

## News Updates

**Dubai denies reports stating plans to merge assets with Abu Dhabi** – Dubai has denied media reports stating that the emirate is in talks with Abu Dhabi for support from state fund Mubadala in order to soften the financial set back triggered by the coronavirus. Real estate, retail, travel and tourism sectors, which drive Dubai's economy are facing an unprecedented crisis due to the several restrictions imposed to contain the coronavirus. In order to prop up the ailing sectors, the UAE Central Bank in the first week of April, doubled the size of its stimulus package to 256 billion dirhams and allowed financial institutions in the country to extend deferrals of principal and interest payments to their customers until December 31, 2020.

**Saudi PIF Denies Plan for Margin Loan Backed by SoftBank Fund** – Saudi Arabia's sovereign wealth fund said it isn't planning a margin loan backed by its investment in SoftBank Group Corp.'s Vision Fund. “PIF is not planning, or even considering, a margin loan backed by its investment in SoftBank Vision Fund,” the Public Investment Fund said in a statement after Bloomberg reported Saturday that the fund was were seeking a \$10 billion loan backed by the assets. “PIF has ample liquidity and has not been engaged with anyone to raise margin loans against its Vision Fund stake.” The fund also said, “As part of our strategy as outlined in our Vision Realization Program, PIF has four major sources of funding -- capital injections from the government, transfer of government assets, loans and debt instruments to take advantage of the capital markets, and retained earnings from investments.”

**Kuwait, Saudi to halt oil production from joint field** – Kuwait and Saudi Arabia have agreed to halt oil production from the joint Al-Khafji field for one month, starting from June 1, Kuwait's Al Rai newspaper reported on Saturday. There was no immediate comment from Kuwaiti officials. Saudi Arabia and Kuwait have agreed with other members of the OPEC+ group of oil producers to cut output in a bid to reduce a glut in global supplies. Both Gulf states have also said they would make additional cuts beyond the agreed curbs.

**Powell Steps Gently Onto Congress's Turf With Spend-More Message** – Jerome Powell must perform a high-stakes balancing act this week when he's expected to urge U.S. lawmakers to back more spending for an economy reeling from the impact of the coronavirus pandemic. The Federal Reserve chairman is scheduled to appear via video conference along with Treasury Secretary Steven Mnuchin before the Senate Banking Committee at 10:00 a.m. on Tuesday. They're testifying on the \$2.2 trillion virus rescue package passed by the Congress in March. The trick for Powell will be to make his case delicately, not overstepping his role as an unelected central banker and not appearing to take sides in the partisan battle over how much more Washington should do. Overplaying his hand could hurt the credibility of the Fed. Failing to argue persuasively may contribute to insufficient additional support and even deeper economic harm.

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.01	2.05	KSA	2025	2.25	-0.22
Abu Dhabi	2047	3.31	-2.40	KSA	2029	2.71	0.30
Bahrain	2024	5.31	-7.07	KSA	2049	4.16	-5.16
Bahrain	2029	6.65	-14.49	Oman	2025	6.10	-9.28
Bahrain	2047	7.60	-19.68	Oman	2029	8.41	-19.47
Dubai	2023	2.06	0.34	Oman	2048	8.91	-23.14
Dubai	2029	3.57	-3.87	Qatar	2024	1.65	1.31
Kuwait	2022	1.25	0.85	Qatar	2028	2.42	-0.25
Kuwait	2027	1.85	2.25	Qatar	2049	3.54	-1.21

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.71	7.32	0.47	-2.26
S&P MENA Bond and Sukuk Index	2.94	NA	0.30	0.25
Bloomberg Emerging Markets USD Index	5.49	6.26	0.41	-5.59
Bloomberg Global Aggregate Index	1.07	7.33	-0.08	0.73

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	18/05/2020	31/12/2019	18/05/2020	31/12/2019	18/05/2020	31/12/2019
KIBOR	1.7500	2.7500	1.9375	2.9375	2.1875	3.1875
SAIBOR	1.1014	2.2314	1.1743	2.2557	1.2014	2.3071
BHIBOR	2.3000	2.6667	2.3833	2.7000	2.5917	2.8333
QATAR	1.2694	2.2500	1.3423	2.3500	1.4273	2.5333
AEIBOR	0.8800	2.2086	1.1746	2.1914	1.4880	2.2900
EURIBOR	-0.2660	-0.3830	-0.1310	-0.3240	-0.0780	-0.2490
LIBOR	0.3805	1.9084	0.6590	1.9121	0.7554	1.9963

## USD Swap Rates

	Currencies				Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.3000	-0.60	-83.1	KWD	0.3091	-0.0485	-1.94
2-Year	0.2480	-0.35	-85.4	SAR	3.7578	0.0000	-0.17
5-Year	0.3390	0.56	-80.4	BHD	0.3775	-0.0159	-0.13
7-Year	0.4728	2.39	-73.7	QAR	3.6416	0.0027	0.00
10-Year	0.6263	3.49	-66.9	OMR	0.3850	0.0104	0.01
30-Year	0.8588	4.72	-58.9	AED	3.6730	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.01	-0.01	-0.07	-0.74	-0.01
5-Year	0.31	-0.01	0.07	-0.16	-0.75	-0.08
10-Year	0.64	-0.20	0.23	-0.39	-0.57	-0.12
30-Year	1.33	-0.85	0.62	-1.20	-0.10	-0.47

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+	BB-
Oman	Ba2	BB-	BB
Egypt	B2	B	B+
Lebanon	Ca	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

	18-May 2020	31-Dec 2019
Kuwait	92.700	36.700
KSA	148.300	56.915
Abu Dhabi	99.340	36.090
Dubai	240.690	91.005
Qatar	99.420	36.705
Bahrain	448.040	175.995
Oman	686.280	234.400
Iraq	1122.070	383.680
Egypt	601.680	277.420
Morocco	158.080	91.435
Turkey	616.350	282.130
US	14.540	10.810
UK	30.050	16.210
China	51.880	31.205
Japan	26.780	21.042
Germany	20.740	7.080
France	39.550	16.130