

## News Updates

**Saudi Fransi to Issue Additional Tier 1 Riyal Sukuk** – Banque Saudi Fransi said it plans to issue riyal-denominated additional tier 1 Islamic bond. The bank mandated Saudi Fransi Capital as sole bookrunner, lead arranger and manager for the private placement. It said the value of sukuk will be based on market conditions. (Source: Bloomberg)

**Investment Corporation of Dubai Mandates Banks for US\$ Reg S Long 5-Year Conventional Bond** – Investment Corporation of Dubai ("ICD"), the principal investment arm of the Government of Dubai, has mandated Citi, Emirates NBD Capital, First Abu Dhabi Bank, HSBC, J.P. Morgan and Standard Chartered as Joint Lead Managers and Joint Bookrunners to arrange a global investor call and series of fixed income investor calls, commencing on 19 October 2020. A Regulation S Registered U.S.\$ fixed rate unrated long 5-year senior unsecured conventional offering under ICD's U.S.\$ 2.5bn EMTN Programme will follow, subject to market conditions. (Source: Bloomberg)

**Dubai Electricity is debt-free after \$1.5bn bond repayment** – Dubai Electricity and Water Authority (DEWA) has become debt-free after the state-owned utility repaid a \$1.5 billion bond this month. “New projects worth over AED80 billion (\$22bn) are either ongoing or envisaged for completion in the next five years,” chief executive officer Saeed Al Tayer said in a statement. “DEWA is not necessarily counting on new borrowings for that, rather we will use internal resources and leverage public private partnerships.” Moody's Investors Service in April lowered the company's debt rating to Baa2, two levels above junk. It said departures of foreign residents may reduce demand for power and that Dubai's government may rely more heavily on transfers of funds from the firm as the economy stutters. (Source: Arabian Business)

**Goldman Sachs Says Turkey to Hike Policy Rate by 300bp This Week** – The one-week repo rate will probably be raised to 13.25% from 10.25% at Thursday's meeting, Goldman economists led by Kevin Daly say in a report to clients. “It will raise the one-week repo rate to incorporate the tightening it has already delivered through funding restrictions”. The median forecast in a Bloomberg survey of economists is for Turkey's benchmark rate to go up to 11.75%. In Goldman's base case scenario, rates are set to reach 17% by the end of the year; however, “risks are skewed towards our risk scenario where the tightening is delayed, resulting in more TRY volatility, higher inflation and ultimately a hard lending”. (Source: Bloomberg)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.87	5.09	KSA	2025	1.15	7.16
Abu Dhabi	2030	1.60	9.55	KSA	2030	1.91	12.12
Abu Dhabi	2050	2.67	20.77	KSA	2050	3.18	11.57
Bahrain	2026	4.06	-3.89	Oman	2025	5.05	-4.59
Bahrain	2030	5.53	10.79	Oman	2029	6.48	-7.98
Bahrain	2047	6.62	-9.60	Oman	2048	7.70	-11.78
Dubai	2029	2.48	3.41	Qatar	2025	0.95	6.80
Kuwait	2022	0.25	1.62	Qatar	2030	1.65	12.64
Kuwait	2027	1.16	6.03	Qatar	2050	2.71	25.34

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.58	8.08	0.17	7.08
S&P MENA Bond and Sukuk Index	2.06	NA	0.07	8.51
Bloomberg Emerging Markets USD Index	3.95	6.80	0.09	2.96
Bloomberg Global Aggregate Index	0.88	7.42	0.11	6.21

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	19/10/2020	31/12/2019	19/10/2020	31/12/2019	19/10/2020	31/12/2019
KIBOR	1.5625	2.7500	1.8125	2.9375	2.1250	3.1875
SAIBOR	0.8563	2.2314	0.9050	2.2557	0.9688	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	0.6000	2.2500	0.7500	2.3500	1.1250	2.5333
AEIBOR	0.3813	2.2086	0.6053	2.1914	0.7615	2.2900
EURIBOR	-0.5090	-0.3830	-0.4980	-0.3240	-0.4680	-0.2490
LIBOR	0.2184	1.9084	0.2575	1.9121	0.3350	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2128	0.19	-88.0
2-Year	0.2348	0.33	-86.2
5-Year	0.4081	0.77	-76.4
7-Year	0.5699	0.92	-68.3
10-Year	0.7893	1.02	-58.3
30-Year	1.1956	1.58	-42.8

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3061	-0.0327	-0.98
SAR	3.7508	0.0133	0.02
BHD	0.3771	-0.0053	-0.01
QAR	3.6415	-0.0027	0.01
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.15	-0.01
5-Year	0.33	-0.04
10-Year	0.76	-0.10
30-Year	1.54	-0.35

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.07	-0.01
5-Year	-0.08	0.00
10-Year	0.18	-0.07
30-Year	0.73	-0.14

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.78	0.00
5-Year	-0.83	0.00
10-Year	-0.68	0.00
30-Year	-0.21	0.00

Source: Bloomberg

## 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-	BBB-
US	Aaa	AA+u	AAA
UK	Aa2	AAu	AA-
China	A1	A+	A+

## USD 5Yr CDS

	19-Oct 2020	31-Dec 2019
Kuwait	45.17	36.700
KSA	69.95	56.915
Abu Dhabi	40.63	36.090
Dubai	131.98	91.005
Qatar	39.89	36.705
Bahrain	330.05	175.995
Oman	443.43	234.400
Iraq	639.45	383.680
Egypt	417.35	277.420
Morocco	112.53	91.435
Turkey	517.72	282.130
US	13.70	10.810
UK	18.88	16.210
China	37.48	31.205
Japan	15.24	21.042
Germany	9.37	7.080
France	16.99	16.130