

News Updates

National Industries issues KWD 30m bonds, due in 2025 – The National Industries Group Holding has successfully issued non-guaranteed bonds worth KWD 30 million (approx. \$98.7 million) on Tuesday, 11 February. The bonds will be matured in five years in 2025, according to a bourse statement on Wednesday. The company added that the issuance reflects investors' confidence in the Kuwaiti firm's high level of insurance competency. Moreover, the company has appointed the Kuwait Financial Centre (Markaz), Ahli Capital Investment Company, and Gulf Bank as lead managers and bookrunners. The first tranche of bonds will have a fixed rate of return of 5.5% on an annual basis, while the second tranche will have a floating interest rate of 2.75% above the discount rate announced by the Central Bank of Kuwait (CBK). Both tranches will be paid on a quarterly basis. It is worth noting that Capital Intelligence (CI) affirmed a 'BBB' rating for this bonds issue. National Industries is dually listed on Boursa Kuwait and the Dubai Financial Market (DFM).

Dar Alarkan Hires Banks for 7-Year USD Benchmark Unsecured Sukuk – Dar Alarkan has mandated banks to arrange fixed-income investor meetings in the U.A.E. and London, the Saudi property developer says. Meetings will commence February 17, 2020. It has hired a group of arrangers for the deal including AlKhair Capital, Citi, Deutsche Bank, Dubai Islamic Bank, Emirates NBD Capital, Mashreq Bank, Nomura, Standard Chartered Bank and Warba Bank, according to the document.

Chevron prepares to restart Wafra oilfield on Saudi-Kuwaiti border – Chevron has begun preparations to restart production at the Wafra oilfield in the Kuwaiti-Saudi Neutral Zone, the company said in a statement on Thursday. Kuwait and Saudi Arabia, both members of the Organization of the Petroleum Exporting Countries (OPEC), agreed last year to end a five-year dispute over the border area known as the Neutral Zone, allowing production to resume at two jointly run fields that can pump up to 0.5% of the world's oil supply. A Kuwait oil official told Reuters earlier this month that 10,000 barrels per day (bpd) of trial oil output from the Wafra field will start by late March, and production is expected to increase to 80,000 bpd from the field within six months of starting trial production.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Yield Δ (YTD %)	Sovereigns	Maturity	Yield %	Yield Δ (YTD %)
Abu Dhabi	2027	2.11	-12.00	KSA	2025	2.13	-9.02
Abu Dhabi	2047	3.04	-5.57	KSA	2029	2.61	-7.74
Bahrain	2024	3.28	-3.73	KSA	2049	3.63	-6.12
Bahrain	2029	4.44	-1.78	Oman	2025	3.98	-4.31
Bahrain	2047	5.73	-2.20	Oman	2029	5.14	-3.41
Dubai	2023	2.33	-4.28	Oman	2048	6.56	-1.55
Dubai	2029	3.00	-3.89	Qatar	2024	1.87	-12.63
Kuwait	2022	1.64	-13.97	Qatar	2028	2.31	-7.53
Kuwait	2027	2.06	-11.01	Qatar	2049	3.29	-5.53

Source: Bloomberg

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.94	7.33	0.12	1.85
S&P MENA Bond and Sukuk Index	2.72	NA	0.07	2.10
Bloomberg Emerging Markets USD Index	4.69	6.28	0.20	2.14
Bloomberg Global Aggregate Index	1.28	7.27	0.06	0.42

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	16/02/2020	31/12/2019	16/02/2020	31/12/2019	16/02/2020	31/12/2019
KIBOR	2.5625	2.7500	2.8125	2.9375	3.0625	3.1875
SAIBOR	2.1443	2.2314	2.1643	2.2557	2.2129	2.3071
BHIBOR	2.1500	2.2500	2.6333	2.7000	2.7667	2.8333
QATAR	2.3180	2.2500	2.4180	2.3500	2.7273	2.5333
AEIBOR	1.9781	2.2086	2.0044	2.1914	2.3233	2.2900
EURIBOR	-0.4130	-0.3830	-0.3590	-0.3240	-0.2930	-0.2490
LIBOR	1.6918	1.9084	1.7100	1.9121	1.7984	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.5842	-0.86	-10.5
2-Year	1.4587	-1.71	-14.1
5-Year	1.4120	-2.98	-18.3
7-Year	1.4531	-3.32	-19.2
10-Year	1.5318	-3.69	-19.2
30-Year	1.7120	-3.68	-18.1

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3051	-0.0492	-0.65
SAR	3.7510	0.0000	0.02
BHD	0.3770	0.0000	0.02
QAR	3.6666	0.0109	-0.19
OMR	0.3850	0.0000	-0.01
AED	3.6731	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	1.43	0.04
5-Year	1.42	0.14
10-Year	1.58	0.30
30-Year	2.04	0.80

UK Gilt

	Yield %	1D Δ (%)
2-Year	0.52	0.01
5-Year	0.49	0.08
10-Year	0.62	0.23
30-Year	1.11	0.49

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.67	0.02
5-Year	-0.64	0.07
10-Year	-0.44	0.14
30-Year	0.11	0.43

	Sovereign Ratings		
	Moody's	S&P	Fitch
Abu Dhabi	Aa2	AA	AA
Bahrain	B2	B+	BB-
Kuwait	Aa2	AA	AA
Oman	Ba1	BB	BB+
Qatar	Aa3	AA-	AA-
KSA	A1	A-	A
UAE	Aa2	NR	NR
Egypt	B2	B	B+
Lebanon	Caa2	CCC	CC
Turkey	B1	B+	BB-
Tunisia	B2	NR	B+
Morocco	Ba1	BBB-	BBB-
Jordan	B1	B+	BB-
China	A1	A+	A+
UK	Aa2	AA	AA
USA	Aaa	AA+	AAA
USD 5-Year CDS			YTD Δ (%)
Abu Dhabi	36.950		7.74
Kuwait	35.960		5.55
Dubai	91.580		4.55
Bahrain	161.470		-2.47
Qatar	38.220		9.40
KSA	58.810		5.97
Egypt	252.740		-3.81
Lebanon	4656.440		109.29
Turkey	266.148		-5.08
Iraq	394.120		15.92
Morocco	76.890		-4.97
China	33.242		8.63
France	13.970		-16.30
Germany	6.960		-4.50
Japan	17.770		-9.82
UK	16.890		-5.62
US	12.800		16.18