

## News Updates

**Dubai Raises \$2 Billion After Six-Year Bond Market Hiatus** – Dubai returned to global debt markets for the first time in six years, joining a flurry of new deals from Gulf Arab countries despite its lack of a credit rating. The sheikhdom, one of seven that make up the United Arab Emirates, raised \$2 billion from the two-part bond sale, according to a person familiar with the matter. The 10-year sukuk priced at 210 basis points over U.S. Treasuries, with a yield of 4% for the 30-year notes. Dubai isn't rated by any of the major credit assessors. It's offering higher yields than Sharjah, a lesser-known emirate that's rated Baa2, two levels above non-investment grade, by Moody's Investors Service. Dubai's rating would probably be higher than that, according to Bank of Singapore Ltd. "The incremental premium is more for the lack of rating or transparency than the implication that investors view the stand-alone rating of Dubai to be weaker than Sharjah," said Todd Schubert, Singapore-based head of fixed-income research at Bank of Singapore. (Source: Bloomberg)

**Dana Gas in talks with IPR Energy on Egypt assets sale as sukuk loom** – United Arab Emirates' Dana Gas is negotiating details of a sale of its Egyptian assets with Texas-headquartered IPR Energy, three sources familiar with the matter said, ahead of a repayment of some \$300 million in debt in October. The energy producer - whose main assets are in Egypt and in the Kurdistan Region of Iraq - was hoping to raise over \$500 million from the sale, but it will likely yield significantly less, the three sources said. Dana declined to comment while IPR Energy did not immediately respond to a request for comment. Dana has said it would use the sale proceeds to pay \$309 million in outstanding Islamic bonds, or sukuk, due at the end of October. The company last month announced a nearly \$19 million loss for the first half of the year, after a \$37 million impairment charge related to oil and gas assets in Egypt affected by low oil prices amid the COVID-19 pandemic. (Source: Reuters)

**Saudi to allow foreigners to invest directly in debt instruments** – Saudi Arabia's Capital Market Authority (CMA) said on Wednesday it will allow foreigners to invest directly in debt instruments, furthering open the Saudi market to outside investors. The market regulator said resident and non-resident foreigners would be able to invest in listed and non-listed debt instruments. Saudi Arabia's reforms to develop and open up its capital markets are part of Vision 2030, an economic reform plan aimed at boosting growth in the private sector and at diversifying the country's economy beyond oil. (Source: Reuters)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.03	4.68	KSA	2025	1.49	5.68
Abu Dhabi	2030	1.63	9.41	KSA	2030	2.11	10.21
Abu Dhabi	2050	2.63	21.53	KSA	2050	3.19	11.27
Bahrain	2026	3.82	-2.76	Oman	2025	4.88	-3.83
Bahrain	2030	4.96	15.37	Oman	2029	5.89	-4.07
Bahrain	2047	6.26	-5.59	Oman	2048	7.31	-7.68
Dubai	2029	2.65	2.42	Qatar	2025	1.08	6.46
Kuwait	2022	0.52	1.49	Qatar	2030	1.75	11.91
Kuwait	2027	1.18	5.97	Qatar	2050	2.78	23.69

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.61	8.08	0.37	6.50
S&P MENA Bond and Sukuk Index	2.10	NA	0.38	7.89
Bloomberg Emerging Markets USD Index	3.99	6.80	0.35	3.92
Bloomberg Global Aggregate Index	0.88	7.42	-0.12	6.16

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	03/09/2020	31/12/2019	03/09/2020	31/12/2019	03/09/2020	31/12/2019
KIBOR	1.6250	2.7500	1.8125	2.9375	2.1250	3.1875
SAIBOR	0.8900	2.2314	0.9400	2.2557	0.9943	2.3071
BHIBOR	2.2833	2.6667	2.5000	2.7000	2.6833	2.8333
QATAR	1.1250	2.2500	1.2000	2.3500	1.3500	2.5333
AEIBOR	0.4475	2.2086	0.6874	2.1914	0.7354	2.2900
EURIBOR	-0.4780	-0.3830	-0.4410	-0.3240	-0.3730	-0.2490
LIBOR	0.2511	1.9084	0.3033	1.9121	0.4326	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2398	0.09	-86.5
2-Year	0.2270	0.21	-86.6
5-Year	0.3316	0.88	-80.8
7-Year	0.4760	1.00	-73.5
10-Year	0.6757	1.12	-64.3
30-Year	1.0311	0.84	-50.7

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3058	-0.0981	-0.87
SAR	3.7507	0.0000	0.02
BHD	0.3770	0.0000	0.01
QAR	3.6414	0.0055	0.01
OMR	0.3850	0.0078	0.00
AED	3.6730	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.13	0.00
5-Year	0.26	-0.02
10-Year	0.65	-0.05
30-Year	1.38	-0.07

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.13	0.02
5-Year	-0.07	0.16
10-Year	0.23	0.79
30-Year	0.82	1.56

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.73	0.00
5-Year	-0.73	0.00
10-Year	-0.55	0.00
30-Year	-0.03	0.00

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	B2	B+	B+
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	03-Sep 2020	31-Dec 2019
Kuwait	50.490	36.700
KSA	75.190	56.915
Abu Dhabi	40.490	36.090
Dubai	142.160	91.005
Qatar	40.790	36.705
Bahrain	284.500	175.995
Oman	421.040	234.400
Iraq	573.060	383.680
Egypt	424.180	277.420
Morocco	117.490	91.435
Turkey	491.160	282.130
US	13.030	10.810
UK	17.140	16.210
China	32.130	31.205
Japan	15.430	21.042
Germany	8.860	7.080
France	15.880	16.130