

News Updates

Saudi Arabia's Riyadh Bank sells \$1.5 billion 10-yr Islamic bonds –

Saudi Arabia's Riyadh Bank has sold \$1.5 billion in 10-year dollar sukuk, callable after five years, at 180 basis points (bps) over five-year mid-swaps, a document showed on Tuesday. The bank garnered more than \$7.8 billion in orders for the sukuk, or Islamic bonds, the document said. It tightened the spreads after it had initially started marketing the bonds at around 225 bps over mid-swaps earlier on Tuesday. The Tier 2 subordinated sukuk sale is part of a \$3 billion issuance programme. It follows a series of debt issues by banks in the Gulf, despite fund managers foreseeing the coronavirus outbreak potentially hindering regional debt sales that were already expected to be slower this year. Dubai's largest bank Emirates NBD began marketing kangaroo bonds - Australian dollar-denominated bonds launched by non-Australian issuers - on Tuesday, while Saudi Arabia's Islamic Development Bank began marketing dollar sukuk. Last week, Kuwait's Boubyan Bank sold \$750 million in five-year sukuk and Emirates NBD raised \$500 million in bonds.

Dubai's Emirates NBD markets 10-year kangaroo bonds –

Emirates NBD, Dubai's largest bank, is selling "kangaroo" bonds with a 10-year maturity, a document showed on Tuesday. Kangaroo bonds are issued by non-Australian issuers in the Australian market and are denominated in Australian dollars. The bank has set the indicative yield for the bonds at 3.115% and has received over A\$860 million (\$574.82 million) in orders for the potential debt sale, which is expected to close on Wednesday, the document said.

Egypt central bank seen keeping key interest rates steady –

Egypt's central bank is likely to keep interest rates on hold for a second straight time on Thursday, a Reuters poll suggested, though some analysts expected another cut after inflation ticking up in January. Six out of 11 economists surveyed by Reuters expected the Central Bank of Egypt to keep rates steady when its monetary policy committee meets, while five forecast a cut of between 50 and 100 basis points. At the last meeting on Jan. 16, the CBE left its overnight rate at 13.25% for lending and 12.25% for deposits, unexpectedly halting an easing cycle that had shaved off 350 basis points since August.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Yield Δ (YTD %)	Sovereigns	Maturity	Yield %	Yield Δ (YTD %)
Abu Dhabi	2027	2.09	-12.54	KSA	2025	2.13	-8.99
Abu Dhabi	2047	3.03	-5.89	KSA	2029	2.59	-8.17
Bahrain	2024	3.28	-3.85	KSA	2049	3.60	-6.75
Bahrain	2029	4.45	-1.76	Oman	2025	3.96	-5.00
Bahrain	2047	5.73	-2.21	Oman	2029	5.08	-4.51
Dubai	2023	2.38	-2.05	Oman	2048	6.53	-1.96
Dubai	2029	3.03	-3.02	Qatar	2024	1.84	-13.88
Kuwait	2022	1.64	-13.74	Qatar	2028	2.29	-8.38
Kuwait	2027	2.05	-11.39	Qatar	2049	3.27	-6.02

Source: Bloomberg

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.94	7.33	0.06	1.91
S&P MENA Bond and Sukuk Index	2.71	NA	0.03	2.22
Bloomberg Emerging Markets USD Index	4.68	6.28	0.16	2.30
Bloomberg Global Aggregate Index	1.26	7.27	0.11	0.48

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	19/02/2020	31/12/2019	19/02/2020	31/12/2019	19/02/2020	31/12/2019
KIBOR	2.5000	2.7500	2.7500	2.9375	3.0000	3.1875
SAIBOR	2.1400	2.2314	2.1586	2.2557	2.2114	2.3071
BHIBOR	2.1500	2.2500	2.6333	2.7000	2.7667	2.8333
QATAR	2.2452	2.2500	2.3452	2.3500	2.5808	2.5333
AEIBOR	2.0271	2.2086	1.9881	2.1914	2.2970	2.2900
EURIBOR	-0.4130	-0.3830	-0.3530	-0.3240	-0.2940	-0.2490
LIBOR	1.6929	1.9084	1.7249	1.9121	1.7928	1.9963

USD Swap Rates

	Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.5732	0.77	-11.1
2-Year	1.4444	0.74	-14.9
5-Year	1.3918	0.41	-19.5
7-Year	1.4286	0.31	-20.5
10-Year	1.5038	0.26	-20.6
30-Year	1.6740	0.00	-20.0

US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	1.42	-0.01	0.51	0.02
5-Year	1.40	-0.01	0.47	0.12
10-Year	1.56	-0.01	0.61	0.29
30-Year	2.01	0.07	1.10	0.67

Sovereign Ratings

	Moody's S&P Fitch		
	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	36.760		6.69
Kuwait	35.960		5.55
Dubai	90.510		3.37
Bahrain	160.110		-3.25
Qatar	38.480		9.59
KSA	58.880		6.09
Egypt	246.330		-6.12
Lebanon	4675.540		117.84
Turkey	260.601		-7.10
Iraq	394.130		15.92
Morocco	76.390		-5.51
China	33.672		9.77
France	13.220		-19.21
Germany	6.230		-11.27
Japan	17.770		-9.82
UK	15.780		-10.18
US	12.590		14.24