

News Updates

Dubai School Operator GEMS Raises Extra Debt to Bolster Its Cash – GEMS Education raised \$150 million in debt funding as the Middle East private-schools operator seeks to bolster its cash levels during the coronavirus pandemic. The financing is being provided by an existing investor that Dubai-based GEMS didn't identify in a term sheet sent to investors on Monday. The “incremental” funding will be used to support working capital needs, the company said. A representative for GEMS confirmed the amount of capital being raised and its purposes in the note that was seen by Bloomberg. GEMS, which operates 65 schools across the United Arab Emirates, Qatar and the U.K., has provided discounts to parents struggling to pay fees amid the coronavirus pandemic. While revenue has been little changed as result, the firm has collected 98% of school fees for the fiscal year through August, and expects to collect “most of the balance,” according to a presentation last month. (Source: Bloomberg)

Khaleeji Commercial Bank issues \$159m Sukuk – Khaleeji Commercial Bank has successfully issued Sukuk worth \$159 million, subject to approvals from regulatory authorities and the extraordinary general meeting (EGM). Shareholders supported the bank to issue Additional Tier 1 (AT1) Capital Sukuk of up to \$200 million in a bid to support the lender's capital base, according to a bourse filing on Monday. This move will significantly strengthen the lender's financial position and empower it to enter into new strategic partnerships and promising projects that will establish a foundation to achieve growth by reducing financing costs, enhancing the capital adequacy, and investing in the development of the bank's electronic channels and the quality of services provided to customers. Khaleeji Commercial Bank is a subsidiary of Bahrain's GFH Financial Group listed on Bahrain Bourse (BHB), Boursa Kuwait, and the Dubai Financial Market (DFM). (Source: Mubasher)

First Abu Dhabi Bank sells \$465.49m in Chinese yuan 5-year Formosa bonds – First Abu Dhabi Bank, the UAE's biggest lender, has sold 3.6 billion Chinese yuan (\$465.49 million) in five-year dual-listed Formosa bonds at 3.4%, it said in a statement on Tuesday. The bank increased the size from 3.25 billion yuan and said it was the biggest yuan-denominated issuance by a non-Chinese bank issuer and the biggest Chinese yuan Formosa issuance. Formosa bonds are sold in Taiwan by foreign borrowers and are denominated in currencies other than the Taiwanese dollar. The deal follows a 1.4 billion Chinese yuan Formosa issuance in June. (Source: Zawya)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.27	7.00	KSA	2025	1.20	4.06
Abu Dhabi	2047	2.50	12.60	KSA	2029	1.89	6.34
Bahrain	2024	3.76	-2.45	KSA	2049	3.00	15.09
Bahrain	2029	5.12	-4.99	Oman	2025	4.69	-3.38
Bahrain	2047	6.50	-8.24	Oman	2029	6.58	-8.62
Dubai	2023	1.40	1.61	Oman	2048	7.66	-11.47
Dubai	2029	2.83	1.31	Qatar	2024	0.88	3.72
Kuwait	2022	0.42	1.79	Qatar	2028	1.49	5.78
Kuwait	2027	1.25	5.73	Qatar	2049	2.60	16.18

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.66	7.32	-0.03	6.46
S&P MENA Bond and Sukuk Index	2.09	NA	0.07	8.44
Bloomberg Emerging Markets USD Index	4.20	6.26	0.11	2.79
Bloomberg Global Aggregate Index	0.83	7.33	-0.37	5.87

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	05/08/2020	31/12/2019	05/08/2020	31/12/2019	05/08/2020	31/12/2019
KIBOR	1.5625	2.7500	1.8125	2.9375	2.1250	3.1875
SAIBOR	0.9214	2.2314	0.9714	2.2557	1.0214	2.3071
BHIBOR	2.3000	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.1431	2.2500	1.2181	2.3500	1.3710	2.5333
AEIBOR	0.4430	2.2086	0.6956	2.1914	0.8958	2.2900
EURIBOR	-0.4690	-0.3830	-0.4170	-0.3240	-0.3360	-0.2490
LIBOR	0.2490	1.9084	0.3035	1.9121	0.4468	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2156	-0.18	-87.8
2-Year	0.1857	-0.22	-89.1
5-Year	0.2416	-2.55	-86.0
7-Year	0.3561	-3.53	-80.2
10-Year	0.5055	-4.28	-73.3
30-Year	0.7577	-4.50	-63.8

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3059	0.0000	-0.92
SAR	3.7515	-0.0027	0.02
BHD	0.3770	0.0000	0.01
QAR	3.6417	-0.0027	0.00
OMR	0.3850	0.0000	0.00
AED	3.6731	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.11	0.01
5-Year	0.19	0.14
10-Year	0.51	0.45
30-Year	1.19	1.15

Source: Bloomberg

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.08	0.00
5-Year	-0.14	0.03
10-Year	0.07	0.28
30-Year	0.60	0.71

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.72	0.01
5-Year	-0.76	0.07
10-Year	-0.62	0.28
30-Year	-0.15	1.27

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	Ba3	BB-	BB
Egypt	B2	B	B+
Lebanon	C	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	5-Aug 2020	31-Dec 2019
Kuwait	55.550	36.700
KSA	88.970	56.915
Abu Dhabi	52.840	36.090
Dubai	160.240	91.005
Qatar	48.720	36.705
Bahrain	298.980	175.995
Oman	434.320	234.400
Iraq	663.250	383.680
Egypt	435.980	277.420
Morocco	136.080	91.435
Turkey	575.920	282.130
US	13.160	10.810
UK	21.270	16.210
China	40.230	31.205
Japan	15.710	21.042
Germany	9.500	7.080
France	16.580	16.130