

News Update – 26 January 2020

## United Real Estate pens KWD 10m loan deal with AUB Kuwait –

United Real Estate has renewed a credit facilities agreement with Ahli United Bank – Kuwait (AUB Kuwait) at a value of KWD 9.966 million. The loan will be due on 2 June 2022 and will be used in financing the Kuwaiti firm's investments and activities, according to a bourse statement on Thursday. The financial impact of this transaction will be extending the debt's maturity and, therefore, reclassify the credit facilities to long-term liabilities instead of being short-term, starting the first quarter (Q1) of 2020. It is worthy to note that during the first nine months of 2019, the real estate firm turned to a profit of KWD 3.09 million, against a loss worth KWD 3.29 million in the same period in 2018.

## UAE records \$18bln surplus in first nine months of 2019 –

The UAE has posted a 66.32 billion UAE dirhams (\$18.06 billion) surplus for the first nine months of 2019, according to state news agency WAM. The surplus was 0.04 percent higher than in 2018, when the country posted a 66 billion UAE dirhams surplus for the same period. UAE government revenues stood at 359.2 billion UAE dirhams in the first nine months of 2019, compared to 347.15 billion UAE dirhams during the same period in 2018, a 3.5 percent increase. The country's expenses reached 292.88 billion UAE dirhams during the first nine months of 2019, compared to 281.1 billion UAE dirhams during the same period in 2018, a 4.2 percent increase.

## Saudi lender Samba raises \$500m in a 7-year bond sale –

Saudi lender Samba Financial Group raised \$500m in seven-year bonds on Wednesday. The bank priced the Reg S senior unsecured bond at a spread of 130 basis points over benchmark mid-swap rate. It released the initial guidance at MS+160. The re-offer price of the bond was 99.818 indicating yield 2.929%, while the coupon was set at 2.9%. According to a Bloomberg update, order book for the deal was over \$2.3bn. Citigroup, Standard Chartered and Samba Capital acted as the joint lead managers and book runners for the deal. The issue follows Saudi Arabia's \$5bn bond issuance on Tuesday, which saw hefty demand.

## GCC Sovereign Yields (26 January 2020)

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.34	0.36	KSA	2025	2.28	0.19
Abu Dhabi	2047	3.20	0.29	KSA	2029	2.72	0.76
Bahrain	2024	3.45	-0.26	KSA	2049	3.80	1.10
Bahrain	2029	4.56	-0.35	Oman	2025	4.02	0.58
Bahrain	2047	5.82	0.48	Oman	2029	5.33	-0.14
Dubai	2023	2.48	-0.22	Oman	2048	6.74	-1.07
Dubai	2029	3.10	0.12	Qatar	2024	2.09	0.15
Kuwait	2022	1.88	0.03	Qatar	2028	2.49	-0.04
Kuwait	2027	2.27	0.24	Qatar	2049	3.47	0.20

Source: Bloomberg

## Bonds and Sukuk Indices (26 January 2020)

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.10	7.33	0.05	0.48
S&P MENA Bond and Sukuk Index	2.87	NA	0.05	0.66
Bloomberg Emerging Markets USD Index	4.73	6.28	0.06	1.12
Bloomberg Global Aggregate Index	1.34	7.27	0.09	0.44

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	26/01/2020	31/12/2019	26/01/2020	31/12/2019	26/01/2020	31/12/2019
KIBOR	2.7500	2.7500	3.0000	2.9375	3.1875	3.1875
SAIBOR	2.2014	2.2314	2.2300	2.2557	2.2871	2.3071
BHIBOR	2.2500	2.2500	2.7333	2.7000	2.8833	2.8333
QATAR	2.3041	2.2500	2.4041	2.3500	2.6895	2.5333
AEIBOR	2.0170	2.2086	2.1158	2.1914	2.3155	2.2900
EURIBOR	-0.3860	-0.3830	-0.3230	-0.3240	-0.2580	-0.2490
LIBOR	1.7954	1.9084	1.8053	1.9121	1.8799	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.6781	-0.81	-5.2
2-Year	1.5549	-2.07	-8.4
5-Year	1.5105	-4.35	-12.6
7-Year	1.5525	-4.68	-13.6
10-Year	1.6343	-4.91	-13.8
30-Year	1.8205	-4.45	-13.0

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3040	-0.0428	-0.26
SAR	3.7518	-0.0027	0.00
BHD	0.3770	0.0027	0.02
QAR	3.6654	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	1.49	0.04
5-Year	1.50	0.21
10-Year	1.68	0.45
30-Year	2.13	1.04

## UK Gilts

	Yield %	1D Δ (%)
2-Year	0.41	-0.03
5-Year	0.39	0.05
10-Year	0.56	0.27
30-Year	1.06	0.33

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.62	0.02
5-Year	-0.59	0.09
10-Year	-0.37	0.25
30-Year	0.18	0.64

## 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	37.080		7.76
Kuwait	35.930		5.46
Dubai	87.290		0.17
Bahrain	159.140		-3.79
Qatar	40.380		14.94
KSA	62.160		11.85
Egypt	241.180		-7.98
Lebanon	3017.660		31.27
Turkey	236.046		-15.76
Iraq	398.040		17.09
Morocco	75.390		-6.61
China	35.076		18.30
France	16.120		-3.08
Germany	6.830		-5.86
Japan	19.357		-3.31
UK	16.310		-8.01
US	12.370		12.76