

News Updates

Kuwait's Umm Al Hayman WWTP Company secures a \$650 million loan facility – The loan will be used to finance the construction and operation of the Umm Al Hayman Waste Water Plant Kuwait's Umm Al Hayman Waste Water Plant (WWTP) Company has signed a \$650 million, 26-year project financing agreement with a consortium of six banks led by the Commercial Bank of Kuwait, Al Ahli Bank of Kuwait and KfW IPEX-Bank as mandated lead arrangers and joint bookrunners. Under the loan agreement, KfW IPEX- Bank will act as the global facility agent and offshore security agent while Al Ahli Bank of Kuwait will act as the onshore security agent and Commercial Bank of Kuwait as the onshore account bank. The Umm Al Hayman Waste Water Treatment Company is 40 per cent owned by the German/Kuwaiti Development consortium and 10 per cent by the Kuwait Investment Authority on behalf of the government. The remaining 50 per cent is held by the Kuwait Authority for Partnership Projects (KAPP), with the aim of offering shares to the public through an IPO once the facility is operational.

Egypt attracts \$8.5bln FDI in 2019 – Egypt's foreign direct investment (FDI) increased by 5% to \$8.5 billion in 2019 when compared to 2018, the planning and economic development minister, Hala El Saeed, announced on Thursday. The latest World Investment Report 2019 by the United Nations Conference on Trade and Development (UNCTAD) indicated that Egypt has maintained its position as the largest FDI recipient in Africa, El Saeed referred in a statement. The Egyptian minister added that the report praised the country's efforts in implementing the economic reforms package, which has helped increase investors' confidence. The UNCTAD's report explained that Egypt's FDI included the telecom, real estate development, and tourism sectors while being focused on the gas and oil sector, as Egypt's new discoveries of gas reserves have attracted several multinational companies and enabled the country to become a net gas exporter in January 2019.

Bank of England opts against a rate cut but warns of slow growth after Brexit – The Bank of England (BOE) on Thursday held interest rates following Governor Mark Carney's final monetary policy meeting. Sterling jumped 0.5% against the dollar to trade at around \$1.3084 after the central bank's Monetary Policy Committee (MPC) voted 7-2 to keep the base rate at 0.75%. Weak GDP (gross domestic product) figures had led several members to mull a rate cut, but with January data showing an uptick in confidence and activity following the December 12 general election, expectations of an imminent cut had dampened.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Yield Δ (YTD %)	Sovereigns	Maturity	Yield %	Yield Δ (YTD %)
Abu Dhabi	2027	2.19	-8.76	KSA	2025	2.09	-10.86
Abu Dhabi	2047	3.07	-4.68	KSA	2029	2.55	-9.65
Bahrain	2024	3.45	1.03	KSA	2049	3.66	-5.39
Bahrain	2029	4.56	0.66	Oman	2025	4.02	-3.54
Bahrain	2047	5.82	-0.69	Oman	2029	5.30	-0.24
Dubai	2023	2.37	-2.64	Oman	2048	6.72	0.89
Dubai	2029	3.04	-2.78	Qatar	2024	1.92	-10.01
Kuwait	2022	1.69	-11.21	Qatar	2028	2.34	-6.20
Kuwait	2027	2.12	-8.30	Qatar	2049	3.32	-4.70

Source: Bloomberg

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.00	7.33	0.17	1.36
S&P MENA Bond and Sukuk Index	2.77	NA	0.01	1.56
Bloomberg Emerging Markets USD Index	4.72	6.28	0.15	1.54
Bloomberg Global Aggregate Index	1.25	7.27	0.29	1.28

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	02/02/2020	31/12/2019	02/02/2020	31/12/2019	02/02/2020	31/12/2019
KIBOR	2.7500	2.7500	2.9375	2.9375	3.1875	3.1875
SAIBOR	2.1786	2.2314	2.1986	2.2557	2.2557	2.3071
BHIBOR	2.2500	2.2500	2.7333	2.7000	2.8833	2.8333
QATAR	2.3013	2.2500	2.4013	2.3500	2.6873	2.5333
AEIBOR	2.0724	2.2086	2.0055	2.1914	2.3575	2.2900
EURIBOR	-0.3930	-0.3830	-0.3380	-0.3240	-0.2840	-0.2490
LIBOR	1.7511	1.9084	1.7453	1.9121	1.8066	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.5422	-8.23	-12.9
2-Year	1.3783	-9.42	-18.8
5-Year	1.3167	-9.25	-23.8
7-Year	1.3621	-8.84	-24.2
10-Year	1.4525	-8.36	-23.4
30-Year	1.6690	-6.00	-20.2

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3040	0.0165	-0.28
SAR	3.7521	0.0000	-0.01
BHD	0.3770	0.0000	0.02
QAR	3.6665	-0.0191	-0.19
OMR	0.3850	0.0000	-0.01
AED	3.6731	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	1.31	0.20
5-Year	1.31	0.45
10-Year	1.51	0.73
30-Year	2.00	1.21

UK Gilt

	Yield %	1D Δ (%)
2-Year	0.50	-0.03
5-Year	0.41	0.06
10-Year	0.52	0.16
30-Year	1.03	0.39

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.68	0.02
5-Year	-0.67	0.12
10-Year	-0.47	0.28
30-Year	0.06	0.84

	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	39.600		14.42
Kuwait	35.960		5.55
Dubai	93.820		6.70
Bahrain	155.910		-5.63
Qatar	44.440		25.69
KSA	66.800		19.99
Egypt	250.140		-4.75
Lebanon	3473.060		52.38
Turkey	239.064		-14.73
Iraq	239.064		15.92
Morocco	81.420		-0.01
China	41.028		34.60
France	16.030		-4.54
Germany	7.080		-3.64
Japan	18.153		-7.69
UK	16.470		-6.96
US	12.440		13.33