

News Updates

S&P lowers outlooks for UAE's Sharjah, Ras Al Khaimah to negative –
S&P Global Ratings has lowered its outlook to negative from stable for Sharjah and Ras Al Khaimah, two of the seven emirates that form the UAE, citing the financial risks of lower oil prices and the coronavirus. The rating agency affirmed its BBB/A-2 long-term rating for Sharjah and its A/A-1 long-term rating for Ras Al Khaimah. A negative outlook means an expectation that a credit issuer's finances may worsen and the agency may downgrade its rating as its next move. In response to the outlook change, the Ras Al Khaimah government said it was in a strong fiscal position to weather global economic conditions. Its state debt burden was low and declining, and the government was set to retire two bonds before maturity this year, it said in a statement to Reuters.

Qatar banks post more than 9% jump in total assets in March: QCB –
The credit line of Qatar's commercial banks, especially for the private sector, appears to be strong, thus helping in a more than 9% year-on-year growth in their total assets in March 2020, according to Qatar Central Bank (QCB) figures. Total assets in the country's commercial banking system stood at QR1.59tn with domestic assets constituting QR1.38tn, or 87%, of the total and overseas assets at QR213mn, or 13%, of the total. Domestic assets witnessed more than 14% year-on-year expansion at the end of March 31, 2020 on a robust growth trajectory especially in the cases of credit, securities portfolio, credit on banks and cash and precious metals.

\$793.5mln bond issue opens for subscription in Bahrain – A BD300 million Government Development Bond issue opens today to direct subscription through the primary market, said Bahrain Bourse (BHB) yesterday. Bahraini and Non-Bahraini investors can subscribe to the bonds through registered brokers at BHB. The securities have a par value of BD1 with May 3, 2020 as the date of issue and May 3, 2023 as the maturity date. The annual fixed return on these securities is six per cent, and will be every six months. The Central Bank of Bahrain issued the bonds on behalf of the government, which directly guarantees the securities.

World's Biggest Central Banks Meet as Pressure Mounts to Do More –
Global central banks remain under pressure to do more to support their economies through the coronavirus recession even after driving interest rates to record lows and pledging to spend trillions of dollars on asset purchases. The U.S. Federal Reserve, Bank of Japan and European Central Bank, which together cover almost half of global output, will all convene meetings of policy makers this week after the pandemic-driven freezing of economies and turmoil in financial markets propelled them into action. With governments this week set to confirm multi-year expansions ended in the U.S. and euro area in the first quarter, monetary policy makers may have to do more to limit the recession and speed the recovery. Among the options: extending the quantitative easing, helping ease credit to troubled businesses and committing to rock-bottom rates for longer.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.39	-0.39	KSA	2025	2.73	-2.35
Abu Dhabi	2047	3.56	-6.29	KSA	2029	3.09	-2.53
Bahrain	2024	6.58	-10.86	KSA	2049	4.44	-9.52
Bahrain	2029	7.57	-19.70	Oman	2025	7.27	-14.00
Bahrain	2047	8.21	-24.96	Oman	2029	10.37	-29.62
Dubai	2023	3.16	-2.78	Oman	2048	10.41	-34.10
Dubai	2029	4.13	-8.09	Qatar	2024	2.12	-0.33
Kuwait	2022	1.40	0.42	Qatar	2028	2.74	-2.32
Kuwait	2027	2.07	0.86	Qatar	2049	3.79	-5.29

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.26	7.32	0.21	-5.63
S&P MENA Bond and Sukuk Index	3.37	NA	0.24	-2.56
Bloomberg Emerging Markets USD Index	6.99	6.26	-0.09	-8.15
Bloomberg Global Aggregate Index	1.08	7.33	0.09	0.68

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	27/04/2020	31/12/2019	27/04/2020	31/12/2019	27/04/2020	31/12/2019
KIBOR	1.7500	2.7500	2.0000	2.9375	2.2500	3.1875
SAIBOR	1.2371	2.2314	1.2443	2.2557	1.2429	2.3071
BHIBOR	1.9667	2.6667	2.0667	2.7000	2.3000	2.8333
QATAR	1.2200	2.2500	1.2500	2.3500	1.3500	2.5333
AEIBOR	1.5470	2.2086	1.6367	2.1914	1.5737	2.2900
EURIBOR	-0.1920	-0.3830	-0.1360	-0.3240	-0.0830	-0.2490
LIBOR	0.8871	1.9084	0.9223	1.9121	0.9395	1.9963

USD Swap Rates

	Currencies			Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.4791	-3.71	-72.9	KWD	0.3091	-0.0324
2-Year	0.3840	-1.45	-77.4	SAR	3.7622	0.0053
5-Year	0.4514	0.09	-73.9	BHD	0.3788	0.0000
7-Year	0.5344	-0.23	-70.3	QAR	3.6414	-0.0027
10-Year	0.6323	-0.66	-66.6	OMR	0.3851	0.0000
30-Year	0.7540	-2.83	-63.9	AED	3.6731	0.0000

US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.22	-0.01	0.05	-0.02
5-Year	0.37	-0.02	0.16	-0.05
10-Year	0.60	0.02	0.29	-0.04
30-Year	1.17	0.35	0.62	-0.27

Source: Bloomberg

Sovereign Ratings

	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

	27-Apr 2020	31-Dec 2019
Kuwait	103.820	36.700
KSA	164.160	56.915
Abu Dhabi	122.700	36.090
Dubai	281.310	91.005
Qatar	124.100	36.705
Bahrain	475.320	175.995
Oman	729.570	234.400
Iraq	1230.650	383.680
Egypt	647.560	277.420
Morocco	177.130	91.435
Turkey	606.207	282.130
US	17.810	10.810
UK	34.444	16.210
China	48.980	31.205
Japan	33.370	21.042
Germany	23.133	7.080
France	41.290	16.130