

## News Updates

**Abu Dhabi's NMC Health secures \$250mIn bank funding** – NMC Health, an Abu Dhabi-based hospital chain, has secured a \$250-million financing facility, conditional on a planned second-phase restructuring that would help the group to continue its operations, according to a statement by its administrators from Alvarez & Marsal. The funding agreed by NMC LLC's leading lenders in the UAE will provide the financial security for the business and will ensure that it can provide healthcare for patients and stability for staff and suppliers. This will be provided as the hospital operator "enters a second-phase restructuring". The funds have been provided "contingent on certain conditions, which the Group are close to completing," the statement added. (Source: Zawya)

**JPMorgan Sees Virus Fallout Stoking Middle East Deals Into 2021** – The financial fallout from the coronavirus pandemic will keep fueling debt issuance from the Middle East into 2021, while also stoking mergers and acquisitions as companies seek to consolidate, according to JPMorgan Chase & Co. Growth in lending by the bank, coupled with fees from arranging bond and M&A deals, will drive the U.S. company's operations in the region, Karim Tannir, JPMorgan's joint-senior country officer for the Middle East and North Africa, said in an interview. The United Arab Emirates and Saudi Arabia will be the main drivers. The first six months saw \$72 billion of bond issuance from the region, the busiest start yet, with JPMorgan among the top arrangers, according to data compiled by Bloomberg. Governments have been tapping debt markets to shore up finances battered by a slump in oil prices and as lockdowns to curb Covid-19 weigh on their economies. Interest in the region is helped by currencies that are pegged to the dollar, good sovereign credit ratings and the absence of capital controls, Tannir said. (Source: Bloomberg)

**Emirates REIT hires Houlihan Lokey for strategic review** – Emirates REIT, a Dubai-based sharia-compliant real estate investment trust, said on Monday it had appointed Houlihan Lokey to advise its board on the strategic review of the fund. As part the review, all directors and employees of its manager Equitativa and Emirates REIT will be permitted to buy shares of the company, it said in a bourse filing. The statement came few weeks after the company said it was considering de-listing from Nasdaq Dubai amid a downturn in the United Arab Emirates' real estate sector and weak equity market conditions. The real estate sector in Dubai, one of the main emirates of the UAE, has been sluggish for years, due to a chronic oversupply of homes coupled with weak economic growth, a problem now exacerbated by the coronavirus crisis. Equitativa was being investigated by the Dubai Financial Services Authority for matters connected to the management of Emirates REIT, specifically on valuation, information and interests and corporate governance. (Source: Zawya)

## GCC Sovereign Yields

| Sovereigns | Maturity | Yield % | Price Δ (YTD %) | Sovereigns | Maturity | Yield % | Price Δ (YTD %) |
|------------|----------|---------|-----------------|------------|----------|---------|-----------------|
| Abu Dhabi  | 2027     | 1.30    | 6.84            | KSA        | 2025     | 1.25    | 3.94            |
| Abu Dhabi  | 2047     | 2.54    | 11.99           | KSA        | 2029     | 1.92    | 6.12            |
| Bahrain    | 2024     | 3.90    | -2.80           | KSA        | 2049     | 3.03    | 14.52           |
| Bahrain    | 2029     | 5.15    | -5.10           | Oman       | 2025     | 4.72    | -3.44           |
| Bahrain    | 2047     | 6.51    | -8.33           | Oman       | 2029     | 6.62    | -8.82           |
| Dubai      | 2023     | 1.48    | 1.49            | Oman       | 2048     | 7.66    | -11.49          |
| Dubai      | 2029     | 2.84    | 1.24            | Qatar      | 2024     | 0.87    | 3.73            |
| Kuwait     | 2022     | 0.51    | 1.76            | Qatar      | 2028     | 1.53    | 5.63            |
| Kuwait     | 2027     | 1.31    | 5.43            | Qatar      | 2049     | 2.64    | 15.48           |

## Bonds and Sukuk Indices

| Index Name                           | Yield % | Duration (yrs) | 1D Δ (%) | YTD Δ (%) |
|--------------------------------------|---------|----------------|----------|-----------|
| Bloomberg GCC FI Index               | 2.66    | 7.32           | 0.34     | 6.50      |
| S&P MENA Bond and Sukuk Index        | 2.10    | NA             | 0.40     | 8.37      |
| Bloomberg Emerging Markets USD Index | 4.23    | 6.26           | 0.21     | 2.68      |
| Bloomberg Global Aggregate Index     | 0.82    | 7.33           | 0.04     | 6.27      |

