

## News Updates

### OPEC leaning towards larger oil cuts as virus hits prices, demand –

Several key OPEC members are leaning towards a bigger than previously expected oil output cut, four sources with knowledge of the talks said, as oil prices fell to \$50 per barrel on fears the coronavirus outbreak will hit oil demand badly. Saudi Arabia, the biggest producer in OPEC, and some other members are considering agreeing an output cut of 1 million barrels per day (bpd) for the second quarter of 2020, more than an initially proposed cut of 600,000 bpd, the sources said. The Organization of the Petroleum Exporting Countries and its allies including Russia, a grouping known as OPEC+, have already been curbing oil output by 1.7 million bpd under a deal that runs to the end of March. They are scheduled to meet on March 5-6 in Vienna to decide further policy. In an initial response to counter the impact of the virus on the oil market, an OPEC+ committee this month recommended the group deepen its output cuts by 600,000 bpd, a figure now seen as not enough by some in the group.

### 10-year Treasury yield collapses to another record low below 1.12%, 2-year rate tumbles to 0.9% –

The 10-year U.S. Treasury yield plunged to a fresh record low on Friday as investors dumped riskier assets and searched for safer options amid the coronavirus outbreak. The benchmark rate traded at 1.116%, marking the first time ever it traded below 1.2%. The 2-year rate slid to 0.874%, its lowest level since Nov. 2016. Yields move inversely to bond prices, which are rising as purchases surge. The 10-year yield has tumbled more than 30 basis points this week alone as the massive sell-off in stocks intensified. Concerns about the global economic impact of the coronavirus have dented investor sentiment this week. The death toll in China from the virus has topped 2,700. The outbreak sent investors fleeing equities in favor of Treasuries, which have traditionally been a safer alternative to stocks. The Dow Jones Industrial Average and S&P 500 were headed for their biggest one-week losses since the financial crisis.

### Lebanon to ask for seven-day grace period for March 9 bond –

Lebanon intends to ask for a seven-day grace period for a \$1.2 billion Eurobond that matures on March 9, as it is entitled to, in order to give financial advisers more time to draft a restructuring plan, a government source said on Thursday. Lebanon would seek the seven-day grace period ahead of the March 9 date, the source said. Financial sources said the exercising of the seven-day grace period would make it more likely the government would seek to restructure the March 2020 Eurobond. Lebanon faces two further Eurobond maturities this year, one in April and one in June.

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Yield Δ (YTD %)	Sovereigns	Maturity	Yield %	Yield Δ (YTD %)
Abu Dhabi	2027	2.02	-15.56	KSA	2025	2.11	-9.87
Abu Dhabi	2047	2.97	-7.63	KSA	2029	2.56	-9.49
Bahrain	2024	3.51	2.87	KSA	2049	3.63	-5.95
Bahrain	2029	4.84	6.90	Oman	2025	4.25	2.03
Bahrain	2047	6.17	5.25	Oman	2029	5.80	9.05
Dubai	2023	2.61	7.36	Oman	2048	7.12	6.89
Dubai	2029	3.14	0.40	Qatar	2024	1.87	-12.61
Kuwait	2022	1.62	-15.03	Qatar	2028	2.28	-8.54
Kuwait	2027	1.98	-14.44	Qatar	2049	3.30	-5.28

Source: Bloomberg

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.01	7.33	-0.27	1.41
S&P MENA Bond and Sukuk Index	2.70	NA	-0.14	2.31
Bloomberg Emerging Markets USD Index	4.78	6.28	-0.37	1.34
Bloomberg Global Aggregate Index	1.07	7.27	0.64	1.96

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	01/03/2020	31/12/2019	01/03/2020	31/12/2019	01/03/2020	31/12/2019
KIBOR	2.5000	2.7500	2.7500	2.9375	3.0625	3.1875
SAIBOR	2.0871	2.2314	2.0943	2.2557	2.1257	2.3071
BHIBOR	2.1500	2.2500	2.6000	2.7000	2.7333	2.8333
QATAR	2.2999	2.2500	2.3999	2.3500	2.6696	2.5333
AEIBOR	1.8896	2.2086	1.9357	2.1914	2.1358	2.2900
EURIBOR	-0.4240	-0.3830	-0.3860	-0.3240	-0.3110	-0.2490
LIBOR	1.4628	1.9084	1.3973	1.9121	1.3815	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.1418	-11.88	-35.5
2-Year	0.9850	-12.20	-42.0
5-Year	0.9814	-10.34	-43.2
7-Year	1.0317	-9.58	-42.6
10-Year	1.1175	-8.90	-41.0
30-Year	1.3006	-7.74	-37.8

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3059	0.1472	-0.90
SAR	3.7521	0.0053	0.00
BHD	0.3771	-0.0053	0.00
QAR	3.6675	-0.0109	-0.21
OMR	0.3851	-0.0753	-0.02
AED	3.6731	-0.0027	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.91	0.29
5-Year	0.94	0.65
10-Year	1.15	1.08
30-Year	1.68	2.01

## UK Gilt

	Yield %	1D Δ (%)
2-Year	0.30	0.05
5-Year	0.32	0.13
10-Year	0.44	0.33
30-Year	0.94	0.17

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.79	0.06
5-Year	-0.78	0.18
10-Year	-0.64	0.63
30-Year	-0.16	2.87

## Sovereign Ratings

	Moody's	S&P	Fitch
Abu Dhabi	Aa2	AA	AA
Bahrain	B2	B+	BB-
Kuwait	Aa2	AA	AA
Oman	Ba1	BB	BB+
Qatar	Aa3	AA-	AA-
KSA	A1	A-	A
UAE	Aa2	NR	NR
Egypt	B2	B	B+
Lebanon	Ca	CC	CC
Turkey	B1	B+	BB-
Tunisia	B2	NR	B+
Morocco	Ba1	BBB-	BBB-
Jordan	B1	B+	BB-
China	A1	A+	A+
UK	Aa2	AA	AA
USA	Aaa	AA+	AAA
USD 5-Year CDS			YTD Δ (%)
Abu Dhabi	38.160		10.27
Kuwait	38.960		13.72
Dubai	109.960		27.54
Bahrain	196.200		14.32
Qatar	46.750		33.52
KSA	74.500		34.47
Egypt	325.410		20.35
Lebanon	16444.53		873.06
Turkey	297.601		6.19
Iraq	419.220		22.48
Morocco	86.960		6.06
China	49.718		64.12
France	15.990		-4.98
Germany	7.910		6.26
Japan	21.156		6.14
UK	17.950		0.67
US	11.560		7.08