

News Updates

First Abu Dhabi Bank hires banks for dollar bonds - document –

First Abu Dhabi Bank (FAB), the largest lender in the United Arab Emirates, has hired banks to arrange an investor call ahead of an issuance of U.S. dollar-denominated bonds, a document showed. The planned Additional Tier 1 perpetual bonds are not callable for six years, the document showed. Citi, First Abu Dhabi Bank, HSBC and Standard Chartered have been mandated to arrange the potential deal. (Source: Bloomberg)

UAE's Tabreed plans to issue \$1bn sukuk –

Dubai-listed National Central Cooling Company (Tabreed) is planning to raise funds through the issuance of dollar-denominated sukuk, or bonds. The Dubai-listed firm joins a growing list of corporates and sovereigns in the Gulf Cooperation Council (GCC) who are turning to the international debt markets in a bid to bolster finances amid the coronavirus pandemic. The company said on Monday that it will hold a general assembly meeting next month to consider a resolution authorising the board of directors to issue bonds and/ or sukuk with a total value of up to \$1 billion. The offering can either be made in one or multiple tranches, with a tenor of up to 30 years and at a profit rate not exceeding the prevailing market rate available to companies with the same credit rating as Tabreed. (Source: Bloomberg)

Fed's Powell Says U.S. Economy Faces Long, Uncertain Recovery –

Federal Reserve Chair Jerome Powell said the U.S. economy is improving but has a long way to go before fully recovering from the coronavirus pandemic. “Many economic indicators show marked improvement,” Powell said Monday in the text of testimony he's scheduled to deliver before the House Financial Services Committee on Tuesday. “Both employment and overall economic activity, however, remain well below their pre-pandemic levels, and the path ahead continues to be highly uncertain,” he said. Powell will appear alongside Treasury Secretary Steven Mnuchin, a quarterly exercise mandated by the Cares Act passed by Congress in March and which appropriated about \$2 trillion to help speed the U.S. recovery. The pair are likely to face questions about their use of Cares Act funds and about what else should still be done. In his testimony, Powell repeated earlier remarks that more is required from both fiscal and monetary policy to prevent the pandemic from causing long-term damage to the economy. “The path forward will depend on keeping the virus under control, and on policy actions taken at all levels of government,” he said. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.03	4.54	KSA	2025	1.54	5.32
Abu Dhabi	2030	1.65	9.13	KSA	2030	2.26	8.81
Abu Dhabi	2050	2.74	19.16	KSA	2050	3.36	8.23
Bahrain	2026	4.33	-4.93	Oman	2025	5.30	-5.35
Bahrain	2030	5.67	9.77	Oman	2029	6.60	-8.57
Bahrain	2047	6.78	-11.38	Oman	2048	7.91	-13.91
Dubai	2029	2.72	1.89	Qatar	2025	1.18	5.92
Kuwait	2022	0.75	1.08	Qatar	2030	1.91	10.39
Kuwait	2027	1.38	4.74	Qatar	2050	2.89	21.24

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.69	8.08	-0.41	5.58
S&P MENA Bond and Sukuk Index	2.15	NA	-0.26	7.22
Bloomberg Emerging Markets USD Index	3.95	6.80	-0.55	2.63
Bloomberg Global Aggregate Index	0.89	7.42	-0.34	6.07

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	22/09/2020	31/12/2019	22/09/2020	31/12/2019	22/09/2020	31/12/2019
KIBOR	1.6250	2.7500	1.8125	2.9375	2.1250	3.1875
SAIBOR	0.8738	2.2314	0.9238	2.2557	0.9838	2.3071
BHIBOR	2.2833	2.6667	2.5000	2.7000	2.6833	2.8333
QATAR	0.9139	2.2500	1.0250	2.3500	1.3291	2.5333
AEIBOR	0.4650	2.2086	0.6088	2.1914	0.6933	2.2900
EURIBOR	-0.5040	-0.3830	-0.4680	-0.3240	-0.4290	-0.2490
LIBOR	0.2254	1.9084	0.2753	1.9121	0.3739	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.2298	0.04	-87.0	KWD	0.3059	-0.1144	-0.92
2-Year	0.2190	0.00	-87.1	SAR	3.7509	0.0000	0.02
5-Year	0.3272	-0.04	-81.1	BHD	0.3771	-0.0106	-0.01
7-Year	0.4722	0.05	-73.7	QAR	3.6420	0.0082	0.01
10-Year	0.6715	-0.35	-64.6	OMR	0.3850	0.0000	0.00
30-Year	1.0505	-0.12	-49.8	AED	3.6731	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.14	0.00		-0.13	0.01		-0.71	0.00
5-Year	0.27	0.00		-0.14	0.05		-0.75	0.00
10-Year	0.67	0.01		0.15	0.33		-0.60	0.00
30-Year	1.41	0.02		0.71	0.85		-0.10	0.00

Source: Bloomberg

Currencies

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	B2	B+	B+
Oman	Ba3	BB-	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

	22-Sep 2020	31-Dec 2019
Kuwait	55.05	36.700
KSA	98.74	56.915
Abu Dhabi	54.38	36.090
Dubai	144.31	91.005
Qatar	54.84	36.705
Bahrain	304.21	175.995
Oman	421.85	234.400
Iraq	538.47	383.680
Egypt	442.45	277.420
Morocco	118.32	91.435
Turkey	562.46	282.130
US	17.09	10.810
UK	16.98	16.210
China	44.18	31.205
Japan	17.10	21.042
Germany	9.34	7.080
France	16.70	16.130