

## News Updates

### **Qatar Islamic Bank Is Said to Consider Dollar Islamic Bond Sale –**

Qatar Islamic Bank SAQ is holding talks with local and international lenders for a possible sale of dollar-denominated Islamic bonds as soon as this month, people familiar with the matter said. The Shariah-compliant lender is having early discussions for a benchmark-sized sukuk offering to refinance existing debt, said the people, asking not to be identified because the information is private. Benchmark typically means the equivalent of at least \$500 million. The talks may not result in a deal and the timeline would depend on market conditions, they said. Qatar's second biggest bank by assets last sold a \$650 million sukuk in Taiwan in January. The lender has \$750 million in debt maturing at the end of October, according to data compiled by Bloomberg. *(Source: Bloomberg)*

### **Dubai repays \$750m bonds due in October –**

Dubai government has repaid \$750 million (AED 2.755 billion) in bonds that reached maturity on 5 October, the Dubai Department of Finance announced on Tuesday. These bonds were issued on 4 October 2010 under a euro medium-term note programme. All the notes were redeemed in full after the Department of Finance had repaid their total amount value to their holders with due interests. It is noteworthy to mention that in September, Dubai sold \$2 billion in dual-tranche bonds to alleviate the coronavirus (COVID-19) economic impact, marking its first sale in public debt markets in six years. *(Source: Mubasher)*

### **Trump's Stimulus Shock Seen Opening the Door for More Fed Action**

– President Donald Trump's nixing of further stimulus negotiations raises the chance of more steps from the Federal Reserve, and delays -- rather than eliminates -- the potential for further fiscal aid, according to strategists. While some expressed their astonishment at Trump's move, others suggested it was in line with his election strategy of seeking to blame the Democrats for the economy. His declaration forces a recalibration of thinking for Wall Street, which had been largely factoring in another stimulus package. The collapse in talks “increases the likelihood that the Fed will strengthen its quantitative easing program by moving to an open ended economic outcome-based program with a longer duration skew in its purchases in December,” said Sarah Bianchi, the head of U.S. public policy at Evercore ISI. “If there is a serious loss of momentum in the fourth quarter as fiscal savings are exhausted and the prospects for fiscal remain severely challenged after the election, the Fed may also increase the pace of QE from \$120 billion a month to \$150 billion or \$160 billion.” *(Source: Bloomberg)*

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.01	4.63	KSA	2025	1.31	6.40
Abu Dhabi	2030	1.71	8.57	KSA	2030	2.13	10.04
Abu Dhabi	2050	2.77	18.57	KSA	2050	3.37	7.95
Bahrain	2026	4.32	-5.03	Oman	2025	5.35	-5.57
Bahrain	2030	5.77	9.01	Oman	2029	6.79	-9.80
Bahrain	2047	6.75	-11.17	Oman	2048	7.84	-13.34
Dubai	2029	2.62	2.60	Qatar	2025	1.03	6.52
Kuwait	2022	0.47	1.38	Qatar	2030	1.82	11.13
Kuwait	2027	1.36	4.84	Qatar	2050	2.91	20.68

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.72	8.08	0.05	5.72
S&P MENA Bond and Sukuk Index	2.18	NA	0.08	7.23
Bloomberg Emerging Markets USD Index	4.01	6.80	0.30	2.35
Bloomberg Global Aggregate Index	0.91	7.42	0.06	5.83

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	10/7/2020	31/12/2019	10/7/2020	31/12/2019	10/7/2020	31/12/2019
KIBOR	1.5625	2.7500	1.8125	2.9375	2.1250	3.1875
SAIBOR	0.8650	2.2314	0.9113	2.2557	0.9775	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.2005	2.2500	1.2546	2.3500	1.3895	2.5333
AEIBOR	0.3875	2.2086	0.6650	2.1914	0.7803	2.2900
EURIBOR	-0.5090	-0.3830	-0.4880	-0.3240	-0.4580	-0.2490
LIBOR	0.2203	1.9084	0.2338	1.9121	0.3488	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2215	-0.11	-87.5
2-Year	0.2357	0.05	-86.1
5-Year	0.3938	0.95	-77.2
7-Year	0.5567	1.33	-69.0
10-Year	0.7775	1.54	-59.0
30-Year	1.1882	1.33	-43.2

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3061	-0.0653	-0.98
SAR	3.7512	-0.0027	0.01
BHD	0.3771	0.0027	-0.01
QAR	3.6421	0.0110	0.01
OMR	0.3850	0.0000	0.00
AED	3.6731	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.15	0.00
5-Year	0.32	-0.04
10-Year	0.75	-0.13
30-Year	1.55	-0.25

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.03	-0.01
5-Year	-0.04	0.00
10-Year	0.28	0.00
30-Year	0.86	0.01

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.71	0.00
5-Year	-0.74	0.00
10-Year	-0.57	0.00
30-Year	-0.09	0.00

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	BB-	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-	BBB-
US	Aaa	AA+u	AAA
UK	Aa2	AAu	AA-
China	A1	A+	A+

## USD 5Yr CDS

	07-Oct 2020	31-Dec 2019
Kuwait	56.17	36.700
KSA	79.27	56.915
Abu Dhabi	44.36	36.090
Dubai	135.47	91.005
Qatar	43.17	36.705
Bahrain	331.70	175.995
Oman	456.82	234.400
Iraq	612.95	383.680
Egypt	438.15	277.420
Morocco	124.71	91.435
Turkey	497.88	282.130
US	15.72	10.810
UK	17.89	16.210
China	43.22	31.205
Japan	16.26	21.042
Germany	10.25	7.080
France	17.02	16.130