

## News Updates

**Kuwait's foreign reserves up 21% in June** – Kuwait's foreign reserves increased by 20.99% during June, maintaining an upward trend for the third consecutive month, according to the monthly bulletin data by the Central Bank of Kuwait (CBK). The reserve assets amounted to KWD 13.92 billion (\$45.65 billion) by the end of June 2020, compared with KWD 11.51 billion (\$37.74 billion) in June 2019. On a monthly basis, the Kuwaiti reserve grew by 1.83%, compared with KWD 13.67 billion in May. Total currency deposits increased by 21.74% year-on-year (YoY) to KWD 13.115 billion. (Source: Mubasher)

**Saudi Aramco's profit plunges, sees signs of oil market recovery** – State oil giant Saudi Aramco's profit plunged 73% in the second quarter of the year, as a slump in energy demand and prices due to the coronavirus crisis hit sales at the world's biggest oil exporter. But the company stuck with plans to pay \$75 billion in dividends this year and CEO Amin Nasser said global oil demand was recovering. All major oil companies have taken a hit in the second quarter as lockdowns to contain the coronavirus limited travel, which reduced oil consumption and sent prices tumbling to levels not seen in nearly two decades. Nasser told reporters he had seen a partial recovery in the energy market and a pick up in demand as economies gradually open after the easing of coronavirus lockdowns. “Look at China, their gasoline and diesel demand is almost at pre-COVID 19 levels. We are seeing that Asia is picking up and other markets (too),” he told reporters after announcing the company's quarterly results. (Source: Reuters)

**Trump signs coronavirus relief orders after talks with Congress break down** – President Donald Trump signed executive orders on Saturday partly restoring enhanced unemployment payments to the tens of millions of Americans who lost jobs in the coronavirus pandemic, as the United States marked a grim milestone of 5 million cases. Negotiations broke down this week between the White House and top Democrats in Congress over how best to help Americans cope with the heavy human and economic toll of the crisis, which has killed more than 160,000 people across the country. Trump said the orders would provide an extra \$400 per week in unemployment payments, less than the \$600 per week passed earlier in the crisis. Some of the measures were likely to face legal challenges, as the U.S. Constitution gives Congress authority over federal spending. (Source: Reuters)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.18	7.47	KSA	2025	1.13	4.26
Abu Dhabi	2047	2.37	15.17	KSA	2029	1.85	6.68
Bahrain	2024	3.45	-1.53	KSA	2049	2.92	16.77
Bahrain	2029	5.07	-4.61	Oman	2025	4.60	-2.86
Bahrain	2047	6.41	-7.20	Oman	2029	6.38	-7.40
Dubai	2023	1.24	1.96	Oman	2048	7.62	-11.03
Dubai	2029	2.77	1.76	Qatar	2024	0.80	4.04
Kuwait	2022	0.35	1.93	Qatar	2028	1.34	6.78
Kuwait	2027	1.13	6.49	Qatar	2049	2.47	18.95

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.56	8.18	0.13	7.57
S&P MENA Bond and Sukuk Index	2.01	NA	0.13	9.35
Bloomberg Emerging Markets USD Index	4.13	6.90	0.05	3.70
Bloomberg Global Aggregate Index	0.82	7.48	-0.32	6.21

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	10/08/2020	31/12/2019	10/08/2020	31/12/2019	10/08/2020	31/12/2019
KIBOR	1.5625	2.7500	1.8125	2.9375	2.1250	3.1875
SAIBOR	0.9200	2.2314	0.9700	2.2557	1.0200	2.3071
BHIBOR	2.2833	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.2500	2.2500	1.3000	2.3500	1.4000	2.5333
AEIBOR	0.4625	2.2086	0.6426	2.1914	0.8468	2.2900
EURIBOR	-0.4780	-0.3830	-0.4180	-0.3240	-0.3500	-0.2490
LIBOR	0.2525	1.9084	0.3091	1.9121	0.4490	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2305	1.10	-87.0
2-Year	0.2117	1.46	-87.5
5-Year	0.2920	2.20	-83.1
7-Year	0.4170	3.15	-76.8
10-Year	0.5770	3.94	-69.6
30-Year	0.8506	5.37	-59.3

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3055	0.0655	-0.79
SAR	3.7508	0.0080	0.04
BHD	0.3770	0.0000	0.02
QAR	3.6415	-0.0027	0.01
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.13	-0.02
5-Year	0.23	-0.08
10-Year	0.56	-0.26
30-Year	1.23	-0.86

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.03	-0.03
5-Year	-0.07	-0.08
10-Year	0.14	-0.43
30-Year	0.67	-1.42

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.71	-0.02
5-Year	-0.73	-0.08
10-Year	-0.58	-0.21
30-Year	-0.10	-0.71

Source: Bloomberg

## 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	10-Aug 2020	31-Dec 2019
Kuwait	55.510	36.700
KSA	85.490	56.915
Abu Dhabi	48.970	36.090
Dubai	160.190	91.005
Qatar	48.570	36.705
Bahrain	301.760	175.995
Oman	465.680	234.400
Iraq	663.250	383.680
Egypt	440.200	277.420
Morocco	128.560	91.435
Turkey	577.600	282.130
US	13.180	10.810
UK	19.390	16.210
China	39.780	31.205
Japan	15.360	21.042
Germany	9.880	7.080
France	15.780	16.130