

News Update – 9 January 2020

Amlak Finance receives approval from 95% of creditors for debt restructuring – Amlak Finance, a Sharia-compliant home financier in Dubai, received approval for its debt restructuring terms from creditors holding 95 per cent of its liabilities and remains in negotiation with the remainder to complete the process. The company is engaged in discussions with three creditors out of 27 to gain 100 per cent agreement to complete the process, Amlak Finance said on Wednesday in a statement to the Dubai Financial Market, where its shares trade. "Reaching the 95 per cent approval rate was challenging and pushed us to create innovative solutions to satisfy the different type of creditors we are dealing with," said Arif Albastaki, managing director and chief executive of Amlak. He said he was confident of receiving approvals from the remaining creditors, adding that a resolution would be in the interests of Amlak and all other parties involved.

Middle East Sovereign Ratings Stable Despite Rising Tensions – Fitch – Fitch Ratings is "comfortable with the current [sovereign] credit ratings," in the Middle East despite rising tensions between the US and Iran. James McCormack, global head of sovereign and supranational ratings says at an event organized by the rating agency in London that Lebanon (CC) is among the most vulnerable countries in the region from a rating perspective. Meanwhile Saudi Arabia enjoys a "buffer" within its current rating, A with stable outlook, after Fitch downgraded the kingdom's rating score from A+ in September last year. It cited heightened geopolitical risk after attacks on Saudi Aramco's oil facilities.

U.S.-Iran de-escalation sends yields higher – Treasury yields rose on Wednesday after tensions between the United States and Iran eased and investors moved out of safe-haven assets as risk appetite returned. In an address from the White House, President Donald Trump said the United States did not necessarily have to respond militarily to Iranian missile attacks on military bases housing U.S. troops in Iraq overnight, backing away from days of angry rhetoric against Iran as the two countries tried to defuse a crisis over the American killing of Iranian commander Qassem Soleimani. The 10-year yield US10YT was last up 5 basis points to 1.876%, nearly 20 basis points above the low it hit overnight following the Iranian strike.

GCC Sovereign Yields (9 January 2020)

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.42	-0.19	KSA	2025	2.45	-0.51
Abu Dhabi	2047	3.24	-0.37	KSA	2029	2.94	-0.86
Bahrain	2024	3.53	-0.46	KSA	2049	3.95	-1.38
Bahrain	2029	4.64	-0.84	Oman	2025	4.19	-0.20
Bahrain	2047	5.96	-1.28	Oman	2029	5.43	-0.87
Dubai	2023	2.51	-0.27	Oman	2048	6.80	-1.80
Dubai	2029	3.19	-0.59	Qatar	2024	2.17	-0.15
Kuwait	2022	1.93	-0.08	Qatar	2028	2.52	-0.24
Kuwait	2027	2.34	-0.22	Qatar	2049	3.52	-0.64

Source: Bloomberg

Bonds and Sukuk Indices (9 January 2020)

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.20	7.33	0.02	-0.27
S&P MENA Bond and Sukuk Index	2.99	NA	-0.08	-0.31
Bloomberg Emerging Markets USD Index	4.80	6.28	0.00	0.28
Bloomberg Global Aggregate Index	1.44	7.27	-0.20	-0.14

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	09/01/2020	31/12/2019	09/01/2020	31/12/2019	09/01/2020	31/12/2019
KIBOR	2.7500	2.7500	2.9375	2.9375	3.1875	3.1875
SAIBOR	2.2314	2.2314	2.2557	2.2557	2.3100	2.3071
BHIBOR	2.2500	2.2500	2.7000	2.7000	2.8333	2.8333
QATAR	2.3210	2.2500	2.4210	2.3500	2.6728	2.5333
AEIBOR	2.1545	2.2086	2.1452	2.1914	2.3150	2.2900
EURIBOR	-0.3870	-0.3830	-0.3230	-0.3240	-0.2480	-0.2490
LIBOR	1.8780	1.9084	1.8805	1.9121	1.9545	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.7226	-0.66	-2.7
2-Year	1.6359	-0.88	-3.6
5-Year	1.6484	-1.26	-4.7
7-Year	1.7034	-1.70	-5.2
10-Year	1.7962	-2.10	-5.2
30-Year	1.9895	-2.96	-4.9

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3035	-0.0165	-0.10
SAR	3.7519	-0.0027	0.00
BHD	0.3770	0.0080	0.01
QAR	3.6648	0.0136	-0.14
OMR	0.3850	-0.0675	-0.01
AED	3.6731	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	1.57	0.02
5-Year	1.65	0.04
10-Year	1.86	0.13
30-Year	2.34	0.52

UK Giltts

	Yield %	1D Δ (%)
2-Year	0.61	-0.05
5-Year	0.63	-0.09
10-Year	0.81	-0.24
30-Year	1.28	-0.90

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.63	-0.03
5-Year	-0.53	-0.16
10-Year	-0.25	-0.39
30-Year	0.30	-1.44

	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	35.300		2.85
Kuwait	36.930		8.19
Dubai	89.970		4.36
Bahrain	170.480		2.66
Qatar	37.580		7.34
KSA	60.910		9.65
Egypt	273.500		3.67
Lebanon	2419.		4.48
Turkey	278.043		-0.91
Iraq	448.700		30.35
Morocco	83.440		2.20
China	30.802		0.70
France	16.840		0.85
Germany	7.330		-1.37
Japan	20.256		1.04
UK	16.120		-9.01
US	12.560		14.70