

News Update – 4 December 2019

**Kuwait's trade surplus declines 8% in eight months** – Kuwait's trade balance surplus declined by 8% year-on-year over the first eight months of 2019, according to official figures. Kuwait ran a total trade surplus of KWD 6.52 billion (\$21.50 billion) in the eight-month period to August, compared with KWD 7.08 billion (\$23.34 billion) in the same period the year before, Central Statistical Bureau (CSB) said. This was ascribed to a 6.3% fall of Kuwait's exports, which totalled KWD 13.34 billion over the reported period, versus KWD 14.23 billion in the year-earlier period.

**Qatar Central Bank issues QR600mn treasury bills for December** – The Qatar Central Bank (QCB) issued on Tuesday treasury bills for three, six and nine months, for the month of December with a value of QR600mn. According to a QCB statement, the treasury bills are distributed as follows: QR300mn for three months at an interest rate of 1.65%; QR200mn for six months at an interest rate of 1.65%; and QR100mn for nine months at an interest rate of 1.67%.

**Egypt to issue first corporate sukuk within weeks** – Egypt will issue its first corporate sukuk, or Islamic bonds, within weeks, a Financial Regulatory Authority (FRA) official said on Tuesday. CIAF Leasing, an aircraft leasing company, will issue sukuk worth \$50 million, the first in Egypt to do so, Sayed Abdel Fadil, an FRA departmental head, told Reuters. A second company, a contractor, will also issue sukuk worth more than one billion Egyptian pounds (\$62.27 million) within weeks, he added, without giving the name of the company.

**Lebanon Central Bank to Reduce Interest Rates to Ease Crisis** – Lebanon's central bank plans to slash interest rates in an attempt to ease the country's economic crisis and is considering formalizing temporary capital controls set individually by local lenders. Governor Riad Salameh told the Association of Banks in Lebanon that he will issue a circular within days to lower rates "to revive the economy" and limit the increase in "doubtful" loans, according to a document summarizing the meeting and seen by Bloomberg.

**Trump says China trade deal may have to wait amid sticking points in talks** – President Donald Trump said on Tuesday a trade deal with China might have to wait until after the US presidential election in November 2020, denting hopes that the two largest economies would soon reach an initial deal to ease their damaging trade war. "I don't have a deadline," Trump told reporters Tuesday in London after one of them asked if he sees phase one of a trade deal with China concluding this year. "I like the idea of waiting until after the election for the China deal. But they want to make a deal now and we'll see whether not the deal is going to be right."

## GCC Sovereign Yields (4 December 2019)

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.39	9.50	KSA	2025	2.45	8.19
Abu Dhabi	2047	3.20	21.16	KSA	2029	2.88	12.07
Bahrain	2024	3.65	7.82	KSA	2049	3.87	23.35
Bahrain	2029	4.94	15.45	Oman	2025	4.36	12.66
Bahrain	2047	6.13	21.37	Oman	2029	5.89	0.49
Dubai	2023	2.48	4.07	Oman	2048	7.15	14.49
Dubai	2029	3.13	9.75	Qatar	2024	2.20	4.50
Kuwait	2022	1.95	3.26	Qatar	2028	2.51	9.77
Kuwait	2027	2.34	7.71	Qatar	2049	3.51	23.29

Source: Bloomberg

## Bonds and Sukuk Indices (4 December 2019)

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.25	7.33	0.24	13.66
S&P MENA Bond and Sukuk Index	2.98	NA	0.20	13.09
Bloomberg Emerging Markets USD Index	5.04	6.28	0.17	11.30
Bloomberg Global Aggregate Index	1.40	7.27	0.52	6.58

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	04/12/2019	31/12/2018	04/12/2019	31/12/2018	04/12/2019	31/12/2018
KIBOR	2.6875	2.3125	2.9375	2.5625	3.1875	2.8125
SAIBOR	2.2371	2.9750	2.2529	3.1150	2.2971	3.3413
BHIBOR	2.3500	3.5500	2.8000	4.0833	2.9033	4.7000
QATAR	2.2479	2.9056	2.3479	3.0889	2.5630	3.3028
AEIBOR	2.0992	2.8375	2.1863	3.1849	2.2379	3.5737
EURIBOR	-0.4000	-0.3090	-0.3450	-0.2370	-0.2700	-0.1170
LIBOR	1.9001	2.8076	1.9061	2.8756	1.9625	3.0054

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.6945	0.37	-38.6
2-Year	1.5583	0.93	-41.4
5-Year	1.5230	1.26	-40.7
7-Year	1.5633	1.04	-40.4
10-Year	1.6490	0.79	-39.1
30-Year	1.8383	1.16	-35.2

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3038	0.0165	-0.07
SAR	3.7502	-0.0027	0.03
BHD	0.3771	-0.0053	-0.03
QAR	3.6655	-0.0246	-0.28
OMR	0.3850	0.0000	-0.01
AED	3.6731	0.0000	-0.01

## US Treasuries

	Yield %	1D Δ (%)
2-Year	1.55	-0.01
5-Year	1.55	-0.05
10-Year	1.73	-0.09
30-Year	2.18	-0.24

## UK Gilt

	Yield %	1D Δ (%)
2-Year	0.49	0.08
5-Year	0.48	0.26
10-Year	0.67	0.66
30-Year	1.19	1.46

## German Bunds

	Yield %	1D Δ (%)
2-Year	-1.82	0.00
5-Year	-0.68	0.11
10-Year	-0.49	0.55
30-Year	0.13	2.48

	Sovereign Ratings		
	Moody's	S&P	Fitch
Abu Dhabi	Aa2	AA	AA
Bahrain	B2	B+	BB-
Kuwait	Aa2	AA	AA
Oman	Ba1	BB	BB+
Qatar	Aa3	AA-	AA-
KSA	A1	A-	A
UAE	Aa2	NR	NR
Egypt	B2	B	B+
Lebanon	Caa2	CCC	CCC
Turkey	B1	B+	BB-
Tunisia	B2	NR	B+
Morocco	Ba1	BBB-	BBB-
Jordan	B1	B+	BB-
China	A1	A+	A+
UK	Aa2	AA	AA
USA	Aaa	AA+	AAA
USD 5-Year CDS			YTD Δ (%)
Abu Dhabi	40.690		-37.02
Kuwait	38.910		-36.66
Dubai	107.210		-11.23
Bahrain	191.140		-30.93
Qatar	41.350		-47.86
KSA	70.210		-31.48
Egypt	299.010		-19.86
Lebanon	2443.220		229.87
Turkey	321.961		-10.41
Iraq	373.900		-17.06
Morocco	88.480		-10.99
China	39.659		-39.91
France	16.960		-52.15
Germany	7.970		-34.52
Japan	20.769		-10.02
UK	17.840		-48.81
US	12.930		-29.57