

## News Updates

**Fitch Affirms Saudi Aramco at 'A'; Outlook Stable** – Fitch Ratings has affirmed Saudi Arabian Oil Company's (Saudi Aramco) Long-Term Issuer Default Rating (IDR) at 'A'. The Outlook is Stable. Saudi Aramco's 'A' Long-Term IDR is constrained by that of its majority shareholder Saudi Arabia (A/Stable), given strong links between the company and the sovereign, in line with Fitch's Government-Related Entities (GRE) and Parent and Subsidiary Linkage (PSL) Rating Criteria. *(Source: Bloomberg)*

**TAQA's unit finalises AED 1.08bn bond placement in Morocco** – TAQA Morocco, an 85.79% subsidiary of Abu Dhabi National Energy Company (TAQA), has finalised a bond issuance by a private placement for AED 1.08 billion (\$293.8 million). The placement is one of Morocco's largest private bond placements in 2020, which strengthens TAQA's position in the Moroccan energy market, according to the company's disclosure to the Abu Dhabi Securities Exchange (ADX) on Thursday. TAQA Morocco meets over 40% of Morocco's electricity demand. Oversubscribed by qualified investors, the bond placement enabled the company to further optimise its capital structure by resulting in cutting debt cost of more than 20% and extending its debt maturity date by 11 years to March 2038. *(Source: Mubasher)*

**UAE's Emirates Islamic Bank confirms \$500mln bond sale** – UAE-based Emirates Islamic Bank has confirmed it has sold Islamic bonds, or sukuk, worth \$500 million to beef up liquidity. The bond offering is for a period of five years, the lender said in bourse filing on Thursday. This marks the latest in a series of bond issuance in the region, which is currently facing a double-whammy of low oil prices and COVID-19 pandemic. Issuing activity among sovereigns and banks in the Gulf Cooperation Council (GCC) has picked up in recent months. *(Source: Zawyia)*

**Fed Tweaks Main Street Guidance to Urge More Bank Lending** – The Federal Reserve adjusted its guidance to banks around its \$600 billion emergency Main Street Lending Program, in an apparent attempt to encourage them to make more loans. The central bank revised its “frequently asked questions” related to the program to emphasize that “underwriting should look back to the borrower's pre-pandemic condition and forward to their post-pandemic prospects.” The new language suggests that Fed officials believe banks, contrary to the design of the program, are declining would-be borrowers over weaknesses that stem strictly from the coronavirus. The Fed has come under criticism for the low take up so far of a program that aims to support small- to mid-size businesses and nonprofits. *(Source: Bloomberg)*

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.00	4.63	KSA	2025	1.50	5.53
Abu Dhabi	2030	1.66	9.04	KSA	2030	2.21	9.32
Abu Dhabi	2050	2.71	19.77	KSA	2050	3.30	9.16
Bahrain	2026	4.13	-4.09	Oman	2025	5.13	-4.83
Bahrain	2030	5.50	11.10	Oman	2029	6.42	-7.49
Bahrain	2047	6.62	-9.56	Oman	2048	7.73	-12.08
Dubai	2029	2.63	2.52	Qatar	2025	1.14	6.14
Kuwait	2022	0.55	1.25	Qatar	2030	1.85	10.87
Kuwait	2027	1.34	4.94	Qatar	2050	2.85	22.14

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.65	8.08	-0.13	6.01
S&P MENA Bond and Sukuk Index		NA	-0.21	7.50
Bloomberg Emerging Markets USD Index	4.03	6.80	-0.13	3.19
Bloomberg Global Aggregate Index	0.90	7.42	0.15	6.43

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	20/09/2020	31/12/2019	20/09/2020	31/12/2019	20/09/2020	31/12/2019
KIBOR	1.6250	2.7500	1.8125	2.9375	2.1250	3.1875
SAIBOR	0.8775	2.2314	0.9250	2.2557	0.9850	2.3071
BHIBOR	2.2833	2.6667	2.5000	2.7000	2.6833	2.8333
QATAR	0.8750	2.2500	0.9750	2.3500	1.3122	2.5333
AEIBOR	0.4417	2.2086	0.5075	2.1914	0.8058	2.2900
EURIBOR	-0.5040	-0.3830	-0.4680	-0.3240	-0.4290	-0.2490
LIBOR	0.2254	1.9084	0.2753	1.9121	0.3739	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2278	0.37	-87.1
2-Year	0.2217	0.61	-86.9
5-Year	0.3432	0.72	-80.2
7-Year	0.4931	0.78	-72.6
10-Year	0.7025	0.87	-62.9
30-Year	1.0930	1.57	-47.7

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3059	0.0000	-0.92
SAR	3.7509	-0.0027	0.02
BHD	0.3771	0.0000	0.00
QAR	3.6417	0.0000	0.00
OMR	0.3850	0.0026	0.00
AED	3.6730	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.14	0.00
5-Year	0.28	-0.02
10-Year	0.69	-0.04
30-Year	1.45	-0.32

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.12	0.00
5-Year	-0.13	0.02
10-Year	0.18	-0.02
30-Year	0.75	0.07

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.69	-0.01
5-Year	-0.72	-0.01
10-Year	-0.56	-0.05
30-Year	-0.05	-0.31

Source: Bloomberg

## Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	Aa2	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	20-Sep 2020	31-Dec 2019
Kuwait	49.51	36.700
KSA	79.95	56.915
Abu Dhabi	42.42	36.090
Dubai	132.32	91.005
Qatar	42.72	36.705
Bahrain	289.64	175.995
Oman	417.58	234.400
Iraq	531.83	383.680
Egypt	405.25	277.420
Morocco	113.02	91.435
Turkey	524.70	282.130
US	15.76	10.810
UK	15.47	16.210
China	35.43	31.205
Japan	15.78	21.042
Germany	8.29	7.080
France	14.39	16.130