

News Update – 29 December 2019

Kuwait Fin. House May Issue Bonds up to \$750m in 1H-2020 – Kuwait Finance House may issue bonds to reinforce capital after acquisition of Bahrain's Ahli United Bank, Al Arabiya reports citing unidentified people. The issue size is expected to be in the range of USD 500m-750m.

Dubai's non-oil trade up 6% – Dubai's non-oil external trade 6 six per cent to just over Dh1 trillion mark in the first 9 months of 2019, with China, India and the US remaining the top three largest trading partners of the region's commercial and trade hub. Official figures by Dubai Customs showed that exports rose 23 per cent to Dh118 billion, re-exports grew 4 per cent to Dh312 billion and imports climbed 3 per cent to Dh589 billion. Sultan bin Sulayem, DP World group chairman and CEO and chairman of Ports, Customs and Free Zone Corporation, said the strong growth delivered by non-oil foreign trade is a sign of how resilient the Dubai economy is. It also reflects Dubai's success in developing its manufacturing facilities.

Aramco CEO says Saudi-Kuwaiti accord paves way for resumption of oil production – Saudi ARAMCO said on Wednesday a new agreement between Saudi Arabia and Kuwait paves the way for the resumption of oil production in the Neutral (partitioned) Zone shared by the two countries. "With the signing of this new accord, both parties have reached consensus that now is the right time to resume production in this zone," ARAMCO's President and CEO Amin Nasser was quoted as saying in a statement by ARAMCO. "Both sides will work to ensure production resumption at the earliest opportunity," he added.

Aldar Properties gains prime land in swap deal with Abu Dhabi government – The government of Abu Dhabi and Aldar Properties have agreed on a land swap deal that would help the emirate's biggest property firm gain prime land, Aldar said on Wednesday. The transaction, which will be implemented from December, does not involve any transfer of funds, it said in a statement. Aldar will receive land split equally between the prime areas of Saadiyat Cultural District and Mina Zayed, one of United Arab Emirates' bigger ports. In return, the government will receive land in al-Raha Beach West, Lulu Island and plots inside Abu Dhabi island that Aldar held but which were not part of its development strategy in the foreseeable future, the statement said.

GCC Sovereign Yields (29 December 2019)

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.38	9.54	KSA	2025	2.33	8.68
Abu Dhabi	2047	3.20	21.14	KSA	2029	2.81	12.57
Bahrain	2024	3.41	8.65	KSA	2049	3.84	23.79
Bahrain	2029	4.54	18.78	Oman	2025	4.17	13.70
Bahrain	2047	5.86	25.57	Oman	2029	5.31	4.79
Dubai	2023	2.40	4.20	Oman	2048	6.65	21.70
Dubai	2029	3.10	9.88	Qatar	2024	2.13	4.67
Kuwait	2022	1.88	3.34	Qatar	2028	2.48	9.84
Kuwait	2027	2.29	7.94	Qatar	2049	3.48	23.93

Source: Bloomberg

Bonds and Sukuk Indices (29 December 2019)

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.16	7.33	0.12	14.57
S&P MENA Bond and Sukuk Index	2.93	NA	0.07	13.67
Bloomberg Emerging Markets USD Index	4.82	6.28	0.17	13.12
Bloomberg Global Aggregate Index	1.44	7.27	0.37	6.63

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	29/12/2019	31/12/2018	29/12/2019	31/12/2018	29/12/2019	31/12/2018
KIBOR	2.7500	2.3125	2.9375	2.5625	3.1875	2.8125
SAIBOR	2.2357	2.9750	2.2571	3.1150	2.3071	3.3413
BHIBOR	2.2500	3.5500	2.7000	4.0833	2.8333	4.7000
QATAR	2.2500	2.9056	2.3500	3.0889	2.5333	3.3028
AEIBOR	2.1983	2.8375	2.1643	3.1849	2.3994	3.5737
EURIBOR	-0.3900	-0.3090	-0.3250	-0.2370	-0.2470	-0.1170
LIBOR	1.9446	2.8076	1.9208	2.8756	2.0043	3.0054

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.7800	-2.42	-35.5
2-Year	1.6854	-3.00	-36.6
5-Year	1.6939	-2.56	-34.1
7-Year	1.7502	-1.95	-33.3
10-Year	1.8399	-1.29	-32.1
30-Year	2.0264	-0.20	-28.6

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3035	0.0593	0.03
SAR	3.7533	0.0027	-0.04
BHD	0.3771	0.0000	-0.02
QAR	3.6676	0.0355	-0.28
OMR	0.3850	-0.0649	0.00
AED	3.6730	0.0054	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	1.58	0.10
5-Year	1.68	0.20
10-Year	1.88	0.18
30-Year	2.32	0.15

UK Gilts

	Yield %	1D Δ (%)
2-Year	0.52	-0.03
5-Year	0.56	0.03
10-Year	0.75	0.13
30-Year	1.25	0.50

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.65	-0.01
5-Year	-0.54	0.04
10-Year	-0.26	0.12
30-Year	0.27	0.29

	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	33.370		-47.85
Kuwait	33.920		-44.24
Dubai	83.910		-30.62
Bahrain	165.780		-39.64
Qatar	34.790		-55.80
KSA	54.350		-46.64
Egypt	275.910		-25.77
Lebanon	2330.360		213.48
Turkey	280.590		-21.86
Iraq	347.510		-22.23
Morocco	81.420		-17.37
China	30.577		-53.32
France	16.200		-53.34
Germany	7.320		-37.55
Japan	19.598		-10.02
UK	16.580		-52.16
US	12.440		-31.95