

## News Updates

**Tadawul, IHS Markit develop local currency Sukuk indices** – The Saudi Stock Exchange (Tadawul) has developed, in collaboration with IHS Markit, a broader local currency-denominated benchmark index, iBoxx Tadawul SAR Government Sukuk & Bond Index, and iBoxx Tadawul SAR Government Sukuk Index Series, which is divided into maturity sub-indices. The indices provide transparency to the Saudi local currency and Saudi Government Sukuk and Bond market performance, Tadawul said in a recent statement. As part of the primary tools of active and passive investment managers, these indices can be used by dealer banks, ETF issuers, buy-side investment firms, and third-party vendors to benchmark portfolio performance and risk. (Source: Mubasher)

**PIF-backed Saudi Real Estate Refinance plans debut bond issue** – Saudi Real Estate Refinance Company (SRC) will tap international debt markets for a debut \$500 million dollar-denominated bond early next year, to fund the growth of its loan book, its chief executive said. The company, founded three years ago to support a domestic market for home loans, will also tap the local sukuk market with a one-year, 10 billion riyals (\$2.7 billion) guaranteed bond issue programme before its international foray, Fabrice Susini told The National. “We will target around \$500m for the first international issuance, probably not below. It could be a bit more. We'll see. It will depend ... on the situation in the market at that time,” Mr Susini said. SRC is also planning to enter into the structured finance market next year, either through a securitisation of some of its loan book or issuance of a covered bond as the company looks to diversify its funding sources. (Source: The National)

**Fitch Revises Arabian Centre's Outlook to Negative; Affirms at 'BB+'** – Fitch Ratings has revised the Outlook on Saudi Arabia-based real estate company Arabian Centres Company's (ACC) Long-Term Issuer Default Rating (IDR) to Negative from Stable and affirmed the IDR at 'BB+'. Fitch has also affirmed the 'BB+' unsecured rating and 'BB+' rating of the sukuk trust certificates issued through Arabian Centres Sukuk Limited (ACSL). The ratings reflect the company's competitive position as the largest retail real estate company in Saudi Arabia (KSA), owning and operating a portfolio of 21 retail malls in the most populous cities of the country, while also considering asset concentration, a front-loaded lease maturity profile and a high exposure to related-party tenants and transactions. The Negative Outlook reflects exposure to the nascent KSA retail market, which continues to be affected by an economic slowdown, a tripling of VAT, which may impact consumer spending, and most recently, COVID-19. In addition, the company's rental income is vulnerable due to a short-term lease profile and potential downward pressure from related-parties. (Source: Bloomberg)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.83	5.14	KSA	2025	1.21	6.63
Abu Dhabi	2030	1.57	9.70	KSA	2030	2.09	10.39
Abu Dhabi	2050	2.67	20.73	KSA	2050	3.23	10.38
Bahrain	2026	3.41	-1.53	Oman	2025	4.62	-2.83
Bahrain	2030	4.94	15.52	Oman	2029	5.75	-3.15
Bahrain	2047	6.22	-5.24	Oman	2048	7.07	-5.02
Dubai	2029	2.62	2.38	Qatar	2025	0.95	6.53
Kuwait	2022	0.26	1.24	Qatar	2030	1.69	12.02
Kuwait	2027	1.13	5.85	Qatar	2050	2.77	23.93

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.56	8.08	0.05	7.94
S&P MENA Bond and Sukuk Index	2.07	NA	-0.03	8.74
Bloomberg Emerging Markets USD Index	3.68	6.80	0.04	4.99
Bloomberg Global Aggregate Index	0.89	7.42	0.05	7.68

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	3/12/2020	31/12/2019	3/12/2020	31/12/2019	3/12/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	1.9375	3.1875
SAIBOR	0.8300	2.2314	0.8788	2.2557	0.9488	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.2567	2.2500	1.3167	2.3500	1.4383	2.5333
AEIBOR	0.3323	2.2086	0.6250	2.1914	0.6000	2.2900
EURIBOR	-0.5260	-0.3830	-0.5080	-0.3240	-0.4870	-0.2490
LIBOR	0.2320	1.9084	0.2588	1.9121	0.3331	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2147	0.03	-87.9
2-Year	0.2362	0.00	-86.1
5-Year	0.4686	0.41	-72.9
7-Year	0.6804	0.50	-62.1
10-Year	0.9363	0.72	-50.6
30-Year	1.3872	1.07	-33.7

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3045	0.0493	-0.46
SAR	3.7511	0.0000	0.02
BHD	0.3771	-0.0133	-0.01
QAR	3.6417	-0.0082	0.00
OMR	0.3850	0.0000	0.00
AED	3.6731	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.16	0.00
5-Year	0.42	-0.01
10-Year	0.94	-0.05
30-Year	1.70	-0.25

Source: Bloomberg

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.04	0.02
5-Year	0.02	0.04
10-Year	0.35	-0.09
30-Year	0.92	-0.31

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.72	0.00
5-Year	-0.74	0.00
10-Year	-0.59	-0.07
30-Year	-0.11	-0.37

## 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	3-Dec 2020	31-Dec 2019
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Kuwait	40.18	36.700
KSA	65.64	56.915
Abu Dhabi	35.45	36.090
Dubai	105.73	91.005
Qatar	35.85	36.705
Bahrain	254.37	175.995
Oman	363.87	234.400
Iraq	576.71	383.680
Egypt	348.46	277.420
Morocco	95.00	91.435
Turkey	371.92	282.130
US	12.34	10.810
UK	16.50	16.210
China	28.47	31.205
Japan	14.70	21.042
Germany	9.77	7.080
France	16.09	16.130