

News Updates

ANB offers \$750m in Sukuk – Arab National Bank (ANB) announced it has completed offering US dollar-denominated Tier 2 capital Sukuk worth \$750 million. The settlement of the Sukuk issue will take place on 28 October 2020, the bank said to the Saudi Stock Exchange (Tadawul) of Thursday. A total of 3,750 Sukuk were issued based on the minimum denomination and total issue size. The Sukuk has a 3.326% annual fixed return rate payable semi-annually. The Sukuk will mature on 28 October 2030, callable on 28 October 2025. Previously, ANB mandated HSBC Bank plc and J.P. Morgan Securities plc as joint lead managers and bookrunners and, together with Arab National Investment Company (ANB Invest), as joint lead manager. (Source: Mubasher)

Oman Warns on Debt, Entrenched Double-Digit Budget Deficits – Oman will need further measures to keep its budget deficit in check, the Finance Ministry said, after the Gulf nation tapped the international debt market with a \$2 billion bond sale. The shortfall may average 16% of gross domestic product over the next five years, or 5 billion rials (\$13 billion) annually in 2021-2025, according to a document. S&P Global Ratings has previously estimated that the budget deficit could hit 18% this year. Oman's newly-issued debt declined on its first day, with the notes trading 1.5%-2.5% below their face value, according to Sergey Dergachev, a money manager at Union Investment Privatfonds GmbH in Frankfurt. (Source: Bloomberg)

CBD issues \$600m Additional Tier 1 perpetual bonds – Commercial Bank of Dubai (CBD) has issued a \$600 million Additional Tier 1 perpetual non-call six-year bonds, according to the bank's disclosure to the Dubai Financial Market (DFM) on Thursday. To be listed on the Euronext Dublin and Nasdaq Dubai, the bonds have attracted a quality order book of more than \$1.4 billion from over 100 investors. The bonds were issued at a price of 6%, which is the lowest coupon from the CBD to dates. The issuance will help the bank to further explore future business opportunities in the coming years. It is noteworthy to mention that during the first half (H1) of 2020, the bank's net profits dropped to AED 530.431 million, compared to AED 701.15 million in the same period of 2019. (Source: Mubasher)

Morocco Cut to Junk by Fitch – Morocco's long-term foreign currency debt rating was downgraded by Fitch to BB+, one level below investment grade, from BBB-. Outlook to stable from negative (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.91	4.88	KSA	2025	1.34	6.19
Abu Dhabi	2030	1.71	8.58	KSA	2030	2.05	10.73
Abu Dhabi	2050	2.82	17.39	KSA	2050	3.34	8.46
Bahrain	2026	4.10	-4.21	Oman	2025	5.52	-6.22
Bahrain	2030	5.71	9.38	Oman	2029	7.00	-11.05
Bahrain	2047	6.89	-12.51	Oman	2048	8.18	-16.53
Dubai	2029	2.61	2.64	Qatar	2025	0.98	6.63
Kuwait	2022	0.40	1.36	Qatar	2030	1.75	11.68
Kuwait	2027	1.24	5.52	Qatar	2050	2.89	21.12

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.71	8.08	-0.11	6.04
S&P MENA Bond and Sukuk Index	2.13	NA	-0.09	7.63
Bloomberg Emerging Markets USD Index	4.01	6.80	-0.03	2.33
Bloomberg Global Aggregate Index	0.92	7.42	0.02	6.28

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	25/10/2020	31/12/2019	25/10/2020	31/12/2019	25/10/2020	31/12/2019
KIBOR	1.6250	2.7500	1.8125	2.9375	2.1250	3.1875
SAIBOR	0.8475	2.2314	0.8963	2.2557	0.9638	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.0250	2.2500	1.1125	2.3500	1.3375	2.5333
AEIBOR	0.4513	2.2086	0.6538	2.1914	0.8112	2.2900
EURIBOR	-0.5120	-0.3830	-0.4960	-0.3240	-0.4640	-0.2490
LIBOR	0.2165	1.9084	0.2494	1.9121	0.3366	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.2132	0.30	-88.0	KWD	0.3056	0.0000	-0.82
2-Year	0.2391	0.13	-85.9	SAR	3.7504	0.0027	0.03
5-Year	0.4463	0.08	-74.2	BHD	0.3771	0.0053	0.00
7-Year	0.6337	-0.36	-64.7	QAR	3.6413	-0.0082	0.01
10-Year	0.8729	-0.97	-53.9	OMR	0.3850	0.0000	-0.01
30-Year	1.2995	-2.85	-37.9	AED	3.6730	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)		Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.16	0.00		-0.04	0.00		-0.79	0.02
5-Year	0.38	0.00		-0.03	0.02		-0.80	-0.02
10-Year	0.84	0.13		0.28	0.01		-0.64	0.08
30-Year	1.64	0.82		0.84	0.14		-0.16	0.29

Source: Bloomberg

Currencies

Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	A1	AA-	AA
KSA	A1	A-u	A
UAE	Aa2	NR	NR
Abu Dhabi	Aa2	AA	AA
Qatar	Aa3	AA-	AA-
Bahrain	B2	B+	B+
Oman	Ba3	B+	BB-
Egypt	B2	B	B+
Lebanon	C	SD	RD
Jordan	B1	B+	BB-
Turkey	B2	B+u	BB-
Tunisia	B2	NR	B
Morocco	Ba1	BBB-	BB+
US	Aaa	AA+u	AAA
UK	Aa2	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS

	25-Oct 2020	31-Dec 2019
Kuwait	45.16	36.700
KSA	70.78	56.915
Abu Dhabi	40.75	36.090
Dubai	130.00	91.005
Qatar	39.94	36.705
Bahrain	335.39	175.995
Oman	460.75	234.400
Iraq	667.09	383.680
Egypt	410.69	277.420
Morocco	118.30	91.435
Turkey	510.31	282.130
US	14.00	10.810
UK	18.13	16.210
China	35.94	31.205
Japan	15.80	21.042
Germany	9.83	7.080
France	16.06	16.130