

## News Updates

**Kuwait Financial Centre obtained the CMA approval to issue Bonds** – Kuwait Financial Centre K.P.S.C (“Markaz”) has obtained the approval from CMA to issue up to KD 35 million bonds through a private placement in the State of Kuwait, subject to CMA regulations and bylaws. (Source: Bloomberg)

**UAE records AED 5.37bn trade balance surplus with Gulf countries** – The UAE's trade balance recorded around AED 5.37 billion (\$1.46 billion) surplus with four Gulf countries during the first quarter (Q1) of 2020, according to the latest data by the Federal Competitiveness and Statistics Authority (FCSA). The surplus in the UAE's trade balance is attributed to an increase in the country's exports to the four Gulf countries to AED 17.83 billion in the January-March period of 2020. Meanwhile, the UAE's imports from Saudi Arabia, Bahrain, Kuwait, and Oman reached about AED 12.46 billion in Q1-20, while the total value of the re-exports between the UAE and four countries recorded AED 24.9 billion. Hence, the trade exchange with these countries amounted to AED 55.2 billion. Saudi Arabia topped the UAE's trade partners with AED 25.815 billion, followed by Oman with AED 11.931 billion, Kuwait with AED 11.218 billion, and Bahrain with AED 6.23 billion. (Source: Mubasher)

**Brent crude tops \$40 after Biden's win lifts risk-takers** – Oil prices gained more than 2% on Monday, with Brent futures rising above \$40 a barrel, after Joe Biden clinched the U.S. presidency and buoyed risk appetites, offsetting worries about the impact on demand from a worsening coronavirus pandemic. Brent crude futures LCOc1 for January climbed \$1.06, or 2.7%, to \$40.51 a barrel by 0453 GMT, and U.S. West Texas Intermediate crude CLc1 for December was at \$38.21 a barrel, up \$1.07, or 2.9%. Oil recovered from a 4% decline on Friday, rising along with other financial markets after Biden emerged as the winner in the U.S. presidential race on Sunday. Meanwhile, the dollar weakened, boosting commodities priced in the greenback as they became more affordable for investors holding other currencies. Separately, U.S. oil production is set to climb as producers are tapping into a backlog of drilled wells left uncompleted to boost output. The number of operating oil and gas rigs in the United States rose for an eighth week last week, according to Baker Hughes. Key members of the Organization of the Petroleum Exporting Countries (OPEC) are wary of Biden relaxing measures on either Iran or Venezuela in years to come, which could mean an increase in production that would make it harder to balance supply with demand. ING analysts said the return of Iranian oil supply is more likely to happen at end-2021 or in 2022. (Source: Reuters)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.86	5.07	KSA	2025	1.28	6.44
Abu Dhabi	2030	1.60	9.41	KSA	2030	2.08	10.46
Abu Dhabi	2050	2.70	20.22	KSA	2050	3.23	10.37
Bahrain	2026	3.78	-2.85	Oman	2025	5.19	-5.11
Bahrain	2030	5.42	11.66	Oman	2029	6.61	-8.63
Bahrain	2047	6.64	-9.90	Oman	2048	7.75	-12.29
Dubai	2029	2.43	3.64	Qatar	2025	0.99	6.52
Kuwait	2022	0.47	1.15	Qatar	2030	1.72	11.75
Kuwait	2027	1.24	5.33	Qatar	2050	2.75	24.22

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.63	8.08	-0.12	6.99
S&P MENA Bond and Sukuk Index	2.09	NA	-0.07	8.34
Bloomberg Emerging Markets USD Index	3.91	6.80	-0.12	3.44
Bloomberg Global Aggregate Index	0.88	7.42	0.06	7.20

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	09/11/2020	31/12/2019	09/11/2020	31/12/2019	09/11/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	2.0000	3.1875
SAIBOR	0.8425	2.2314	0.8925	2.2557	0.9550	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.0329	2.2500	1.1315	2.3500	1.3104	2.5333
AEIBOR	0.4663	2.2086	0.6503	2.1914	0.7854	2.2900
EURIBOR	-0.5130	-0.3830	-0.5120	-0.3240	-0.4830	-0.2490
LIBOR	0.2059	1.9084	0.2434	1.9121	0.3334	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2058	-0.02	-88.4
2-Year	0.2381	0.12	-86.0
5-Year	0.4238	0.12	-75.5
7-Year	0.6050	-0.08	-66.3
10-Year	0.8367	-0.33	-55.8
30-Year	1.2622	-0.98	-39.6

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3054	0.1802	-0.74
SAR	3.7506	0.0000	0.03
BHD	0.3771	0.0053	0.00
QAR	3.6410	0.0110	0.02
OMR	0.3850	0.0000	-0.01
AED	3.6730	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.15	0.01
5-Year	0.36	0.01
10-Year	0.82	0.02
30-Year	1.60	0.14

Source: Bloomberg

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.05	-0.04
5-Year	-0.04	-0.09
10-Year	0.27	-0.54
30-Year	0.85	-1.48

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.78	-0.01
5-Year	-0.82	-0.05
10-Year	-0.69	-0.15
30-Year	-0.21	-0.81

## Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	A1	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	B+	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-	BB+
US	Aaa	AA+u	AAA
UK	Aa2	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	09-Nov 2020	31-Dec 2019
Kuwait	46.17	36.700
KSA	71.60	56.915
Abu Dhabi	38.11	36.090
Dubai	115.95	91.005
Qatar	37.98	36.705
Bahrain	335.56	175.995
Oman	455.14	234.400
Iraq	652.67	383.680
Egypt	397.11	277.420
Morocco	127.58	91.435
Turkey	523.78	282.130
US	13.63	10.810
UK	17.84	16.210
China	31.43	31.205
Japan	15.38	21.042
Germany	9.77	7.080
France	15.86	16.130