

News Updates

Oman's sultan says government will work to reduce debt – Oman's Sultan Haitham bin Tariq al-Said said on Sunday the government would work to reduce public debt and restructure public institutions and companies to bolster the economy. Haitham, in his second public speech since assuming power in January, said the government would create a national framework to tackle unemployment while addressing strained public finances. "We will direct our financial resources in the best way that will guarantee reducing debt and increasing revenues," he said in the televised speech. Rated junk by all three major credit rating agencies, Oman's debt to GDP ratio spiked to nearly 60% last year from around 15% in 2015, and could reach 70% by 2022, according to S&P Global Ratings.

UAE economy grew at 2.9% in 2019, central bank says – The United Arab Emirates' economy grew at 2.9% year-on-year in 2019, up from 1.7% in 2018, a UAE central bank report said. The country's hydrocarbon sector grew at 7.6% in 2019, while the non-hydrocarbon sector expanded by 1.1%, the bank report said. The central bank said the UAE economy grew 1.3% in the fourth quarter from a year earlier, slowing from a pace of 2.9% in the third quarter. The International Monetary Fund expects the UAE economy to expand at 2.5% in 2020 as oil producers will be hit by output cuts following the decision by OPEC and non-OPEC producers in December to extend supply cuts. The UAE central bank report also said property prices in Dubai fell by 7.0% in the fourth quarter from a year earlier, compared with an 8.2% drop in the previous quarter. "The Dubai market continues to exhibit decline in rent due mainly to excess supply," it said.

Oil Slumps Most in Two Weeks as Global Virus Spread Quickens – Oil slumped the most since Feb. 3 as a risk-off mood blanketed Asian markets after the global spread of the coronavirus quickened over the weekend. Brent futures fell as much as 3.3% in early Asian trading on Monday. Over the weekend, finance chiefs and central bankers from the world's largest economies said they see downside risks to the global economy persisting as supply chains get disrupted from the deadly virus. International Monetary Fund Managing Director Kristalina Georgieva said Saturday the outbreak had led the lender to cut its forecast for Chinese growth to 5.6% from 6% and to trim 0.1 percentage points from its global growth forecast, but that it's also looking at more "dire" scenarios.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Yield Δ (YTD %)	Sovereigns	Maturity	Yield %	Yield Δ (YTD %)
Abu Dhabi	2027	1.96	-17.23	KSA	2025	2.08	-10.16
Abu Dhabi	2047	2.91	-8.71	KSA	2029	2.47	-11.69
Bahrain	2024	3.35	-1.18	KSA	2049	3.43	-10.73
Bahrain	2029	4.44	-1.95	Oman	2025	3.92	-5.76
Bahrain	2047	5.73	-2.21	Oman	2029	4.94	-7.18
Dubai	2023	2.31	-5.04	Oman	2048	6.45	-3.19
Dubai	2029	2.97	-4.94	Qatar	2024	1.78	-16.58
Kuwait	2022	1.58	-17.02	Qatar	2028	2.20	-11.70
Kuwait	2027	2.00	-13.67	Qatar	2049	3.14	-9.87

Source: Bloomberg

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.87	7.33	0.39	2.63
S&P MENA Bond and Sukuk Index	2.66	NA	0.29	2.81
Bloomberg Emerging Markets USD Index	4.62	6.28	0.23	2.73
Bloomberg Global Aggregate Index	1.22	7.27	0.37	0.56

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	24/02/2020	31/12/2019	24/02/2020	31/12/2019	24/02/2020	31/12/2019
KIBOR	2.5000	2.7500	2.7500	2.9375	3.0000	3.1875
SAIBOR	2.1271	2.2314	2.1371	2.2557	2.1871	2.3071
BHIBOR	2.1500	2.2500	2.6333	2.7000	2.7667	2.8333
QATAR	2.2849	2.2500	2.3849	2.3500	2.6360	2.5333
AEIBOR	1.8875	2.2086	1.8554	2.1914	2.2545	2.2900
EURIBOR	-0.4150	-0.3830	-0.3560	-0.3240	-0.2870	-0.2490
LIBOR	1.6793	1.9084	1.6748	1.9121	1.7286	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.5132	-3.46	-14.5
2-Year	1.3644	-0.24	-19.6
5-Year	1.2536	-5.17	-27.5
7-Year	1.3328	-5.18	-25.9
10-Year	1.3633	-3.45	-28.1
30-Year	1.5412	-6.96	-26.3

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3066	0.0326	-1.13
SAR	3.7518	-0.0053	0.00
BHD	0.3770	0.0027	0.02
QAR	3.6680	-0.0082	-0.20
OMR	0.3850	0.0000	-0.01
AED	3.6730	0.0027	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	1.35	0.00
5-Year	1.32	0.01
10-Year	1.47	0.01
30-Year	1.91	0.01

UK Gilts

	Yield %	1D Δ (%)
2-Year	0.45	-0.02
5-Year	0.47	-0.03
10-Year	0.59	0.04
30-Year	1.00	1.28

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.66	-0.01
5-Year	-0.64	-0.08
10-Year	-0.46	-0.15
30-Year	0.04	-0.06

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	Ca	CC	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	36.740
Kuwait	36.960
Dubai	95.990
Bahrain	163.580
Qatar	38.900
KSA	59.320
Egypt	250.640
Lebanon	6735.540
Turkey	286.278
Iraq	394.130
Morocco	76.390
China	36.238
France	13.400
Germany	6.620
Japan	14.467
UK	17.640
US	12.510