

News Updates

Saudi oil exports down by \$12 billion year on year in April – The value of Saudi Arabia's oil exports dropped by 65.4% in April when compared to the same month a year earlier, or a fall of about \$12 billion, official data showed on Thursday. Compared to March, total exports - including non-oil exports of goods such as chemicals and plastics - decreased by 23.5%, or about \$3 billion, the General Authority for Statistics said. Amid a drop in demand and oil prices, in the first quarter the value of Saudi Arabia's oil exports plunged by 21.9% year on year to \$40 billion, corresponding to a decline of about \$11 billion, official data showed earlier this month. (Source: Reuters)

IMF Approves \$5.2 Billion Stand-By Arrangement for Egypt – The International Monetary Fund's executive board approved a \$5.2 billion stand-by arrangement for Egypt, boosting the most populous Arab country's economy as it grapples with the impact of Covid-19, the Washington-based lender said Friday. The one-year agreement follows Egypt's securing of \$2.8 billion from the fund last month to help cover a coronavirus-related funding gap, a move that's already showed signs of fueling confidence among investors in the country's debt. "Egypt was one of the fastest growing emerging markets prior to the COVID-19 outbreak. The country raised \$5 billion in May in its largest-ever issuance in international bond markets. It is also seeking to secure \$4 billion from other, non-IMF sources, an official told Bloomberg. (Source: Bloomberg)

Egypt's central bank keeps benchmark rates on hold – The Central Bank of Egypt (CBE) kept its main interest rates steady on Thursday, saying inflation had fallen and economic growth was expected to recover partially as a coronavirus lockdown is gradually eased. Economic growth slipped to an annual 5.0% in the Jan-March quarter from 5.6% in Oct-Dec, hit by the coronavirus and the resulting containment measures, the Monetary Policy Committee (MPC) said in a statement. The unemployment rate rose to 9.2% in April from 7.7% in the first quarter of 2020. The government says growth will be much lower in the second quarter after large sections of the economy, including the crucial tourism industry, closed down. (Source: Zawya)

Treasury Yields Fall as Virus Surge Threatens Reopenings – U.S. government-bond prices climbed Friday as investors bought safer assets amid signs that an increase in new coronavirus cases is threatening progress toward fully reopening the U.S. economy. The yield on the benchmark 10-year U.S. Treasury note settled at 0.636% -- its lowest close since May 14 -- compared with 0.674% Thursday, according to Tradeweb. Even before the latest developments, Treasury yields had signaled a darker economic outlook than some other assets such as stocks. Except for a brief period in early June when it climbed above 0.9%, the 10-year yield has been stuck around two-third of a percent for months, not far above its all-time low of around 0.5% set in March. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.66	4.31	KSA	2025	1.49	2.95
Abu Dhabi	2047	2.89	5.16	KSA	2029	2.24	3.60
Bahrain	2024	4.14	-3.42	KSA	2049	3.60	3.97
Bahrain	2029	5.32	-6.26	Oman	2025	5.13	-5.05
Bahrain	2047	6.49	-8.20	Oman	2029	6.80	-10.04
Dubai	2023	1.71	0.92	Oman	2048	7.80	-13.08
Dubai	2029	3.09	-0.40	Qatar	2024	1.29	2.43
Kuwait	2022	0.68	1.64	Qatar	2028	1.93	2.92
Kuwait	2027	1.61	3.77	Qatar	2049	3.07	7.02

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.01	7.32	0.34	2.62
S&P MENA Bond and Sukuk Index	2.47	NA	0.26	4.36
Bloomberg Emerging Markets USD Index	4.64	6.26	0.10	-0.36
Bloomberg Global Aggregate Index	0.95	7.33	-0.01	2.97

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	28/06/2020	31/12/2019	28/06/2020	31/12/2019	28/06/2020	31/12/2019
KIBOR	1.6875	2.7500	1.8750	2.9375	2.1250	3.1875
SAIBOR	0.9929	2.2314	1.0500	2.2557	1.1000	2.3071
BHIBOR	2.2500	2.6667	2.4333	2.7000	2.5667	2.8333
QATAR	1.0616	2.2500	1.1588	2.3500	1.2897	2.5333
AEIBOR	0.7606	2.2086	0.8902	2.1914	1.1418	2.2900
EURIBOR	-0.4030	-0.3830	-0.2830	-0.3240	-0.1990	-0.2490
LIBOR	0.3060	1.9084	0.3646	1.9121	0.5704	1.9963

USD Swap Rates

	Currencies				Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.2801	-1.11	-84.2	KWD	0.3077	-0.0975	-1.51
2-Year	0.2397	-1.49	-85.9	SAR	3.7522	0.0053	0.01
5-Year	0.3405	-2.82	-80.3	BHD	0.3772	0.0000	-0.01
7-Year	0.4689	-3.74	-73.9	QAR	3.6414	0.0000	0.01
10-Year	0.6272	-4.88	-66.9	OMR	0.3850	0.0052	0.00
30-Year	0.8812	-6.91	-57.9	AED	3.6730	0.0000	0.00

US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.17	0.04	-0.08	-0.02
5-Year	0.30	0.15	-0.04	-0.06
10-Year	0.64	0.43	0.17	-0.27
30-Year	1.37	1.56	0.62	-1.17

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	Ba2	BB-	BB
Egypt	B2	B	B+
Lebanon	Ca	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

	28-Jun 2020	31-Dec 2019
Kuwait	69.540	36.700
KSA	99.880	56.915
Abu Dhabi	72.930	36.090
Dubai	174.420	91.005
Qatar	72.540	36.705
Bahrain	338.140	175.995
Oman	480.310	234.400
Iraq	775.580	383.680
Egypt	478.410	277.420
Morocco	133.810	91.435
Turkey	489.520	282.130
US	12.050	10.810
UK	26.450	16.210
China	49.550	31.205
Japan	16.010	21.042
Germany	14.430	7.080
France	20.830	16.130