

News Updates

NMC Crisis Widens as Banks Count Debt, ADCB Urges Administration

The scandal surrounding NMC Health Plc widened, with United Arab Emirates' banks disclosing more than \$2 billion of exposure and one of its biggest creditors calling for the struggling hospital operator to be put into administration. Shares in Dubai Islamic Bank PJSC ended limit down on Sunday after the lender revealed it has \$541 million of exposure to NMC, which risks erasing almost half of its annual profit. Abu Dhabi Islamic Bank PJSC also closed by the maximum allowed after revealing it extended \$291.4 million to the U.A.E.'s largest private healthcare provider. Abu Dhabi Commercial Bank PJSC also slumped after it asked a court to put the company into administration. Abu Dhabi Commercial Bank Exposure to NMC Health at \$981 Million.

Global lenders including HSBC Holdings Plc, JPMorgan Chase & Co. and Standard Chartered Plc also have large outstanding loans to the Abu Dhabi-based company. Some of the lenders are in talks to set up a committee to discuss ways to recover funds.

Emirates Airline Said to Seek Billions of Dollars in Bank Loans

Emirates is seeking to raise billions of dollars from loans after the coronavirus forced the airline to ground its passenger fleet, according to people with knowledge of the matter. The carrier is reaching out to local and international banks. Dubai's government last week stepped in to shield the airline and said it would receive unspecified financial aid.

Spanish firm-led consortium secures \$200 mln Saudi desalination plant deal

Spanish group Abengoa, in a consortium with engineering firm SEPCOIII, secured a contract to construct a 600,000 cubic meters per day (m3/d) desalination plant for ACWA Power in Saudi Arabia. The developer consortium is formed by ACWA Power, Gulf Investment Corporation and Al Bawani Water & Power Co., while desalinated water will be supplied to the state-owned Saudi Water Partnership Company.

Historic Low Yields Back in Sight After Volatility Vanquished

Emergency central-bank action to calm financial markets has crushed rates volatility faster than at any point since 2009. But investors don't expect that to spell the end of the rallies in government bonds. In the U.S., the apex of infections from the pandemic may be weeks away, and the disease is demolishing the strongest labor market in generations. The 10-year yield, at 0.59%, just had its lowest weekly close ever. Bank of America Corp. and BMO Capital Markets strategists are among those saying it's probably poised to retest its March 9 all-time intraday low of 0.31%. There's a critical mass of market forces weighing in favor of lower yields: The economic wreckage of business closures is only just beginning to show, stocks are still slumping and the Federal Reserve is swallowing up hundreds of billions of Treasuries each week as part of stimulus efforts.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.49	-1.22	KSA	2025	2.96	-3.49
Abu Dhabi	2047	3.61	-7.22	KSA	2029	3.16	-3.11
Bahrain	2024	6.82	-12.23	KSA	2049	4.45	-9.47
Bahrain	2029	8.33	-23.80	Oman	2025	7.17	-18.16
Bahrain	2047	8.84	-29.76	Oman	2029	10.85	-32.05
Dubai	2023	4.05	-4.70	Oman	2048	10.49	-34.98
Dubai	2029	4.93	-13.21	Qatar	2024	2.70	-2.98
Kuwait	2022	1.71	-0.04	Qatar	2028	3.03	-6.63
Kuwait	2027	2.43	-1.20	Qatar	2049	3.92	-7.46

Source: Bloomberg

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.69	7.50	0.58	-7.25
S&P MENA Bond and Sukuk Index		NA	0.65	-4.01
Bloomberg Emerging Markets USD Index	7.04	6.58	0.18	-9.78
Bloomberg Global Aggregate Index	1.23	7.47	-0.23	-0.70

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	06/04/2020	31/12/2019	06/04/2020	31/12/2019	06/04/2020	31/12/2019
KIBOR	1.9375	2.7500	2.1875	2.9375	2.4375	3.1875
SAIBOR	1.2057	2.2314	1.1971	2.2557	1.1986	2.3071
BHIBOR	1.7500	2.2500	2.0833	2.7000	2.2667	2.8333
QATAR	1.2833	2.2500	1.3500	2.3500	1.4667	2.5333
AEIBOR	1.8075	2.2086	1.6481	2.1914	1.3987	2.2900
EURIBOR	-0.3410	-0.3830	-0.2770	-0.3240	-0.1490	-0.2490
LIBOR	1.3874	1.9084	1.2089	1.9121	1.0499	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.6505	0.26	-63.3
2-Year	0.4745	0.47	-72.0
5-Year	0.5265	2.05	-69.5
7-Year	0.5935	2.37	-67.0
10-Year	0.6776	2.54	-64.2
30-Year	0.8232	3.10	-60.6

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3129	0.0643	-2.56
SAR	3.7660	-0.0106	-0.32
BHD	0.3798	-0.0158	-0.50
QAR	3.6928	-0.3125	-0.59
OMR	0.3853	-0.0130	-0.03
AED	3.6733	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.24	-0.02
5-Year	0.40	-0.10
10-Year	0.63	-0.29
30-Year	1.24	-0.74

UK Gilts

	Yield %	1D Δ (%)
2-Year	0.06	0.00
5-Year	0.14	0.00
10-Year	0.30	0.00
30-Year	0.77	0.00

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.69	-0.02
5-Year	-0.63	-0.07
10-Year	-0.45	-0.23
30-Year	-0.02	-1.12

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	114		217
Kuwait	102		178
Dubai	298		228
Bahrain	485		175
Qatar	134		266
KSA	168		196
Egypt	558		101
Lebanon	NA		NA
Turkey	469		66
Iraq			NA
Morocco	204		123
China	62		97
France	42		66
Germany	24		127
Japan	40		91
UK	31		183
US	24		87