## Interbank Rates (%)

|         | 3 Months   |            | 6 Months   |            | 12 Months  |            |
|---------|------------|------------|------------|------------|------------|------------|
|         | 04/08/2020 | 31/12/2019 | 04/08/2020 | 31/12/2019 | 04/08/2020 | 31/12/2019 |
| KIBOR   | 1.6250     | 2.7500     | 1.8125     | 2.9375     | 2.1250     | 3.1875     |
| SAIBOR  | 0.9229     | 2.2314     | 0.9729     | 2.2557     | 1.0229     | 2.3071     |
| BHIBOR  | 2.3000     | 2.6667     | 2.5333     | 2.7000     | 2.6833     | 2.8333     |
| QATAR   | 1.1431     | 2.2500     | 1.2181     | 2.3500     | 1.3710     | 2.5333     |
| AEIBOR  | 0.6196     | 2.2086     | 0.7231     | 2.1914     | 1.0458     | 2.2900     |
| EURIBOR | -0.4630    | -0.3830    | -0.4070    | -0.3240    | -0.3330    | -0.2490    |
| LIBOR   | 0.2488     | 1.9084     | 0.3061     | 1.9121     | 0.4486     | 1.9963     |

## USD Swap Rates

|         | Yield % | 1D Δ (bps) | YTD Δ (%) |
|---------|---------|------------|-----------|
| 1-Year  | 0.2175  | 0.53       | -87.7     |
| 2-Year  | 0.1863  | 0.75       | -89.0     |
| 5-Year  | 0.2677  | 1.65       | -84.5     |
| 7-Year  | 0.3906  | 2.05       | -78.3     |
| 10-Year | 0.5470  | 2.56       | -71.1     |
| 30-Year | 0.8082  | 3.88       | -61.4     |

## Currencies

|     | USD    | 1D Δ (bps) | YTD Δ (%) |
|-----|--------|------------|-----------|
| KWD | 0.3059 | 0.0490     | -0.92     |
| SAR | 3.7510 | 0.0000     | 0.02      |
| BHD | 0.3770 | 0.0027     | 0.02      |
| QAR | 3.6417 | -0.0027    | 0.00      |
| OMR | 0.3850 | 0.0000     | 0.00      |
| AED | 3.6731 | -0.0027    | 0.00      |

## US Treasuries

|         | Yield % | 1D Δ (%) |
|---------|---------|----------|
| 2-Year  | 0.11    | -0.01    |
| 5-Year  | 0.22    | -0.08    |
| 10-Year | 0.56    | -0.27    |
| 30-Year | 1.24    | -1.22    |

Source: Bloomberg

## UK Gilts

|         | Yield % | 1D Δ (%) |
|---------|---------|----------|
| 2-Year  | -0.08   | 0.00     |
| 5-Year  | -0.13   | 0.02     |
| 10-Year | 0.10    | 0.05     |
| 30-Year | 0.62    | 0.21     |

## German Bunds

|         | Yield % | 1D Δ (%) |
|---------|---------|----------|
| 2-Year  | -0.72   | -0.01    |
| 5-Year  | -0.74   | -0.04    |
| 10-Year | -0.59   | -0.01    |
| 30-Year | -0.11   | -0.05    |

## 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   | C       | 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 | 4-Aug 2020 | 31-Dec 2019 |
|-------------|------------|-------------|
| Kuwait      | 55.510     | 36.700      |
| KSA         | 88.090     | 56.915      |
| Abu Dhabi   | 52.810     | 36.090      |
| Dubai       | 161.180    | 91.005      |
| Qatar       | 49.950     | 36.705      |
| Bahrain     | 315.930    | 175.995     |
| Oman        | 462.790    | 234.400     |
| Iraq        | 659.220    | 383.680     |
| Egypt       | 443.290    | 277.420     |
| Morocco     | 127.570    | 91.435      |
| Turkey      | 554.880    | 282.130     |
| US          | 13.190     | 10.810      |
| UK          | 21.710     | 16.210      |
| China       | 41.740     | 31.205      |
| Japan       | 16.680     | 21.042      |
| Germany     | 10.360     | 7.080       |
| France      | 17.280     | 16.130      |