

News Updates

Kuwait Approves Stimulus Package to Ease Virus Impact, Kuna Says

The Kuwaiti government approved Wednesday a stimulus package to ease the economic impact caused by the coronavirus pandemic. Under the package, the Kuwaiti government will put in place a mechanism to secure minimum income for contract workers affected by the crisis and also back the salaries of those registered on title V social insurance in affected sectors. The government will help owners of small and medium-sized industrial and agricultural businesses by postponing payments funded by the National Fund for Small and Medium Enterprise Development and the agricultural finance portfolio of the Industrial Bank of Kuwait. Other parts of the measure include providing loans to affected businesses, speeding up government payments to the private sector and easing insurance payment obligations.

Saudi to List Assets Slated for Privatization on Stock Exchange

Saudi Arabia will list on the stock exchange state assets it plans to privatize under a wide-ranging program. The decision was made at a cabinet meeting late Tuesday. The cabinet statement didn't specify the state enterprises that would qualify but the world's largest oil exporter has embarked on a privatization program that includes the sale of stakes in sectors ranging from utilities to soccer clubs, flour mills and medical facilities as part of a broader move to wean its economy off crude.

Trump Says World's Top Oil Producers to Meet on Market Crash

President Donald Trump said the U.S. would meet with Saudi Arabia and Russia with the goal of staunching an historic plunge in oil said he's raised the issue with Russian President Vladimir Putin and Saudi Crown Prince Mohammed bin Salman. "They're going to get together and we're all going to get together and we're going to see what we can do," he said.

Record \$752 Billion of Bond Sales Shows Rush For Cash Buffers

Companies just raised a record of at least \$752 billion in bond markets around the world last quarter, paying up to build cash buffers as the coronavirus pandemic darkens business outlooks.

The rush to raise funds shows how it's not just shoppers stockpiling essentials. Companies spanning industries are hunkering down for more disruption and certain recession. One of the latest illustrating the trend was Oracle Corp., which raised \$20 billion on the same day its ratings were cut.

Asian Factories Sink Deeper into Contraction; China Rebounds

Asia's factories contracted further in March as the coronavirus wreaked havoc on supply chains. China was the standout, with a private survey showing an improvement in manufacturing in line with the government's official measure.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.94	-3.82	KSA	2025	3.11	-4.03
Abu Dhabi	2047	3.70	-8.10	KSA	2029	3.48	-5.15
Bahrain	2024	7.41	-13.41	KSA	2049	4.55	-10.92
Bahrain	2029	8.29	-23.66	Oman	2025	8.10	-17.60
Bahrain	2047	8.70	-29.70	Oman	2029	10.60	-30.72
Dubai	2023	4.16	-5.40	Oman	2048	10.22	-33.41
Dubai	2029	5.08	-14.12	Qatar	2024	2.79	-2.82
Kuwait	2022	2.29	-1.07	Qatar	2028	3.15	-4.85
Kuwait	2027	2.86	-3.72	Qatar	2049	3.83	-6.04

Source: Bloomberg

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.76	7.50	-0.85	-7.59
S&P MENA Bond and Sukuk Index		NA	-0.73	-4.64
Bloomberg Emerging Markets USD Index	7.26	6.58	-0.62	-9.92
Bloomberg Global Aggregate Index	1.17	7.47	0.21	-0.04

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	01/04/2020	31/12/2019	01/04/2020	31/12/2019	01/04/2020	31/12/2019
KIBOR	2.0000	2.7500	2.2500	2.9375	2.5000	3.1875
SAIBOR	1.1743	2.2314	1.1657	2.2557	1.1686	2.3071
BHIBOR	1.7000	2.2500	2.0500	2.7000	2.2333	2.8333
QATAR	1.2660	2.2500	1.3244	2.3500	1.4301	2.5333
AEIBOR	1.8363	2.2086	1.3859	2.1914	1.3947	2.2900
EURIBOR	-0.3530	-0.3830	-0.2810	-0.3240	-0.1530	-0.2490
LIBOR	1.4501	1.9084	1.0720	1.9121	0.9685	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.6651	-1.48	-62.4	KWD	0.3164	0.0445	-3.67
2-Year	0.4933	-1.02	-70.9	SAR	3.7662	-0.0558	-0.29
5-Year	0.5147	-2.93	-70.2	BHD	0.3803	-0.1081	-0.56
7-Year	0.5910	-3.73	-67.1	QAR	3.6897	-0.0843	-0.53
10-Year	0.6838	-4.47	-63.9	OMR	0.3853	-0.0104	-0.04
30-Year	0.8291	-3.77	-60.4	AED	3.6732	0.0000	0.00

US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.22	0.02	0.11	0.00
5-Year	0.38	0.18	0.18	0.11
10-Year	0.69	0.41	0.33	0.38
30-Year	1.30	1.01	0.75	0.29

Sovereign Ratings

	Sovereign Ratings		
	Moody's	S&P	Fitch
Abu Dhabi	Aa2	AA	AA
Bahrain	B2u	B+	BB-
Kuwait	Aa2	AA-	AA
Oman	Ba2	BB-	BB
Qatar	Aa3	AA-	AA-
KSA	A1	A-u	A
UAE	Aa2	NR	NR
Egypt	B2	B	B+
Lebanon	Ca	SD	RD
Turkey	B1	B+u	BB-
Tunisia	B2	NR	B+
Morocco	Ba1	BBB-	BBB-
Jordan	B1	B+	BB-
China	A1	A+	A+
UK	Aa2	AA	AA
USA	Aaa	AA+u	AAA
USD 5-Year CDS			YTD Δ (%)
Abu Dhabi	116	222	
Kuwait	102	178	
Dubai	296	225	
Bahrain	475	170	
Qatar	128	250	
KSA	175	208	
Egypt	601	116	
Lebanon	NA	NA	
Turkey	469	66	
Iraq	NA	NA	
Morocco	202	121	
China	55	79	
France	40	59	
Germany	23	113	
Japan	40	91	
UK	31	183	
US	22	74	