.60	-1.74

Source: Bloomberg

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.05	-0.04
5-Year	-0.04	-0.09
10-Year	0.27	-0.54
30-Year	0.85	-1.48

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.78	-0.01
5-Year	-0.82	-0.05
10-Year	-0.69	-0.15
30-Year	-0.21	-0.81

## Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	A1	AA-	AA
KSA	A1	A-u	A
UAE	Aa2	NR	NR
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	08-Nov 2020	31-Dec 2019
Kuwait	46.17	36.700
KSA	71.60	56.915
Abu Dhabi	38.11	36.090
Dubai	115.95	91.005
Qatar	37.98	36.705
Bahrain	335.56	175.995
Oman	455.14	234.400
Iraq	652.67	383.680
Egypt	397.11	277.420
Morocco	127.58	91.435
Turkey	523.78	282.130
US	13.63	10.810
UK	17.84	16.210
China	31.88	31.205
Japan	15.52	21.042
Germany	9.77	7.080
France	15.86	16.130