

## News Updates

### Abu Dhabi's Mubadala says it is well placed to handle virus challenge

– Abu Dhabi state fund Mubadala said on Thursday its strong liquidity position and a diverse portfolio will help the fund tackle the challenges posed by the coronavirus outbreak and weak oil prices, as it posted a four-fold jump in its 2019 income. “All of this positions us very well to handle this very extraordinary situation in the best way possible,” group chief executive Khaldoon Khalifa Al Mubarak said referring to the fund's strong balance sheet and \$232 billion portfolio in a video message. Mubadala Investment Co's total comprehensive income grew to 53 billion dirhams (\$14.43 billion) in 2019 from 12.5 billion dirhams in 2018, helped largely by gains in its public equity portfolio and funds. Assets under management also rose 1.5% to 853 billion dirhams or \$232 billion at year-end, it said in a statement. (Source: Reuters)

### Saudi Arabia will ‘come out on top’ in oil markets, JP Morgan predicts

– Saudi Arabia's strategy in the oil market has won a vote of confidence from the American investment bank JP Morgan, which predicts the Kingdom will “come out on top” in the global energy business. “Saudi Arabia will come out on top in the fight for market share as non-OPEC and US production fades,” JP Morgan analyst Chrystian Malek said in a report on the oil industry, which suggested that Saudi Arabia will see a large increase in its share of the international oil market as the American shale industry weakens and production declines from outside the Organization of Petroleum Exporting Countries (OPEC). The Kingdom, which has been leading global efforts to stabilize the global oil market in the wake of an unprecedented decline in demand because of the COVID-19 pandemic, will see its share of the market rise from the current level of 11.6 per cent to around 15 per cent — its highest level since the 1980s — by 2025, JPM said. (Source: Zawya)

### Fed Leaves Rates Unchanged and Projects Years of High Unemployment

– The Federal Reserve on Wednesday said it would leave interest rates near zero for the foreseeable future as the central bank projected high unemployment for several years and a long slog back from the pandemic-induced recession. In their first economic projections this year, Fed officials indicated that they expect the unemployment rate to end 2020 at 9.3 percent and remain elevated for some time, coming in at 5.5 percent in 2022. That would be well above the level they expect to prevail over the longer run in a healthy economy and far above the historically low jobless rates that preceded the virus. “Many millions have lost their jobs,” Fed Chair Jerome H. Powell said at a news conference following the Fed's two-day policy meeting, adding the extent of the downturn and pace of the recovery remain “extraordinarily uncertain.” Mr. Powell said the Fed will do “whatever we can, and for as long as it takes” to support the recovery and “limit lasting damage” to the economy. That includes keeping rates near rock-bottom for the foreseeable future, Mr. Powell said, noting there would likely be no rate increase through at least 2022. (Source: Bloomberg)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.91	2.75	KSA	2025	1.78	1.70
Abu Dhabi	2047	3.12	1.11	KSA	2029	2.47	2.02
Bahrain	2024	4.21	-3.58	KSA	2049	3.82	0.20
Bahrain	2029	5.47	-7.16	Oman	2025	5.29	-5.76
Bahrain	2047	6.56	-8.95	Oman	2029	6.76	-9.82
Dubai	2023	1.65	1.37	Oman	2048	7.94	-14.37
Dubai	2029	3.03	-0.63	Qatar	2024	1.50	1.69
Kuwait	2022	0.95	1.21	Qatar	2028	2.14	1.56
Kuwait	2027	1.81	2.45	Qatar	2049	3.27	3.43

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.21	7.32	-0.12	1.01
S&P MENA Bond and Sukuk Index	2.65	NA	0.02	2.80
Bloomberg Emerging Markets USD Index	4.77	6.26	-0.17	-1.25
Bloomberg Global Aggregate Index	0.99	7.33	-0.54	2.84

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	14/06/2020	31/12/2019	14/06/2020	31/12/2019	14/06/2020	31/12/2019
KIBOR	1.6875	2.7500	1.9375	2.9375	2.1250	3.1875
SAIBOR	1.0357	2.2314	1.0929	2.2557	1.1400	2.3071
BHIBOR	2.1833	2.6667	2.2667	2.7000	2.4667	2.8333
QATAR	1.2121	2.2500	1.2779	2.3500	1.3652	2.5333
AEIBOR	0.7488	2.2086	0.8850	2.1914	1.0361	2.2900
EURIBOR	-0.3660	-0.3830	-0.1990	-0.3240	-0.1240	-0.2490
LIBOR	0.3209	1.9084	0.4320	1.9121	0.5934	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.3035	-1.32	-82.9	KWD	0.3074	0.0325	-1.40
2-Year	0.2656	-1.11	-84.4	SAR	3.7535	-0.0160	-0.05
5-Year	0.3780	0.69	-78.1	BHD	0.3771	0.0000	-0.02
7-Year	0.5241	1.96	-70.8	QAR	3.6414	-0.0027	0.01
10-Year	0.6965	3.29	-63.2	OMR	0.3851	-0.0130	-0.02
30-Year	0.9765	4.97	-53.3	AED	3.6730	0.0000	0.00

## US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.19	0.01	-0.05	-0.03
5-Year	0.33	-0.02	0.00	-0.07
10-Year	0.70	-0.31	0.21	-0.16
30-Year	1.46	-1.27	0.61	-0.37

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+

## USD 5Yr CDS

	14-Jun 2020	31-Dec 2019
Kuwait	68.530	36.700
KSA	97.610	56.915
Abu Dhabi	75.030	36.090
Dubai	176.430	91.005
Qatar	76.530	36.705
Bahrain	350.270	175.995
Oman	518.870	234.400
Iraq	615.050	383.680
Egypt	487.650	277.420
Morocco	132.230	91.435
Turkey	473.070	282.130
US	12.420	10.810
UK	27.340	16.210
China	50.090	31.205
Japan	16.580	21.042
Germany	14.990	7.080
France	22.820	16.130