

News Updates

Kuwait asks parliament to approve debt law to help cover deficit – Kuwait's government formally submitted a public debt law to parliament on Sunday which would allow it to borrow 20 billion dinars (\$65 billion) over 30 years, including 8 billion dinars to help finance the current budget deficit, a legislator said. The government and parliament have long been at odds over the law which would allow Kuwait to tap international debt, but the issue has gained urgency in recent months as the oil-exporting nation has been hit by low crude prices and the COVID-19 pandemic. (Source: Reuters)

NMC's UAE entity weighing Abu Dhabi option for restructuring – Troubled hospital operator NMC Health's entity in the United Arab Emirates (UAE), NMC Healthcare LLC, is considering applying for restructuring and insolvency proceedings locally, two sources familiar with the matter said. The move comes three months after NMC Health Plc, the London-listed holding company for the hospital group, went into administration in April after months of turmoil over its finances. The two sources told Reuters that NMC Healthcare LLC was looking at options to file under the jurisdiction of Abu Dhabi Global Markets (ADGM), which has its own laws relating to insolvency and corporate restructuring. Such a move would help create a framework for the recognition of debt claims while the administrators of NMC Health Plc finalise the scheme of arrangement with creditors, one of the sources said. A third source said the ADGM move is an option to obtain protection from the court from any enforcement proceedings from creditors, similar to Chapter 11 in the United States. (Source: Reuters)

Dubai's \$410m stimulus package to help SMEs, ease doing business – Dubai has launched its third stimulus package on Saturday, to ease the impact of the COVID-19 crisis on businesses. Worth 1.5 billion dirhams (\$410 million), the new package, revealed by Crown Prince of Dubai, Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, raises the value of business incentives introduced by emirate to 6.3 billion dirhams (\$1.72 billion). The first stimulus package announced by the Dubai government was worth 1.5 billion dirhams while the second was worth 3.3 billion dirhams. (Source: Zawya)

QNB's second-quarter profit falls after loan provisions more than double – Qatar National Bank's second-quarter profit fell after it booked sharply higher loan loss provisions due to the global economic conditions, the Gulf's biggest lender said on Sunday. Fitch Ratings said last month that it expected Qatar's non-hydrocarbon sector to contract by 5% this year and gross domestic product to shrink 3.8%. QNB posted 2.84 billion riyals (\$779.90 million) in net profit in the second quarter, down from 3.83 billion riyals a year earlier. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.61	4.49	KSA	2025	1.37	3.29
Abu Dhabi	2047	2.77	7.26	KSA	2029	2.15	4.44
Bahrain	2024	4.15	-3.61	KSA	2049	3.43	6.73
Bahrain	2029	5.57	-7.80	Oman	2025	5.00	-4.53
Bahrain	2047	6.76	-11.19	Oman	2029	7.17	-12.12
Dubai	2023	1.58	1.30	Oman	2048	7.99	-14.86
Dubai	2029	2.99	-0.02	Qatar	2024	1.08	3.10
Kuwait	2022	0.53	1.71	Qatar	2028	1.75	4.14
Kuwait	2027	1.40	4.86	Qatar	2049	2.99	8.57

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.93	7.32	-0.08	3.56
S&P MENA Bond and Sukuk Index	2.34	NA	-0.13	5.48
Bloomberg Emerging Markets USD Index	4.56	6.26	-0.14	0.35
Bloomberg Global Aggregate Index	0.92	7.33	0.08	3.85

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	13/07/2020	31/12/2019	13/07/2020	31/12/2019	13/07/2020	31/12/2019
KIBOR	1.6250	2.7500	1.8750	2.9375	2.1250	3.1875
SAIBOR	0.9643	2.2314	1.0114	2.2557	1.0586	2.3071
BHIBOR	2.3000	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	0.8863	2.2500	1.0119	2.3500	1.2707	2.5333
AEIBOR	0.6075	2.2086	0.8520	2.1914	1.4475	2.2900
EURIBOR	-0.4400	-0.3830	-0.3300	-0.3240	-0.2840	-0.2490
LIBOR	0.2681	1.9084	0.3454	1.9121	0.4801	1.9963

USD Swap Rates

	Currencies				Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.2497	-0.13	-85.9	KWD	0.3072	0.0814	-1.35
2-Year	0.2185	0.27	-87.1	SAR	3.7513	0.0000	0.02
5-Year	0.3408	2.32	-80.3	BHD	0.3771	0.0000	0.00
7-Year	0.4734	3.15	-73.7	QAR	3.6412	0.0027	0.01
10-Year	0.6322	3.72	-66.6	OMR	0.3850	0.0000	0.00
30-Year	0.8765	3.93	-58.1	AED	3.6731	0.0000	0.00

US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.00	-0.12	0.03
5-Year	0.31	-0.11	-0.08	0.06
10-Year	0.64	-0.29	0.15	0.02
30-Year	1.34	-0.52	0.62	0.24

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	Ba3	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

	13-Jul 2020	31-Dec 2019
Kuwait	61.150	36.700
KSA	98.890	56.915
Abu Dhabi	60.410	36.090
Dubai	173.720	91.005
Qatar	56.200	36.705
Bahrain	331.870	175.995
Oman	466.780	234.400
Iraq	691.370	383.680
Egypt	440.640	277.420
Morocco	130.510	91.435
Turkey	522.020	282.130
US	12.190	10.810
UK	26.450	16.210
China	44.740	31.205
Japan	15.370	21.042
Germany	12.790	7.080
France	20.130	16.130