

## News Updates

**Burgan Bank plans up to \$500m Tier 2 bonds** – Burgan Bank has received preliminary approval from the Central Bank of Kuwait to issue Subordinated Tier II Capital Securities in the amount of up to USD 500 million, or in the amount of KWD 150 million. The new bonds will have a ten-year tenor, with a call option for redemption after five years from the date of issuance (“10NC5”), or an eleven-year tenor, with a call for redemption after six years from the date of issuance (“11NC6”). Final approval will be subject to CBK’s review of the offering prospectus. The Bank also received approval to redeem its existing, KWD 100 million Subordinated Tier II Capital Securities (issued in 2016) on their first call date. (Source: Boursa Kuwait)

**Oman Plans Economic Measures to Address Deficit: Fin. Ministry** – Oman is planning to implement a package of additional economic measures to reduce the fiscal deficit to 1.7% of the GDP by 2024. Measures include gradual lifting of the state’s subsidies on electricity and water until completely lifting them by 2025, the finance ministry said in an e-mailed statement. The plan is aiming at implementing an income tax on the high income individuals in 2022, the ministry said. Other measures will include expanding the visa fee exemption that will include citizens of more than 100 countries and to cut real estate disposal fees from 5% to 3%, according to the plan (Source: Bloomberg)

**UAE cabinet approves \$15.8bn federal budget for 2021** – The UAE cabinet, chaired by HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister of the UAE and Ruler of Dubai, has approved the federal budget of AED58 billion (\$15.8 billion) for the fiscal year 2021. Sheikh Mohammed has asserted that the UAE will continue to implement major projects and focus on social development sectors, despite the global economic conditions, reported state news agency Wam. Sheikh Mohammed pointed out that the efficiency of government spending in the UAE is among the highest in the world. "Aiming to achieve the fastest economic recovery, the 2021 budget is formulated to address economic changes without compromising the national development priorities, and we look forward to more achievements in the coming year," he noted. A large share of the 2021 budget will be allocated to social development including social welfare, health and education, he added. He noted that the government “has dealt” with the 2020 outlay “efficiently”, and that it has “all the tools to continue its financial and operational efficiency in 2021.” (Source: Zawya, Trade Arabia)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.98	4.57	KSA	2025	1.38	5.95
Abu Dhabi	2030	1.76	8.02	KSA	2030	2.18	9.51
Abu Dhabi	2050	2.89	16.03	KSA	2050	3.46	6.31
Bahrain	2026	4.13	-4.24	Oman	2025	5.71	-6.87
Bahrain	2030	5.74	9.12	Oman	2029	7.21	-12.24
Bahrain	2047	6.96	-13.36	Oman	2048	8.36	-18.19
Dubai	2029	2.67	2.27	Qatar	2025	1.06	6.24
Kuwait	2022	0.50	1.19	Qatar	2030	1.85	10.75
Kuwait	2027	1.29	5.13	Qatar	2050	2.97	19.51

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.77	8.08	-0.26	5.41
S&P MENA Bond and Sukuk Index	2.18	NA	-0.21	7.11
Bloomberg Emerging Markets USD Index	4.09	6.80	-0.17	1.81
Bloomberg Global Aggregate Index	0.91	7.42	-0.06	5.82

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	02/11/2020	31/12/2019	02/11/2020	31/12/2019	02/11/2020	31/12/2019
KIBOR	1.5000	2.7500	1.7500	2.9375	2.0625	3.1875
SAIBOR	0.8450	2.2314	0.8938	2.2557	0.9588	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	0.8473	2.2500	0.9600	2.3500	1.2267	2.5333
AEIBOR	0.4674	2.2086	0.6346	2.1914	0.7961	2.2900
EURIBOR	-0.5230	-0.3830	-0.5210	-0.3240	-0.4890	-0.2490
LIBOR	0.2158	1.9084	0.2421	1.9121	0.3301	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2088	-0.09	-88.2
2-Year	0.2346	-0.29	-86.2
5-Year	0.4398	-0.87	-74.6
7-Year	0.6368	-1.27	-64.6
10-Year	0.8789	-1.61	-53.6
30-Year	1.2957	-1.72	-38.0

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3062	-0.1633	-1.01
SAR	3.7504	0.0133	0.03
BHD	0.3771	0.0080	0.00
QAR	3.6414	0.0027	0.01
OMR	0.3850	0.0000	-0.01
AED	3.6730	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.15	0.01
5-Year	0.38	0.04
10-Year	0.86	0.13
30-Year	1.65	0.31

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.05	-0.06
5-Year	-0.04	-0.14
10-Year	0.26	-0.53
30-Year	0.83	-1.63

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.80	-0.02
5-Year	-0.84	-0.05
10-Year	-0.69	-0.09
30-Year	-0.22	-0.18

Source: Bloomberg

## Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	A1	AA-	AA
KSA	A1	A-u	A
UAE	Aa2	NR	NR
Abu Dhabi	Aa2	AA	AA
Qatar	Aa3	AA-	AA-
Bahrain	B2	B+	B+
Oman	Ba3	B+	BB-
Egypt	B2	B	B+
Lebanon	C	SD	RD
Jordan	B1	B+	BB-
Turkey	B2	B+u	BB-
Tunisia	B2	NR	B
Morocco	Ba1	BBB-	BB+
US	Aaa	AA+u	AAA
UK	Aa2	AAu	AA-
China	A1	A+	A+

## USD 5Yr CDS

	02-Nov 2020	31-Dec 2019
Kuwait	48.17	36.700
KSA	86.19	56.915
Abu Dhabi	49.21	36.090
Dubai	134.83	91.005
Qatar	49.16	36.705
Bahrain	343.52	175.995
Oman	466.10	234.400
Iraq	706.77	383.680
Egypt	404.04	277.420
Morocco	132.25	91.435
Turkey	553.36	282.130
US	14.22	10.810
UK	17.87	16.210
China	39.11	31.205
Japan	15.73	21.042
Germany	9.60	7.080
France	16.09	16.130