

## News Updates

### Kuwait's \$124 Billion Pension Fund Had Record First-Half Profit –

Kuwait's \$124 billion pension fund racked up a record profit in the first half, continuing a turnaround for an institution previously marred by a corruption scandal. The Public Institution for Social Security, which owns a quarter of U.S. private equity firm Stone Point Capital LLC, said profit rose 362% to \$12.1 billion in the first half. It surged 611% to \$4.7 billion in the second quarter, reflecting the “governance and strength” of its new investment strategy, according to a statement on Wednesday. A new management team was brought into the fund in 2017 to transform the state-owned institution after its former head was found guilty of personally profiting from the organization over decades. The fund has since exited more than \$20 billion in questionable deals in a major reorganization of its portfolio. PIFSS, as the fund is known, said in August it aims to have 12% to 17% of its portfolio in real estate, followed by private equity at between 8% and 13% and infrastructure at 3% to 10%. Between 40% and 60% of its portfolio is in stocks and fixed income. PIFSS also owns 25% of Oak Hill Advisors and 10% of TowerBrook Capital Partners LP. (Source: Bloomberg)

### Oman Plans to Borrow 175m Rials From Sukuk Private Placement –

Oman's government to issue sukuk by way of private placement. Target issue size of 175m rials, with over-allotment option, or greenshoe, to be determined after book building on the basis of bids received. The issuance is expected to have a tenor of 5 years and a profit rate of 5.75% p.a. Book Building period to last from Nov. 4-10. Settlement date is expected to be on Nov. 11. Ubhar Capital S.A.O.C. and Maisarah Islamic Banking Services (Bank Dhofar S.A.O.G) are the issue managers and collecting agent/ collecting bank for the issuance. (Source: Bloomberg)

### U.S. Supreme Court may not have final say in presidential election, despite Trump threat –

While President Donald Trump wants the U.S. Supreme Court to weigh in on a presidential race that is still too close to call, it may not be the final arbiter in this election, legal experts said. They said it was doubtful that courts would entertain a bid by Trump to stop the counting of ballots that were received before or on Election Day, or that any dispute a court might handle would change the trajectory of the race in closely fought states such as Michigan and Pennsylvania. Ned Foley, an election law expert at Ohio State University, said the current election does not have the ingredients that would create a situation like in the 2000 presidential race, when the Supreme Court ended a recount in George W. Bush's favor against Democrat Al Gore. (Source: Reuters)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.93	4.89	KSA	2025	1.29	6.44
Abu Dhabi	2030	1.63	9.27	KSA	2030	2.07	10.55
Abu Dhabi	2050	2.71	19.81	KSA	2050	3.29	9.35
Bahrain	2026	3.92	-3.43	Oman	2025	5.27	-5.38
Bahrain	2030	5.57	10.41	Oman	2029	6.61	-8.67
Bahrain	2047	6.73	-11.02	Oman	2048	7.83	-13.15
Dubai	2029	2.53	3.19	Qatar	2025	0.98	6.57
Kuwait	2022	0.44	1.23	Qatar	2030	1.73	11.84
Kuwait	2027	1.20	5.65	Qatar	2050	2.78	23.82

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.69	8.08	0.75	6.44
S&P MENA Bond and Sukuk Index	2.14	NA	0.59	7.66
Bloomberg Emerging Markets USD Index	3.97	6.80	0.85	2.98
Bloomberg Global Aggregate Index	0.87	7.42	0.27	6.45

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	05/11/2020	31/12/2019	05/11/2020	31/12/2019	05/11/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	1.9375	3.1875
SAIBOR	0.8450	2.2314	0.8938	2.2557	0.9575	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.0132	2.2500	1.1016	2.3500	1.3333	2.5333
AEIBOR	0.4906	2.2086	0.6784	2.1914	0.7400	2.2900
EURIBOR	-0.5200	-0.3830	-0.5130	-0.3240	-0.4860	-0.2490
LIBOR	0.2248	1.9084	0.2439	1.9121	0.3340	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2138	-0.02	-87.9
2-Year	0.2295	-0.33	-86.5
5-Year	0.3822	-1.14	-77.9
7-Year	0.5476	-1.82	-69.5
10-Year	0.7634	-2.45	-59.7
30-Year	1.1765	-3.83	-43.7

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3059	0.0981	-0.92
SAR	3.7510	-0.0107	0.02
BHD	0.3771	0.0000	-0.01
QAR	3.6410	0.0110	0.02
OMR	0.3850	0.0000	-0.01
AED	3.6731	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.14	0.00
5-Year	0.31	0.08
10-Year	0.73	0.28
30-Year	1.50	0.96

## UK Gilts

	Yield %	1D Δ (%)
	-0.09	0.05
	-0.08	0.16
	0.20	0.79
	0.76	1.97

## German Bunds

	Yield %	1D Δ (%)
	-0.80	0.00
	-0.84	0.03
	-0.70	0.19
	-0.24	0.57

Source: Bloomberg

## 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	05-Nov 2020	31-Dec 2019
-------------	-------------	-------------

Kuwait	51.17	36.700
KSA	76.18	56.915
Abu Dhabi	42.24	36.090
Dubai	126.50	91.005
Qatar	41.83	36.705
Bahrain	343.25	175.995
Oman	465.03	234.400
Iraq	652.68	383.680
Egypt	402.98	277.420
Morocco	131.46	91.435
Turkey	539.07	282.130
US	13.89	10.810
UK	17.32	16.210
China	36.80	31.205
Japan	15.86	21.042
Germany	9.41	7.080
France	16.12	16.130