

News

Saudi Arabia Raised \$7 Billion in Bond Sale to Plug Spending Gap -

Saudi Arabia raised \$7 billion via a dollar-denominated bond sale on Wednesday, joining other oil-exporting Persian Gulf states that tapped the debt markets last week to plug funding shortfalls caused by low crude prices and the coronavirus pandemic. The offering marked the second time this year the world's largest oil exporter has turned to international capital markets. The deal was heavily oversubscribed, with investors placing around \$54 billion of orders, according to a person familiar with the matter. The kingdom sold \$2.5 billion of bonds maturing in 5.5 years, \$1.5 billion of debt due in 10.5 years and \$3 billion of 40-year notes. The longest tranche was priced with a yield of 4.55%, down from the initial talk of 5.15%. The shortest securities yield 2.94% and the middle ones 3.34%.

IMF predicts MENA oil exporters will lose \$230 bil in revenue as fiscal breakevens soar -

Middle East and North Africa oil exporters are likely to lose more than \$230 billion in crude revenue this year if oil prices persist at current levels, while their breakeven oil prices are set to soar amid higher spending needs, the International Monetary Fund said in a report on Wednesday. "Measured in real terms (adjusted for inflation), oil prices have not been this low since 2001," the IMF said in its regional economic outlook report for the Middle East and Central Asia. "Oil prices at these levels could result in more than \$230 billion in lost annual revenue across MENAP [Middle East, North Africa, Afghanistan and Pakistan] oil exporters, compared with October projections, placing significant strains on fiscal and external balances."

Mideast growth to fall to -2.8pc this year: IMF - As the coronavirus (COVID-19) pandemic sweeps across the world, growth in the Middle East and Central Asia region is projected to fall from 1.2 percent in 2019 to -2.8 percent in 2020, lower than the growth rates during the 2008 global financial crisis and the 2015 oil price shock, says an IMF report. The growth will rise to 4 percent in 2021, as threats from the virus recede and global policy efforts spur recovery. In GCC countries, growth is projected to contract by 2.7 percent in 2020. Non-oil activity is expected to be a major drag on the near-term outlook, contracting by 4.3 percent this year, a significant downward revision from the 2.3 percent growth projected in the October 2019 Regional Economic Outlook for the Middle East and Central Asia.

Saudi central bank says there could be more G20 action on swap lines -

Saudi Arabia's central bank governor said on Wednesday G20 nations had worked on setting up currency swap lines and repo facilities to tackle the fallout from the coronavirus pandemic and they could take further action on bilateral swap lines. "At the same time we will be looking to see more actions as the crisis unfolds, it will be bilateral swap lines,".

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.50	-0.97	KSA	2025	2.82	-2.75
Abu Dhabi	2047	3.62	-6.81	KSA	2029	3.14	-2.76
Bahrain	2024	6.65	-11.07	KSA	2049	4.50	-10.08
Bahrain	2029	7.28	-18.26	Oman	2025	7.12	-13.56
Bahrain	2047	7.81	-22.04	Oman	2029	9.74	-26.60
Dubai	2023	3.47	-3.82	Oman	2048	9.77	-30.36
Dubai	2029	4.44	-10.12	Qatar	2024	2.25	-0.89
Kuwait	2022	1.52	0.35	Qatar	2028	2.86	-3.01
Kuwait	2027	2.19	0.35	Qatar	2049	3.87	-6.58

Source: Bloomberg

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.39	7.50	-0.10	-6.15
S&P MENA Bond and Sukuk Index		NA	-0.16	-3.53
Bloomberg Emerging Markets USD Index	6.77	6.58	-0.16	-7.63
Bloomberg Global Aggregate Index	1.11	7.47	0.04	0.72

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	16/04/2020	31/12/2019	16/04/2020	31/12/2019	16/04/2020	31/12/2019
KIBOR	1.9375	2.7500	2.1875	2.9375	2.3750	3.1875
SAIBOR	1.2286	2.2314	1.2314	2.2557	1.2314	2.3071
BHIBOR	1.8000	2.2500	2.1000	2.7000	2.3167	2.8333
QATAR	1.2643	2.2500	1.3202	2.3500	1.4311	2.5333
AEIBOR	1.7313	2.2086	1.5830	2.1914	1.4194	2.2900
EURIBOR	-0.2480	-0.3830	-0.1950	-0.3240	-0.1050	-0.2490
LIBOR	1.1761	1.9084	1.1588	1.9121	1.0259	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.5300	-1.07	-70.1
2-Year	0.4074	-0.26	-76.0
5-Year	0.4669	0.12	-73.0
7-Year	0.5735	-0.12	-68.1
10-Year	0.6970	-0.29	-63.2
30-Year	0.8836	-1.19	-57.8

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3124	-0.0738	-2.79
SAR	3.7626	0.0133	-0.24
BHD	0.3780	0.0159	-0.14
QAR	3.6845	-0.3510	-0.47
OMR	0.3854	-0.0182	0.04
AED	3.6731	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.20	0.00
5-Year	0.34	-0.01
10-Year	0.63	0.02
30-Year	1.26	0.21

UK Gilts

	Yield %	1D Δ (%)
2-Year	0.02	0.00
5-Year	0.12	0.00
10-Year	0.30	0.00
30-Year	0.68	0.00

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.72	-0.01
5-Year	-0.68	-0.05
10-Year	-0.49	-0.13
30-Year	-0.07	-0.47

Sovereign Ratings

	Moody's	S&P	Fitch
Abu Dhabi	Aa2	AA	AA
Bahrain	B2u	B+	BB-
Kuwait	Aa2	AA-	AA
Oman	Ba2	BB-	BB
Qatar	Aa3	AA-	AA-
KSA	A1	A-u	A
UAE	Aa2	NR	NR
Egypt	B2	B	B+
Lebanon	Ca	SD	RD
Turkey	B1	B+u	BB-
Tunisia	B2	NR	B+
Morocco	Ba1	BBB-	BBB-
Jordan	B1	B+	BB-
China	A1	A+	A+
UK	Aa2	AA	AA
USA	Aaa	AA+u	AAA
USD 5-Year CDS			YTD Δ (%)
Abu Dhabi	129		280
Kuwait	107		200
Dubai	260		213
Bahrain	448		162
Qatar	132		282
KSA	165		205
Egypt	591		117
Oman	657		185
Turkey	604		114
Iraq	932		167
Morocco	173		101
China	39		35
France	39		128
Germany	24		201
Japan	24		83
UK	36		94
US	18		68