

News Updates

Capital Intelligence affirms National Industries' bond ratings; outlook negative

– Capital Intelligence Rating has affirmed the ratings of KWD 25 million senior unsecured bond and KWD 30 million senior unsecured bond of National Industries Group Holding at 'BBB' and 'BBB-', respectively, with a negative outlook. The KWD 25 million unsecured bond will be matured in December 2021, while the KWD 30 million unsecured bond will be matured in February 2025, according to the company's disclosure to Boursa Kuwait and Dubai Financial Market (DFM) on Thursday. The ratings reflect the company's ability to make both interest payments and principal. The international rating agency has revised its outlook for both ratings from stable to negative due to the coronavirus (COVID-19) impact on the company's financial performance and flexibility. The ratings do not have an impact on the company's profits and loss account. It is noteworthy to mention that during the first nine months of 2020, the company incurred net losses of KWD 55.11 million, against KWD 35.81 million profits in the same period of 2019. (Source: Mubasher)

Sharjah Ruler approves \$9.14bln budget for 2021– H.H. Dr. Sheikh Sultan bin Muhammad Al Qasimi, Supreme Council Member and Ruler of Sharjah, has approved the general budget for the Emirate of Sharjah of AED 33.6 billion for the fiscal year 2021. According to Sharjah Finance Department (SFD), the budget has increased 12 per cent compared to the final 2020 budget with the aim to achieve the strategic vision of the emirate in economic and social development, enhancing financial sustainability, and stimulating the macroeconomic environment. Waleed Al Sayegh the Director General of the Finance Department said: "Salaries and wages account for 47 per cent of the total operating budget for 2021, while 43 percent of the general budget is allocated for developing and improving infrastructure in the emirate, with an increase of 40 percent over the 2020 budget". (Source: Zawya)

Egypt's FRA approves third Sukuk issuance in 2020 valued at EGP 600m

– The Egyptian Financial Regulatory Authority (FRA) approved the third Sukuk issuance in 2020 with a value of EGP 600 million at a nominal value of EGP 100 apiece. The Ijara Sukuk, compliant with Islamic Sharia and non-convertible into shares, will be offered in a private placement for eligible financial institutions, entities, and individuals, the FRA's Chairman, Mohamed Omran, said in a statement on Monday. He further revealed that the FRA seeks to develop the Sukuk market in Egypt next year, noting that EGP 10 billion in Sukuk issuances are expected in 2021. The total number of corporate Sukuk issuances in the first year of its launch reached three valued at EGP 5.1 billion. (Source: Mubasher)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.75	5.37	KSA	2025	1.15	6.83
Abu Dhabi	2030	1.57	9.62	KSA	2030	2.00	10.99
Abu Dhabi	2050	2.73	19.32	KSA	2050	3.24	10.02
Bahrain	2026	3.32	-1.26	Oman	2025	4.13	-1.33
Bahrain	2030	4.79	16.46	Oman	2029	5.48	-1.53
Bahrain	2047	6.11	-3.82	Oman	2048	6.81	-1.90
Dubai	2029	2.52	2.78	Qatar	2025	0.84	6.89
Kuwait	2022	0.07	1.39	Qatar	2030	1.61	12.59
Kuwait	2027	1.06	6.08	Qatar	2050	2.79	23.30

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.47	8.08	-0.04	8.64
S&P MENA Bond and Sukuk Index	2.01	NA	0.00	9.22
Bloomberg Emerging Markets USD Index	3.51	6.80	0.07	6.31
Bloomberg Global Aggregate Index	0.85	7.42	-0.02	8.63

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	29/12/2020	31/12/2019	29/12/2020	31/12/2019	29/12/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	1.9375	3.1875
SAIBOR	0.8175	2.2314	0.8700	2.2557	0.9413	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.0250	2.2500	1.1125	2.3500	1.4250	2.5333
AEIBOR	0.4350	2.2086	0.5160	2.1914	0.7568	2.2900
EURIBOR	-0.5420	-0.3830	-0.5190	-0.3240	-0.4940	-0.2490
LIBOR	0.2401	1.9084	0.2666	1.9121	0.3404	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1965	-0.01	-88.9
2-Year	0.2070	0.02	-87.8
5-Year	0.4501	0.86	-74.0
7-Year	0.6775	1.06	-62.3
10-Year	0.9533	1.30	-49.7
30-Year	1.4343	1.83	-31.4

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3037	0.0000	-0.18
SAR	3.7535	0.0000	-0.04
BHD	0.3771	0.0000	0.00
QAR	3.6414	0.0055	0.01
OMR	0.3850	0.0000	-0.01
AED	3.6729	0.0000	0.01

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.13	0.01
5-Year	0.38	-0.04
10-Year	0.94	-0.13
30-Year	1.68	-0.37

Source: Bloomberg

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.17	-0.01
5-Year	-0.06	0.04
10-Year	0.25	0.32
30-Year	0.82	0.93

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.79	0.03
5-Year	-0.75	0.03
10-Year	-0.62	0.16
30-Year	-0.17	0.21

Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	A1	AA-	AA
KSA	A1	A-u	A
UAE	Aa2	NR	AA-
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

	29-Dec 2020	31-Dec 2019
Kuwait	40.19	36.700
KSA	66.19	56.915
Abu Dhabi	36.35	36.090
Dubai	107.70	91.005
Qatar	37.21	36.705
Bahrain	236.61	175.995
Oman	354.58	234.400
Iraq	544.48	383.680
Egypt	332.99	277.420
Morocco	101.32	91.435
Turkey	311.40	282.130
US	11.56	10.810
UK	15.72	16.210
China	27.61	31.205
Japan	14.48	21.042
Germany	9.39	7.080
France	15.22	16.130