

News Update – 23 December 2019

Kuwait oil minister hopes to resolve Neutral Zone issue with Saudi Arabia by year end – Kuwait's oil minister said on Sunday he hoped Kuwait and Saudi Arabia will resolve the Neutral Zone issue by the end of 2019. The two countries halted output from the jointly-run oilfields- Khafji and Wafra - in the so-called Neutral Zone more than three years ago, cutting some 500,000 barrels per day or 0.5 percent of global oil supply. "We hope that by the end of the year things will be cleared out and things will go back to normal," Kuwaiti minister Khaled al-Fadhel told reporters on the sidelines of a conference in Kuwait.

Kuwait's Alafco receives \$670m facilities – Alafco Aviation Lease and Finance Company secured two financing facilities from national and foreign banks, with a total value of \$670 million, according to a bourse statement. Alafco received from Kuwait Finance House (KFH) a financing facility of \$150 million, with a maturity period of three months, as from 15 December, to meet the short-term funding requirements, the company said in a disclosure to Boursa Kuwait.

TAQA successfully completes refinancing – Abu Dhabi National Energy Company PJSC (TAQA), a leading global energy company headquartered in Abu Dhabi with operations in 11 countries, announced today that it has secured a US\$ 3.5 billion revolving credit facility. The new 5-year multicurrency facility with a syndicate of 13 banks will be used for general corporate purposes and will replace its existing US\$ 3.1 billion revolving credit facility, signed in August 2015. The Bookrunners, Initial Mandated Lead Arrangers and Global Coordinators of the facility were First Abu Dhabi Bank (FAB), Sumitomo Mitsui Banking Corporation (SMBC) and Mizuho Bank. The remaining banks in the syndication were: Mashreqbank, BNP Paribas, Citi, HSBC, Intesa Sanpaolo, MUFG Bank, Bank of China, National Bank of Kuwait (NBK), Industrial and Commercial Bank of China (ICBC) and Scotiabank.

UAE banks' total investments reach AED396.2 billion – The UAE Central Bank revealed on Sunday that total banking investments reached AED396.2 billion in November. According to banking indicators released by the Central Bank, debt securities saw a jump of 16.7 percent year-to-date, with a total of AED245.4 billion. Bank deposits saw a rise of 4.6 percent year-on-year, with a total of AED1.8 trillion in November 2019 compared to AED1.74 trillion for the same month in 2018.

GCC Sovereign Yields (23 December 2019)

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.39	9.53	KSA	2025	2.33	8.69
Abu Dhabi	2047	3.20	21.28	KSA	2029	2.80	12.45
Bahrain	2024	3.46	8.53	KSA	2049	3.83	24.08
Bahrain	2029	4.56	18.66	Oman	2025	4.20	13.52
Bahrain	2047	5.87	25.47	Oman	2029	5.34	4.69
Dubai	2023	2.44	4.08	Oman	2048	6.63	21.97
Dubai	2029	3.12	9.74	Qatar	2024	2.13	4.66
Kuwait	2022	1.89	3.32	Qatar	2028	2.49	9.87
Kuwait	2027	2.32	7.78	Qatar	2049	3.47	23.91

Source: Bloomberg

Bonds and Sukuk Indices (23 December 2019)

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.17	7.33	-0.01	14.43
S&P MENA Bond and Sukuk Index	2.94	NA	-0.14	13.56
Bloomberg Emerging Markets USD Index	4.88	6.28	0.04	12.74
Bloomberg Global Aggregate Index	1.47	7.27	-0.08	6.18

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	23/12/2019	31/12/2018	23/12/2019	31/12/2018	23/12/2019	31/12/2018
KIBOR	2.7500	2.3125	2.9375	2.5625	3.1875	2.8125
SAIBOR	2.2386	2.9750	2.2571	3.1150	2.3086	3.3413
BHIBOR	2.2500	3.5500	2.7000	4.0833	2.8333	4.7000
QATAR	2.3500	2.9056	2.4500	3.0889	2.7000	3.3028
AEIBOR	2.1038	2.8375	2.1827	3.1849	2.3010	3.5737
EURIBOR	-0.3880	-0.3090	-0.3300	-0.2370	-0.2530	-0.1170
LIBOR	1.9348	2.8076	1.9205	2.8756	1.9996	3.0054

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.7930	-0.25	-35.0
2-Year	1.7087	-0.12	-35.7
5-Year	1.7285	-0.25	-32.8
7-Year	1.7824	-0.56	-32.1
10-Year	1.8690	-0.83	-31.0
30-Year	2.0485	-0.81	-27.8

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3039	-0.0230	-0.07
SAR	3.7516	0.0027	0.00
BHD	0.3770	-0.0027	-0.02
QAR	3.6670	0.0191	-0.29
OMR	0.3850	0.0026	0.00
AED	3.6731	0.0000	-0.01

US Treasuries

	Yield %	1D Δ (%)
2-Year	1.63	0.00
5-Year	1.73	0.02
10-Year	1.91	0.08
30-Year	2.33	0.25

UK Gilts

	Yield %	1D Δ (%)
2-Year	0.53	-0.02
5-Year	0.57	0.06
10-Year	0.78	0.20
30-Year	1.28	0.34

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.65	0.01
5-Year	-0.53	0.05
10-Year	-0.26	0.17
30-Year	0.27	0.29

	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	Caa2	CCC	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	33.940		-47.01
Kuwait	33.920		-44.25
Dubai	84.570		-30.11
Bahrain	160.680		-41.40
Qatar	34.920		-55.64
KSA	54.670		-46.34
Egypt	273.840		-26.30
Lebanon	2323.950		212.59
Turkey	283.114		-21.22
Iraq	355.060		-20.75
Morocco	83.950		-15.09
China	30.421		-53.50
France	16.560		-52.37
Germany	7.480		-36.83
Japan	21.019		-10.02
UK	16.100		-53.70
US	12.540		-31.49