

## News Updates

**Kuwait's C. bank issues KWD 240m bonds; oversubscribed 11.36 times** – The Central Bank of Kuwait (CBK) on Tuesday issued KWD 240 million worth of bonds and related tawarruq, with a 1.25% return rate. The issue was oversubscribed by 11.36 times with a total demand value of KWD 2.73 billion, according to data by the CBK. The bonds will be matured after three months on 4 August. Bonds and related tawarruq are local bonds offered by the CBK to the banks working in the Kuwaiti financial sector to regulate the market's liquidity.

**Moody's affirms ratings of Saudi Banks; outlooks changed to negative** – Moody's Investors Service, ("Moody's") has today affirmed all ratings and assessments of the 11 banks it rates in Saudi Arabia (A1 negative). At the same time, the rating agency changed the outlook on the long-term deposit ratings to negative from stable for ten of the banks and maintained the negative outlook on the long-term deposits of one bank. The rating action follows Moody's decision to change the outlook to negative from stable on the Saudi Arabian government's A1 rating on 1 May 2020. Moody's decision to affirm the ratings of all 11 banks reflects the rating agency's view that the current ratings continue to reflect the resilience in their financial performance underpinned by strong capital buffers, favorable funding profiles and ample liquidity buffers.

**Qatar National Bank raises \$1bn in five-year bonds – sources** – Qatar National Bank, the Gulf's biggest lender, sold on Tuesday \$1 billion in five-year bonds, two sources said, the first non-sovereign public issuance in the international debt markets from the Gulf since February. The bank is offering investors an interest rate equivalent to 225 basis points (bps) over mid-swaps, 35 bps tighter than where it began marketing the notes earlier on Tuesday. It received more than \$3.75 billion in orders for the debt sale. The sale follows a combined \$24 billion in bonds raised by Qatar, Abu Dhabi and Saudi Arabia last month, which bankers said would pave the way for regional banks to return to the public debt markets.

**CBO launches 64th issue of Government Development Bonds** – The Central Bank of Oman (CBO) announced the new issue of Government Development Bonds (GDB). The size of the 64th issue is fixed at OMR200 - 250 million with a maturity period of 5 years and will carry a coupon rate of 5.00 per cent p.a. The issue will be open for subscription from May 7 to 14, 2020 while the auction will be held on Sunday, May 17, 2020. The issue settlement date will be on Tuesday, May 19, 2020. Interest on the new bonds will be paid semiannually on November 19 and May 19 every year until maturity date on May 19, 2025.

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.04	1.96	KSA	2025	2.38	-0.75
Abu Dhabi	2047	3.36	-3.06	KSA	2029	2.80	-0.34
Bahrain	2024	5.90	-8.85	KSA	2049	4.34	-7.89
Bahrain	2029	6.99	-16.50	Oman	2025	6.58	-11.36
Bahrain	2047	7.75	-21.03	Oman	2029	9.40	-24.73
Dubai	2023	2.54	-0.86	Oman	2048	9.44	-27.50
Dubai	2029	3.80	-5.59	Qatar	2024	1.63	1.40
Kuwait	2022	1.20	0.93	Qatar	2028	2.40	-0.06
Kuwait	2027	1.83	2.48	Qatar	2049	3.59	-1.98

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.94	7.32	-0.23	-4.00
S&P MENA Bond and Sukuk Index	3.09	NA	-0.15	-1.10
Bloomberg Emerging Markets USD Index	7.14	6.26	-0.11	-7.20
Bloomberg Global Aggregate Index	1.03	7.33	-0.34	1.24

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	06/05/2020	31/12/2019	06/05/2020	31/12/2019	06/05/2020	31/12/2019
KIBOR	1.7500	2.7500	2.0000	2.9375	2.1875	3.1875
SAIBOR	1.1957	2.2314	1.2243	2.2557	1.2329	2.3071
BHIBOR	2.1500	2.6667	2.3167	2.7000	2.5500	2.8333
QATAR	1.2420	2.2500	1.2922	2.3500	1.4011	2.5333
AEIBOR	1.0300	2.2086	1.3425	2.1914	1.5699	2.2900
EURIBOR	-0.2970	-0.3830	-0.1650	-0.3240	-0.1080	-0.2490
LIBOR	0.5009	1.9084	0.7045	1.9121	0.8286	1.9963

## USD Swap Rates

	Currencies				Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.3545	-0.65	-80.0	KWD	0.3088	-0.0486	-1.83
2-Year	0.3117	-0.40	-81.6	SAR	3.7592	0.0080	-0.16
5-Year	0.4073	0.02	-76.4	BHD	0.3787	0.0000	-0.28
7-Year	0.5179	0.71	-71.2	QAR	3.6420	0.0000	0.01
10-Year	0.6443	1.37	-66.0	OMR	0.3851	0.0000	-0.01
30-Year	0.8488	3.71	-59.4	AED	3.6732	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.18	0.00	-0.01	0.05	-0.79	0.07
5-Year	0.36	0.01	0.06	0.11	-0.80	0.10
10-Year	0.65	-0.10	0.20	0.32	-0.61	0.14
30-Year	1.32	-0.98	0.55	0.64	-0.14	0.13

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	B2u	B+	BB-
Oman	Ba2	BB-	BB
Egypt	B2	B	B+
Lebanon	Ca	SD	RD
Jordan	B1	B+	BB-
Turkey	B1	B+u	BB-
Tunisia	B2	NR	B+
Morocco	Ba1	BBB-	BBB-
US	Aaa	AA+u	AAA
UK	Aa2	AAu	AA-
China	A1	A+	A+
<b>USD 5Yr CDS</b>	<b>6-May 2020</b>	<b>31-Dec 2019</b>	
Kuwait	99.770	36.700	
KSA	161.530	56.915	
Abu Dhabi	115.360	36.090	
Dubai	268.250	91.005	
Qatar	115.350	36.705	
Bahrain	478.870	175.995	
Oman	753.380	234.400	
Iraq	1161.810	383.680	
Egypt	635.950	277.420	
Morocco	176.550	91.435	
Turkey	592.780	282.130	
US	17.060	10.810	
UK	31.070	16.210	
China	48.810	31.205	
Japan	30.190	21.042	
Germany	21.800	7.080	
France	39.230	16.130	