

News Updates

\$4.5bln credit facilities to industrial, business sectors by UAE banks in three months – AE banks provided AED16.5 billion in loans in Q1-2020 to the industrial and business sectors, bringing to circa AED818.8 .1 bn the total credit facilities obtained by the two sectors during the period from January to March 2020, compared to AED 802.2 bn in the last quarter of 2019, according to statistics revealed by the Central Bank of the UAE. According to apex bank's figures, the credit facilities provided by the UAE national banks to the two sectors stand at AED13 billion, accounting for 79 percent of total facilities provided by all UAE-based banks to the two sectors during Q1. The UAE national banks provided AED713 bn to the two sectors during Q1 as compared to AED700 bn during last quarter of 2019.

Saudis, Russia See Signs of Improvement in Oil Demand – “We are also pleased with the recent signs of improvements in economic and market indicators, especially the growth in oil demand and the ease in concerns about storage limits as various countries around the globe begin to emerge from their stringent lockdowns,” Saudi Energy Minister Prince Abdulaziz bin Salman and his Russian counterpart Alexander Novak say in a joint statement. The ministers “commend the efforts of responsible producers around the world who have willingly adjusted their production out of a sense of shared responsibility”. Novak also welcomed the additional voluntary production cuts made by Saudi Arabia, the United Arab Emirates and Kuwait.

Egypt in talks with IMF for second tranche of financial support – Egypt is in talks with the International Monetary Fund for a second bundle of financial support after receiving nearly \$2.8 billion in emergency financing, the central bank deputy governor said on Wednesday. Asked about a Bloomberg News report that Egypt would seek a further \$5 billion from the IMF and \$4 billion from other sources for a total of \$9 billion, Rami Aboul Naga told Al Arabiya news channel that the number was close to that figure. Egypt said on Tuesday that it had received \$2.77 billion through an IMF Rapid Financing Instrument designed to help close a gap in its balance of payments as the new coronavirus outbreak takes its toll on the economy.

ECB Signals Euro-Area Slump Has Hit Bottom, Recovery Uncertain – The euro zone has hit the low point of its virus-triggered economic slump though the path of recovery remains highly uncertain, European Central Bank officials signaled. After lockdowns to contain the pandemic plunged Europe into its worst postwar recession, countries across the region are finally starting to gradually reopen businesses. “I think we’ve hit bottom in terms of the contraction,” ECB Vice President Luis de Guindos said in an online discussion. The longer term will be dominated by the “big questions” of public finance, he said. One of those questions is how to sustain the massive increases in debt as governments try to shield companies and workers during the pandemic and rebuild the economy when it has passed. Politicians in stressed economies such as Italy have bridled at the insistence by their neighbors including Germany and the Netherlands that aid is provided as loans rather than grants.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.04	1.95	KSA	2025	2.26	-0.30
Abu Dhabi	2047	3.40	-3.67	KSA	2029	2.76	-0.06
Bahrain	2024	5.43	-7.36	KSA	2049	4.20	-5.96
Bahrain	2029	6.70	-14.74	Oman	2025	6.22	-9.64
Bahrain	2047	7.62	-19.86	Oman	2029	8.63	-20.65
Dubai	2023	2.22	-0.03	Oman	2048	8.98	-23.82
Dubai	2029	3.67	-4.71	Qatar	2024	1.68	1.19
Kuwait	2022	1.21	0.83	Qatar	2028	2.45	-0.37
Kuwait	2027	1.88	2.06	Qatar	2049	3.61	-2.34

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.72	7.32	0.22	-2.49
S&P MENA Bond and Sukuk Index	2.95	NA	0.23	0.20
Bloomberg Emerging Markets USD Index	5.56	6.26	0.39	-5.54
Bloomberg Global Aggregate Index	1.06	7.33	0.30	0.84

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	14/05/2020	31/12/2019	14/05/2020	31/12/2019	14/05/2020	31/12/2019
KIBOR	1.6875	2.7500	1.9375	2.9375	2.1875	3.1875
SAIBOR	1.1171	2.2314	1.1771	2.2557	1.2043	2.3071
BHIBOR	2.3000	2.6667	2.3833	2.7000	2.5917	2.8333
QATAR	1.2333	2.2500	1.2810	2.3500	1.3956	2.5333
AEIBOR	0.9325	2.2086	1.2469	2.1914	1.5128	2.2900
EURIBOR	-0.2530	-0.3830	-0.1420	-0.3240	-0.0680	-0.2490
LIBOR	0.4240	1.9084	0.6586	1.9121	0.7688	1.9963

USD Swap Rates

	Currencies				Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.3173	-1.36	-82.1	KWD	0.3090	-0.0324	-1.89
2-Year	0.2613	-0.06	-84.6	SAR	3.7587	0.0000	-0.15
5-Year	0.3389	-0.87	-80.4	BHD	0.3779	0.0000	-0.16
7-Year	0.4615	-1.38	-74.3	QAR	3.6420	-0.0082	0.00
10-Year	0.6106	-1.77	-67.8	OMR	0.3850	0.0000	0.00
30-Year	0.8528	-2.07	-59.2	AED	3.6731	0.0000	0.00

US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.16	0.01	-0.05	0.04
5-Year	0.31	0.06	0.04	0.14
10-Year	0.65	0.29	0.20	0.52
30-Year	1.34	0.90	0.58	0.34

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	14-May 2020	31-Dec 2019
Kuwait	96.740	36.700
KSA	146.370	56.915
Abu Dhabi	102.690	36.090
Dubai	231.500	91.005
Qatar	102.830	36.705
Bahrain	439.560	175.995
Oman	693.180	234.400
Iraq	1122.100	383.680
Egypt	608.410	277.420
Morocco	158.420	91.435
Turkey	599.240	282.130
US	14.590	10.810
UK	30.250	16.210
China	50.850	31.205
Japan	28.870	21.042
Germany	21.090	7.080
France	36.540	16.130