

## News Updates

**Oman to set up an investment authority to manage government assets - state TV** – Oman is setting up the Oman Investment Authority to own and manage most of the country's sovereign wealth fund and finance ministry assets, state TV reported on Thursday, citing a decree from the sultanate's ruler. The decree, issued by Sultan Haitham bin Tariq al-Said, will allow the new authority to own all public assets except the Petroleum Development Oman company and government stakes in international institutions. The investment authority will also replace sovereign wealth funds in the country's official documents, the decree said. Oman's largest sovereign fund, the State General Reserve Fund, has assets of around \$14 billion dollars while its second-largest fund, Oman Investment Fund, has around \$3.4 billion, data from research group the Sovereign Wealth Fund Institute showed. (Source: Zawya)

**Egypt's Net Foreign Reserves Drop Near Lowest in Three Years** – Egypt's net international reserves fell in May to their lowest level in nearly three years. Net reserves decreased to \$36 billion in their third straight monthly decline, sliding by slightly over \$1 billion since April, according to central bank data published on Sunday. The decline was the smallest since the stockpile began to shrink from an all-time high reached before the coronavirus outbreak. The North African nation secured \$2.8 billion in funding from the International Monetary Fund last month and raised a further \$5 billion from bond markets. It's also seen capital outflows of about \$17 billion in March and April. The virus pandemic has hit the Arab world's most populous nation hard. Some of its main sources of foreign currency, from tourism to remittances and Suez Canal receipts, are facing disruptions. Authorities, in the wake of the health emergency, have also had to revise down economic growth forecasts for the current and next fiscal year. (Source: Bloomberg)

**Fed To Stay Full Throttle With Credit Support Despite Debt Rally** – The Federal Reserve may have stoked one of the strongest corporate debt market rallies in decades, but it's too soon to declare an all-clear for credit with the economy facing a potentially rocky road ahead. Sure, U.S. investment-grade borrowing costs have retreated to near all-time lows, and companies have sold \$1 trillion of bonds at the fastest pace on record -- evidence that merely announcing a plan to pump liquidity into corporate debt markets has helped ease strains before barely a dollar of central bank money was deployed. But the Fed's emergency pandemic lending programs are just getting started. Chairman Jerome Powell is expected to repeat that the Fed will deploy its full suite of liquidity backstops when he addresses reporters Wednesday after a two-day policy meeting -- even if there is little need for some at the moment. (Source: Bloomberg)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.90	2.71	KSA	2025	1.72	1.75
Abu Dhabi	2047	3.15	0.50	KSA	2029	2.55	1.41
Bahrain	2024	4.37	-4.30	KSA	2049	3.92	-1.31
Bahrain	2029	5.74	-8.94	Oman	2025	5.68	-7.40
Bahrain	2047	6.61	-10.11	Oman	2029	7.03	-11.44
Dubai	2023	1.59	1.46	Oman	2048	8.08	-15.82
Dubai	2029	3.17	-1.14	Qatar	2024	1.57	1.50
Kuwait	2022	1.00	1.09	Qatar	2028	2.21	1.10
Kuwait	2027	1.79	2.54	Qatar	2049	3.31	2.66

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.32	7.32	0.01	0.28
S&P MENA Bond and Sukuk Index	2.74	NA	-0.31	1.97
Bloomberg Emerging Markets USD Index	4.78	6.26	0.40	-1.31
Bloomberg Global Aggregate Index	1.08	7.33	-0.17	2.10

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	08/06/2020	31/12/2019	08/06/2020	31/12/2019	08/06/2020	31/12/2019
KIBOR	1.6875	2.7500	1.9375	2.9375	2.1875	3.1875
SAIBOR	1.0600	2.2314	1.1200	2.2557	1.1571	2.3071
BHIBOR	2.2167	2.6667	2.2667	2.7000	2.4833	2.8333
QATAR	1.2079	2.2500	1.2705	2.3500	1.3940	2.5333
AEIBOR	0.9550	2.2086	0.9088	2.1914	1.1451	2.2900
EURIBOR	-0.3530	-0.3830	-0.1960	-0.3240	-0.1200	-0.2490
LIBOR	0.3176	1.9084	0.4805	1.9121	0.6278	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.3067	0.52	-82.7	KWD	0.3080	0.0000	-1.61
2-Year	0.2959	2.15	-82.6	SAR	3.7548	-0.0053	-0.09
5-Year	0.5093	6.13	-70.5	BHD	0.3771	0.0000	-0.02
7-Year	0.6854	6.59	-61.9	QAR	3.6416	-0.0055	0.00
10-Year	0.8814	6.40	-53.5	OMR	0.3850	0.0000	-0.01
30-Year	1.1854	3.50	-43.3	AED	3.6730	0.0000	0.00

## US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.21	-0.02	-0.01	-0.01
5-Year	0.46	-0.26	0.08	-0.09
10-Year	0.90	-0.66	0.35	-0.66
30-Year	1.67	-0.72	0.78	-1.54

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

	8-Jun 2020	31-Dec 2019
Kuwait	74.550	36.700
KSA	115.940	56.915
Abu Dhabi	75.430	36.090
Dubai	179.570	91.005
Qatar	71.870	36.705
Bahrain	391.280	175.995
Oman	586.370	234.400
Iraq	615.070	383.680
Egypt	519.570	277.420
Morocco	135.610	91.435
Turkey	429.970	282.130
US	13.270	10.810
UK	26.930	16.210
China	46.410	31.205
Japan	17.260	21.042
Germany	14.680	7.080
France	22.160	16.130