

## News Updates

**Kuwait closes 2019-2020 fiscal year with \$18bln deficit** – Kuwait, facing one of the worst economic crunches in the oil-exporting Gulf region, posted an actual deficit of 5.64 billion dinars (\$18.44 billion) in the 2019-2020 fiscal year, it said on Thursday, a 69% increase year on year. Total revenues fell by over 16% in the fiscal year which ended in March to 17.22 billion, the finance ministry said on Twitter, while expenditure decreased by 3.2% to 21.14 billion dinars. The government plans to issue between 4 billion and 5 billion dinars (\$13 billion to \$16 billion) in public debt by the end of the fiscal year ending March 2021 if parliament approves a long-debated debt law, a government document seen by Reuters showed. The law, which was formally submitted to parliament last month, would allow it to borrow 20 billion dinars (\$65 billion) over 30 years. (Source: Zawya)

**Fitch Downgrades Bahrain to 'B+'; Outlook Stable** – Fitch Ratings has downgraded Bahrain's Long-Term Foreign-Currency Issuer Default Rating (IDR) to 'B+' from 'BB-'. The Outlook is Stable. The downgrade reflects the combined impact of lower oil prices and the coronavirus pandemic on Bahrain, which is causing marked increases in the budget deficit and government debt, pressure on already low FX reserves and sharp GDP contraction. (Source: Fitch Ratings)

**UAE's Dana Gas posts near \$19 mln H1 loss, considers sukuk options** – United Arab Emirates-based Dana Gas on Thursday posted a first-half loss of 69 million dirhams (\$18.79 million), which included a \$37 million impairment charge related to oil and gas assets in Egypt affected by low oil prices. Dana Gas, which made a profit of 513 million dirhams a year earlier, said the loss also reflected the decreased value of its financial assets. Last month, Dana hired financial firm Houlihan Lokey to advise it on its \$309 million outstanding sukuk, or Islamic bonds, that mature on Oct. 31, which the company has already restructured twice. Asked on a press call whether the options considered included a possible restructuring, CEO Patrick Allman-Ward said all options were on the table and are being explored with the financial adviser. He said raising bank debt to repay the sukuk was also a possibility. It had \$366 million in cash and cash equivalents at the end of June versus \$425 million at the end of 2019. Following a sukuk buyback worth \$70.7 million after June 30, the company had roughly \$295 million, Allman-Ward said. (Source: Reuters)

**Egypt's central bank keeps main interest rates steady** – The Central Bank of Egypt left the lending rate at 10.25% and the deposit rate at 9.25%, their lowest since early 2016. "With the ongoing high level of global uncertainty, and given the pre-emptive measures taken by the Central Bank of Egypt, including the reduction of 300 basis points during the unscheduled MPC meeting on March 16, 2020, the MPC decided to keep key policy rates unchanged," it said in a statement. (Source: Zawya)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.35	6.35	KSA	2025	1.30	3.51
Abu Dhabi	2047	2.60	10.68	KSA	2029	1.96	5.60
Bahrain	2024	3.48	-1.64	KSA	2049	3.16	11.77
Bahrain	2029	4.88	-3.38	Oman	2025	4.44	-2.13
Bahrain	2047	6.29	-5.75	Oman	2029	6.20	-6.25
Dubai	2023	1.43	1.56	Oman	2048	7.50	-9.78
Dubai	2029	2.78	1.61	Qatar	2024	0.97	3.21
Kuwait	2022	0.61	1.39	Qatar	2028	1.56	5.26
Kuwait	2027	1.25	5.68	Qatar	2049	2.67	14.74

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.63	8.18	-0.42	6.55
S&P MENA Bond and Sukuk Index	2.10	NA	-0.29	8.24
Bloomberg Emerging Markets USD Index	4.15	6.90	-0.26	3.33
Bloomberg Global Aggregate Index	0.90	7.48	-0.01	5.60

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	16/08/2020	31/12/2019	16/08/2020	31/12/2019	16/08/2020	31/12/2019
KIBOR	1.5625	2.7500	1.8125	2.9375	2.1250	3.1875
SAIBOR	0.9200	2.2314	0.9700	2.2557	1.0200	2.3071
BHIBOR	2.2833	2.6667	2.5167	2.7000	2.6833	2.8333
QATAR	0.9667	2.2500	1.0667	2.3500	1.3333	2.5333
AEIBOR	0.4605	2.2086	0.6939	2.1914	0.9821	2.2900
EURIBOR	-0.4820	-0.3830	-0.4320	-0.3240	-0.3530	-0.2490
LIBOR	0.2704	1.9084	0.3325	1.9121	0.4609	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2453	-0.87	-86.1
2-Year	0.2340	-0.90	-86.2
5-Year	0.3525	-1.10	-79.6
7-Year	0.5077	-0.23	-71.8
10-Year	0.7072	0.72	-62.7
30-Year	1.0510	3.02	-49.7

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3058	0.0000	-0.90
SAR	3.7502	0.0000	0.03
BHD	0.3770	0.0053	0.02
QAR	3.6416	0.0000	0.00
OMR	0.3850	0.0052	-0.01
AED	3.6730	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.15	0.04
5-Year	0.29	0.14
10-Year	0.71	0.12
30-Year	1.45	-0.47

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.03	0.01
5-Year	-0.02	0.01
10-Year	0.24	-0.04
30-Year	0.80	-0.43

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.68	0.00
5-Year	-0.67	0.02
10-Year	-0.49	0.09
30-Year	0.01	0.33

Source: Bloomberg

## Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	Aa2	AA-	AA
KSA	A1	A-u	A
UAE	Aa2	NR	NR
Abu Dhabi	Aa2	AA	AA
Qatar	Aa3	AA-	AA-
Bahrain	B2u	B+	B+
Oman	Ba3	BB-	BB
Egypt	B2	B	B+
Lebanon	C	SD	RD
Jordan	B1	B+	BB-
Turkey	B1	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

	16-Aug 2020	31-Dec 2019
Kuwait	52.540	36.700
KSA	82.980	56.915
Abu Dhabi	46.190	36.090
Dubai	152.350	91.005
Qatar	46.220	36.705
Bahrain	294.100	175.995
Oman	450.210	234.400
Iraq	594.200	383.680
Egypt	422.250	277.420
Morocco	126.190	91.435
Turkey	560.540	282.130
US	13.010	10.810
UK	20.300	16.210
China	38.810	31.205
Japan	14.580	21.042
Germany	9.430	7.080
France	16.280	16.130