

News Updates

Abu Dhabi in talks with banks for new debt issues – Abu Dhabi has been in talks with banks for potential debt sales in the international markets this year as the oil-rich emirate plans to engage global fixed income investors on a more regular basis amid low oil prices, sources said. Abu Dhabi, which has one of the best credit ratings in the region, issued its latest international bonds in September last year, raising \$10 billion for budgetary purposes and garnering almost \$20 billion in demand. After a reshuffling at its finance department last year, the government has been in talks with banks on several fundraising options, taking a more proactive approach to debt financing, said the sources. "They want to issue more regularly and in smaller sizes, rather than huge \$10 billion deals like last year," one of them said. "As part of its mandate, the Abu Dhabi Department of Finance constantly evaluates options under the existing bond issuance programme," it told Reuters in an emailed statement. Rated AA by S&P and Fitch and Aa2 by Moody's, Abu Dhabi's finances are backed by one of the world's largest sovereign net foreign asset positions and low levels of debt.

Oman C. Bank to issue OMR 150m gov't bonds – The Central Bank of Oman (CBO) is set to launch the 63rd issue of government development bonds (GDB) on Sunday through auction, the Oman News Agency (ONA) reported on Saturday. The new issue is fixed at OMR 150 million with a maturity period of 7 years and will carry a coupon rate of 5.25% annually. The issue will be open for subscription from 9 to 17 February 2020 while the auction will be held on 18 February. The issue is projected to be settled on 20 February 2020. Interest on the new bonds will be paid semiannually on 20 August and 20 February every year until maturity date on 20 February 2027.

Egypt's inflation records 6-yr low in 2019 – Egypt's inflation shrank to 9.2% in 2019 which is the lowest level in six years, according to data released by the Egyptian Cabinet. The average annual inflation in rural areas went down to 9.2% last year, compared to 14.4% in 2018, 29.5% in 2017, and 413.8% in 2016. It is worth noting that Egypt's foreign reserves grew by \$37 million at the end of January 2020. The African Development Bank said in a recent report that the North African country's real GDP growth is expected to accelerate to 5.8% in 2020 from 5.6% in 2019.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Yield Δ (YTD %)	Sovereigns	Maturity	Yield %	Yield Δ (YTD %)
Abu Dhabi	2027	2.17	-8.26	KSA	2025	2.14	-7.43
Abu Dhabi	2047	3.05	-4.35	KSA	2029	2.63	-6.17
Bahrain	2024	3.40	0.35	KSA	2049	3.66	-4.83
Bahrain	2029	4.51	-0.32	Oman	2025	4.02	-3.58
Bahrain	2047	5.79	-1.15	Oman	2029	5.29	-0.47
Dubai	2023	2.35	-3.53	Oman	2048	6.70	0.56
Dubai	2029	3.04	-2.57	Qatar	2024	1.92	-10.42
Kuwait	2022	1.67	-12.12	Qatar	2028	2.34	-6.18
Kuwait	2027	2.09	-9.74	Qatar	2049	3.30	-5.06

Source: Bloomberg

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.99	7.33	0.32	1.50
S&P MENA Bond and Sukuk Index	2.76	NA	0.25	1.77
Bloomberg Emerging Markets USD Index	4.69	6.28	0.12	1.81
Bloomberg Global Aggregate Index	1.28	7.27	0.23	0.57

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	10/02/2020	31/12/2019	10/02/2020	31/12/2019	10/02/2020	31/12/2019
KIBOR	2.7500	2.7500	3.0000	2.9375	3.1875	3.1875
SAIBOR	2.1543	2.2314	2.1700	2.2557	2.2229	2.3071
BHIBOR	2.1500	2.2500	2.6333	2.7000	2.7667	2.8333
QATAR	2.2993	2.2500	2.3993	2.3500	2.6931	2.5333
AEIBOR	1.9331	2.2086	2.0150	2.1914	2.2929	2.2900
EURIBOR	-0.4000	-0.3830	-0.3390	-0.3240	-0.2690	-0.2490
LIBOR	1.7309	1.9084	1.7404	1.9121	1.8349	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.5856	-0.41	-10.4
2-Year	1.4523	-0.29	-14.4
5-Year	1.4101	-0.28	-18.4
7-Year	1.4524	-0.37	-19.2
10-Year	1.5355	-0.45	-19.0
30-Year	1.7224	-0.87	-17.6

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3046	-0.0690	-0.49
SAR	3.7516	0.0000	0.01
BHD	0.3770	0.0000	0.02
QAR	3.6664	0.0055	-0.17
OMR	0.3850	0.0026	-0.01
AED	3.6730	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	1.40	0.00
5-Year	1.40	0.01
10-Year	1.58	0.02
30-Year	2.04	0.12

UK Gilts

	Yield %	1D Δ (%)
2-Year	0.48	-0.04
5-Year	0.42	0.01
10-Year	0.57	0.11
30-Year	1.08	0.29

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.65	0.01
5-Year	-0.63	0.04
10-Year	-0.42	0.15
30-Year	0.13	0.61

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	38.330		10.64
Kuwait	35.960		5.53
Dubai	91.000		4.43
Bahrain	157.770		-4.57
Qatar	40.780		15.49
KSA	62.500		12.45
Egypt	250.280		-4.70
Lebanon	3753.280		64.12
Turkey	255.454		-8.63
Iraq	394.110		15.92
Morocco	77.900		-3.86
China	34.456		13.72
France	16.060		-5.25
Germany	7.120		-3.47
Japan	17.240		-12.59
UK	16.340		-7.49
US	12.440		13.06