

## News Updates

**Emirates to raise debt as it doesn't see travel recovering for at least 18 months** – Emirates, one of the world's biggest long-haul airlines, said on Sunday it will raise debt to help it through the coronavirus pandemic and may have to take tougher measures as it faces the most difficult months in its history. The state-owned airline, which suspended regular passenger flights in March due to the virus outbreak that has shattered global travel demand, said that a recovery in travel was at least 18 months away. It reported a 21% rise in profit for its financial year that ended on March 31, but said the pandemic had hit its fourth quarter performance and it would tap banks to raise debt in its first quarter to lessen the impact on cash flows by the virus. The airline made a profit of 1.1 billion dirhams in the year to March 31, up from 871 million dirhams a year earlier, it said.

**Saudi Aramco Seeking to Restructure Sabic Deal, Reuters Reports** – Saudi Aramco is looking to restructure the acquisition of a controlling stake in petrochemicals maker Saudi Basic Industries Corp., Reuters reported, citing people familiar with the matter. Aramco's chairman and head of the Public Investment Fund, Yasir al-Rumayyan, is leading the talks, Reuters said. The report also says Aramco wants to reduce the burden on its balance sheet. Public Investment Fund is looking to extend a \$10 billion bridge loan signed with 10 banks in October and linked to the acquisition by Aramco of its stake in Sabic.

**IMF Keeps Faith That One of Global Fiscal Outliers Can Beat Odds** – The International Monetary Fund isn't backing away from its view that Qatar could pull off a budget feat only a handful of nations might accomplish this year. In the IMF's assessment, the world's biggest exporter of liquefied natural gas is on track for another year in the black, with a surplus that the fund says will reach just above 5% of economic output -- a level three other countries may exceed in 2020. By comparison, S&P Global Ratings last week forecast that Qatar will record a shortfall averaging about 5% of gross domestic product during 2020-2023. As it wraps up projects ahead of the soccer World Cup in 2022, Qatar is scaling back capital spending without sustaining too much damage yet to its revenue, according to Ali Al-Eyd, the IMF's mission chief in the country.

**Fed's Kashkari Says Worst Is Yet to Come, Congress Must Step Up** – Americans should brace for even more gut-wrenching news on unemployment amid the coronavirus pandemic, and Congress should consider providing more help, said Federal Reserve Bank of Minneapolis President Neel Kashkari. “The worst is yet to come on the job front, unfortunately,” he said Sunday on ABC's “This Week,” describing the situation after data on Friday showed the U.S. unemployment surging to 14.7% in April as employers cut an unprecedented 20.5 million jobs. The Fed has slashed interest rates to nearly zero and unveiled a raft of emergency lending programs to keep credit flowing in the economy, backed by taxpayer money from a \$2 trillion virus rescue package approved by Congress in late March.

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.05	1.90	KSA	2025	2.42	-1.04
Abu Dhabi	2047	3.37	-3.35	KSA	2029	2.80	-0.37
Bahrain	2024	5.89	-8.81	KSA	2049	4.30	-7.59
Bahrain	2029	7.04	-16.74	Oman	2025	6.23	-10.10
Bahrain	2047	7.73	-21.19	Oman	2029	9.14	-23.45
Dubai	2023	2.41	-0.70	Oman	2048	9.18	-25.95
Dubai	2029	3.76	-5.08	Qatar	2024	1.63	1.37
Kuwait	2022	1.24	0.78	Qatar	2028	2.40	-0.26
Kuwait	2027	1.89	2.16	Qatar	2049	3.56	-1.46

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.80	7.32	0.05	-3.12
S&P MENA Bond and Sukuk Index	3.00	NA	0.00	-0.26
Bloomberg Emerging Markets USD Index	5.68	6.26	0.14	-6.25
Bloomberg Global Aggregate Index	1.05	7.33	-0.05	0.78

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	11/05/2020	31/12/2019	11/05/2020	31/12/2019	11/05/2020	31/12/2019
KIBOR	1.7500	2.7500	2.0000	2.9375	2.2500	3.1875
SAIBOR	1.1514	2.2314	1.1971	2.2557	1.2157	2.3071
BHIBOR	2.2833	2.6667	2.3833	2.7000	2.5833	2.8333
QATAR	1.2320	2.2500	1.2799	2.3500	1.3956	2.5333
AEIBOR	0.6730	2.2086	1.3700	2.1914	1.1124	2.2900
EURIBOR	-0.2460	-0.3830	-0.1450	-0.3240	-0.0750	-0.2490
LIBOR	0.4346	1.9084	0.6880	1.9121	0.7829	1.9963

## USD Swap Rates

	Currencies				Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.2795	-2.19	-84.2	KWD	0.3089	-0.0324	-1.89
2-Year	0.2175	-2.50	-87.2	SAR	3.7565	0.0000	-0.13
5-Year	0.3544	2.09	-79.5	BHD	0.3779	0.0000	-0.24
7-Year	0.4888	2.78	-72.8	QAR	3.6417	-0.0082	0.00
10-Year	0.6195	1.15	-67.3	OMR	0.3850	0.0000	-0.01
30-Year	0.8871	4.66	-57.6	AED	3.6730	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.16	-0.03	-0.02	0.03	-0.77	0.02
5-Year	0.33	-0.14	0.06	0.05	-0.78	0.03
10-Year	0.68	-0.41	0.23	-0.09	-0.57	-0.07
30-Year	1.38	-1.39	0.55	0.17	-0.08	-0.43

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>11-May 2020</b>	<b>31-Dec 2019</b>	
Kuwait	99.770	36.700	
KSA	156.780	56.915	
Abu Dhabi	107.520	36.090	
Dubai	262.990	91.005	
Qatar	107.390	36.705	
Bahrain	457.550	175.995	
Oman	709.650	234.400	
Iraq	1122.150	383.680	
Egypt	625.240	277.420	
Morocco	168.840	91.435	
Turkey	644.340	282.130	
US	17.380	10.810	
UK	29.420	16.210	
China	47.260	31.205	
Japan	29.650	21.042	
Germany	21.440	7.080	
France	38.750	16.130	