

News Updates

Japan says reached oil storage deal with Kuwait – Japan said on Tuesday it has reached a joint oil storage deal with state-run Kuwait Petroleum Corp (KPC) to lend it 3.14 million barrels (500,000 kilolitres) of capacity for free. Under the deal, KPC can use storage tanks at refiner Eneos' Kiire base in southern Japan of Kagoshima as an export base for eastern Asia. In return, Japan gets a priority claim on the stockpiles in case of emergency. The volume is equivalent to 1.5 days of its consumption. It is Japan's third such agreement, following UAE's Abu Dhabi National Oil Company (ADNOC) and Saudi Arabia's Saudi Aramco, and is aimed at reinforcing its energy security, an official at the Japan's Economy, Trade and Industry Ministry (METI) said. The latest deal will boost Japan's leased oil storage capacity to a total of 19.5 million barrels (3.1 million kl). The supply from KPC can be also used in other Asian countries, mainly ASEAN nations, in case of emergency, the official said. In March, Tokyo mapped out a new international resource strategy under which it aims to expand oil stockpiling scheme which benefits Japan, other Asian countries and oil suppliers. Kuwait was Japan's fourth-largest oil supplier in 2019 after Saudi Arabia, the UAE and Qatar, providing 8.5% of Japan's oil import, the ministry's official said. *(Source: Bloomberg)*

Turkey Wealth Fund to Retry Bond Sale as It Plans IPO of Assets – Turkey's sovereign wealth fund will retry a Eurobond issuance next year after its debut was shelved two months ago due to weak investor demand, and is also considering selling shares in some of its assets. The institution is weighing an initial public offering of stock-exchange operator Borsa Istanbul AS within the next two years, Chief Executive Officer Zafer Sonmez said in an interview with BloombergHT TV. The fund on Monday sold a 10% stake in the bourse to Qatar Investment Authority for \$200 million. The fund wants to become a regular issuer in international debt markets with Eurobond sales every “18 to 24 months,” he said. While it is slightly more expensive for wealth funds to borrow internationally compared with sovereign debt sales, the fund can also rely on dividends from the companies it owns and proceeds from asset sales to fund its operations. *(Source: Bloomberg)*

StanChart Leads MENA Debt Underwriting as Sales Climb – Standard Chartered Bank led underwriting of debt in the Middle East and North Africa region so far this year as the value of deals rose 18%. Issuers sold \$134.5 billion of bonds through November vs. \$113.9 billion a year ago, according to data compiled by Bloomberg League Tables. Standard Chartered Bank captured 15% of the market followed by HSBC at 14.7%. Saudi Arabian Oil Co. was the biggest issuer in November, at \$8 billion *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.83	5.19	KSA	2025	1.26	6.43
Abu Dhabi	2030	1.55	9.79	KSA	2030	2.08	10.37
Abu Dhabi	2050	2.67	20.59	KSA	2050	3.23	10.37
Bahrain	2026	3.47	-1.73	Oman	2025	4.65	-3.12
Bahrain	2030	4.98	15.10	Oman	2029	5.90	-4.13
Bahrain	2047	6.32	-6.19	Oman	2048	7.18	-6.19
Dubai	2029	2.62	2.46	Qatar	2025	0.92	6.56
Kuwait	2022	0.30	1.29	Qatar	2030	1.71	11.88
Kuwait	2027	1.14	5.87	Qatar	2050	2.78	23.59

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.57	8.08	0.05	7.88
S&P MENA Bond and Sukuk Index	2.07	NA	-0.08	8.78
Bloomberg Emerging Markets USD Index	3.69	6.80	0.02	4.95
Bloomberg Global Aggregate Index	0.89	7.42	-0.11	7.63

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	2/12/2020	31/12/2019	2/12/2020	31/12/2019	2/12/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	2.0000	3.1875
SAIBOR	0.8313	2.2314	0.8800	2.2557	0.9488	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.0569	2.2500	1.1663	2.3500	1.3148	2.5333
AEIBOR	0.3323	2.2086	0.6250	2.1914	0.6000	2.2900
EURIBOR	-0.5260	-0.3830	-0.5080	-0.3240	-0.4870	-0.2490
LIBOR	0.2276	1.9084	0.2550	1.9121	0.3303	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2175	-0.13	-87.7
2-Year	0.2369	-0.36	-86.0
5-Year	0.4548	-1.00	-73.7
7-Year	0.6579	-1.20	-63.4
10-Year	0.9060	-1.45	-52.2
30-Year	1.3417	-1.69	-35.8

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3047	0.1477	-0.51
SAR	3.7512	-0.0027	0.02
BHD	0.3771	0.0053	0.00
QAR	3.6417	-0.0082	0.00
OMR	0.3850	0.0000	0.00
AED	3.6731	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.16	0.02
5-Year	0.41	0.06
10-Year	0.91	0.16
30-Year	1.65	0.41

Source: Bloomberg

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.03	-0.02
5-Year	0.03	-0.12
10-Year	0.34	-0.52
30-Year	0.90	-1.37

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.72	-0.02
5-Year	-0.74	-0.13
10-Year	-0.59	-0.39
30-Year	-0.12	-1.52

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

USD 5Yr CDS	2-Dec 2020	31-Dec 2019
Kuwait	40.19	36.700
KSA	66.23	56.915
Abu Dhabi	35.21	36.090
Dubai	107.49	91.005
Qatar	36.58	36.705
Bahrain	263.39	175.995
Oman	400.95	234.400
Iraq	576.71	383.680
Egypt	360.38	277.420
Morocco	98.27	91.435
Turkey	377.12	282.130
US	12.65	10.810
UK	17.00	16.210
China	28.67	31.205
Japan	14.89	21.042
Germany	9.49	7.080
France	15.90	16.130