

## News Updates

**Kuwait's reserves down 1.9% in March** – Kuwait's foreign exchange reserves decreased during March 2020 by 1.89% on a monthly basis, as shown by the data of the Central Bank of Kuwait (CBK). Official reserve assets registered KWD 12.19 billion (\$39.488 billion) by the end of last month, compared with KWD 12.424 billion (\$40.249 billion) in February. This comes amidst the fall of Kuwaiti crude oil prices during March by around 49.29%, and by 62.39% for the first quarter (Q1) of the year, amidst a price war and the effects of the coronavirus (COVID-19) pandemic. On an annual basis, Kuwait's reserve assets increased by 5.83% compared with its level in March 2019 at KWD 11.518 billion.

**Saudi dollar bonds post losses as investors brace for pain to come** – Saudi government dollar bonds posted losses on Monday after the finance minister said Riyadh would have to take painful measures to deal with the impact of the coronavirus and Moody's downgraded the country's ratings outlook. Moody's cut Saudi Arabia's outlook to negative from stable on Saturday, citing higher fiscal risks due to the crash in oil prices, and uncertainty about the government's ability to offset oil revenue losses and stabilize its debt in the medium term. Saudi Finance Minister Mohammed al-Jadaan said on Saturday the government "must reduce budget expenditures sharply" and that the impact of the new coronavirus on Saudi Arabia's state finances would be felt from the second quarter of the year.

**S&P downgrades Bahrain's Al Baraka Banking Group** – S&P Global Ratings has lowered Bahrain's Al Baraka Banking Group's long-term rating to BB from BB+, with a stable outlook. "The rating reflects the agency's view that the Bahrain-based group's capitalization is now a perceived ratings weakness, owing to increased risks stemming from its large presence and operations in Turkey," S&P said in a statement. "The stable outlook on Al Baraka Banking Group's long-term rating reflects S&P's expectations that the lender's financial profile will continue to be broadly stable in the next 12 months," the statement added.

**America Braces to Borrow Record \$3 Trillion in Current Quarter** – The U.S. expects to boost the net amount of marketable Treasury debt outstanding by an unprecedented \$3 trillion in the April-to-June quarter as efforts to stimulate the pandemic-hit economy drive up borrowing. The increase is primarily driven by the impact of the coronavirus outbreak, with effects flowing from both new stimulus spending that has been legislated and tax receipt deferrals, the Treasury said in the statement. Treasury estimated privately-held net marketable debt will rise \$2.999 billion in the April-to-June quarter, assuming an end-of-June cash balance of \$800 billion. The borrowing estimate is \$3.055 billion higher than announced in February 2020.

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.11	1.46	KSA	2025	2.58	-1.75
Abu Dhabi	2047	3.40	-3.75	KSA	2029	2.91	-1.10
Bahrain	2024	6.00	-9.21	KSA	2049	4.38	-8.65
Bahrain	2029	7.10	-17.10	Oman	2025	6.92	-12.78
Bahrain	2047	7.85	-21.89	Oman	2029	9.87	-27.00
Dubai	2023	2.62	-1.10	Oman	2048	9.79	-29.92
Dubai	2029	3.89	-6.17	Qatar	2024	1.72	1.05
Kuwait	2022	1.22	0.77	Qatar	2028	2.47	-0.61
Kuwait	2027	1.89	1.98	Qatar	2049	3.65	-2.96

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.91	7.32	0.11	-3.78
S&P MENA Bond and Sukuk Index	3.07	NA	0.00	-0.95
Bloomberg Emerging Markets USD Index	6.82	6.26	0.04	-7.10
Bloomberg Global Aggregate Index	1.02	7.33	-0.05	1.58

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	05/05/2020	31/12/2019	05/05/2020	31/12/2019	05/05/2020	31/12/2019
KIBOR	1.7500	2.7500	2.0000	2.9375	2.2500	3.1875
SAIBOR	1.2057	2.2314	1.2257	2.2557	1.2343	2.3071
BHIBOR	2.1333	2.6667	2.2333	2.7000	2.4500	2.8333
QATAR	1.2600	2.2500	1.3111	2.3500	1.4056	2.5333
AEIBOR	1.2125	2.2086	1.3537	2.1914	1.6943	2.2900
EURIBOR	-0.2860	-0.3830	-0.1570	-0.3240	-0.1080	-0.2490
LIBOR	0.5409	1.9084	0.7130	1.9121	0.8355	1.9963

## USD Swap Rates

	Currencies				Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.3571	-1.72	-79.8	KWD	0.3086	0.0486	-1.78
2-Year	0.3135	-1.05	-81.5	SAR	3.7597	0.0000	-0.17
5-Year	0.4028	0.54	-76.7	BHD	0.3787	0.0000	-0.28
7-Year	0.5102	1.02	-71.6	QAR	3.6420	-0.0055	0.01
10-Year	0.6338	1.43	-66.6	OMR	0.3851	0.0000	-0.01
30-Year	0.8241	2.47	-60.6	AED	3.6732	0.0000	0.00

## US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.18	0.02	0.01	0.02
5-Year	0.36	-0.04	0.08	0.07
10-Year	0.64	-0.23	0.23	0.21
30-Year	1.29	-1.15	0.57	0.89

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

	5-May 2020	31-Dec 2019
Kuwait	99.770	36.700
KSA	173.130	56.915
Abu Dhabi	119.090	36.090
Dubai	279.390	91.005
Qatar	121.400	36.705
Bahrain	472.280	175.995
Oman	749.850	234.400
Iraq	1161.830	383.680
Egypt	631.400	277.420
Morocco	175.880	91.435
Turkey	606.160	282.130
US	17.040	10.810
UK	31.480	16.210
China	51.410	31.205
Japan	30.530	21.042
Germany	20.960	7.080
France	39.080	16.130