

## News Updates

**Banks in Kuwait set aside \$6.43bln for recovery soft loans** – The local banks in Kuwait have allocated KD 2 billion to the soft loan portfolio expected to be granted to small and medium enterprises, as well as companies and clients affected by the consequences of the coronavirus. The SME loans will hold between 15 and 20 percent of the total two billion dinars, while the rest of the sum will be directed to financing companies and clients affected by consequences of coronavirus. Based on a study prepared by the Higher Steering Committee headed by the Governor Dr Muhammad Al-Hashel, it is expected that revenues of the affected sectors in Kuwait will decrease by 15 to 30 percent, under scenarios of the closure for a period of 8 to 12 weeks, since the start of the government closure with varying impact for each sector, he said.

**Dubai to Avoid Glare of Public Markets and Raise Bonds Privately** – Dubai is in talks to raise billions of dollars of debt privately instead of following Gulf neighbors by tapping public markets, as the emirate looks to bolster its finances and mitigate the economic fallout of the coronavirus pandemic. The Middle East's main business hub is discussing loans and private placements with around a dozen international and domestic banks, according to people with knowledge of the matter. The emirate is seeking loans of 1 billion dirhams (\$272 million) to 2 billion dirhams from each lender and asking them to find fixed-income investors to buy private placements, said one of the people, who asked not to be named. Dubai would probably repay the debt with a public bond in the next five years, they said.

**Saudi's Riyad Bank plans early redemption of \$1.06bln sukuk** – Riyad Bank intends an early redemption of its 4 billion riyals (\$1.06 billion) sukuk due in 2025, the Saudi lender said in a statement on Tadawul. The sukuk redemption will be in full, at face value, at the end of year five (on June 24, 2020). The sukuk was issued on June 24, 2015 for an aggregate value of 4 billion riyals with an original maturity of ten years, due on June 24, 2025. The bank has obtained regulatory approval for the sukuk redemption, the statement showed.

**Citigroup Sees Asset Sales Boosting \$47 Billion Gulf Debt Binge** – Oil-rich Gulf nations may turn to asset sales to complement an almost \$50 billion debt spree to support economies rocked by the coronavirus pandemic and the collapse in crude prices, according to Citigroup Inc. Countries including Saudi Arabia and the United Arab Emirates have “really attractive” government-owned assets, which could be sold to the public or partnered with other investors, Atiq Rehman, head of Citigroup Inc.'s emerging-market cluster for Europe, the Middle East and Africa, said in an interview. “There are opportunities obviously on that front,” he said. “There is also high investment-grade rating for their ability to raise substantial amount of international debt at very attractive prices. There is capacity to borrow more.”

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.35	-0.09	KSA	2025	2.79	-2.62
Abu Dhabi	2047	3.54	-5.94	KSA	2029	3.07	-2.28
Bahrain	2024	6.42	-10.67	KSA	2049	4.44	-9.50
Bahrain	2029	7.51	-19.43	Oman	2025	7.15	-13.53
Bahrain	2047	8.16	-24.64	Oman	2029	10.62	-30.51
Dubai	2023	3.10	-2.72	Oman	2048	10.42	-34.26
Dubai	2029	4.00	-7.17	Qatar	2024	2.03	-0.12
Kuwait	2022	1.36	0.48	Qatar	2028	2.70	-2.07
Kuwait	2027	2.06	0.92	Qatar	2049	3.77	-5.11

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.26	7.32	0.21	-5.63
S&P MENA Bond and Sukuk Index	3.37	NA	0.24	-2.56
Bloomberg Emerging Markets USD Index	6.99	6.26	-0.09	-8.15
Bloomberg Global Aggregate Index	1.08	7.33	0.09	0.68

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	28/04/2020	31/12/2019	28/04/2020	31/12/2019	28/04/2020	31/12/2019
KIBOR	1.7500	2.7500	2.0000	2.9375	2.2500	3.1875
SAIBOR	1.2371	2.2314	1.2443	2.2557	1.2429	2.3071
BHIBOR	1.9667	2.6667	2.0667	2.7000	2.3000	2.8333
QATAR	1.2300	2.2500	1.2667	2.3500	1.3667	2.5333
AEIBOR	1.6054	2.2086	1.6067	2.1914	1.5854	2.2900
EURIBOR	-0.1920	-0.3830	-0.1360	-0.3240	-0.0830	-0.2490
LIBOR	0.8871	1.9084	0.9223	1.9121	0.9395	1.9963

## USD Swap Rates

	Currencies				Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.4634	0.04	-73.8	KWD	0.3089	0.0648	-1.88
2-Year	0.3800	0.14	-77.6	SAR	3.7628	0.0000	-0.24
5-Year	0.4681	0.07	-72.9	BHD	0.3786	0.0000	-0.29
7-Year	0.5675	0.17	-68.4	QAR	3.6420	-0.0082	0.00
10-Year	0.6795	0.09	-64.1	OMR	0.3851	0.0000	-0.01
30-Year	0.8243	-0.27	-60.6	AED	3.6731	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.22	0.01	0.05	-0.01	-0.69	-0.06
5-Year	0.40	-0.14	0.16	0.01	-0.67	-0.16
10-Year	0.66	-0.58	0.30	-0.14	-0.49	-0.20
30-Year	1.26	-2.33	0.64	-0.61	-0.07	-0.77

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

	28-Apr 2020	31-Dec 2019
Kuwait	101.800	36.700
KSA	165.480	56.915
Abu Dhabi	124.380	36.090
Dubai	274.040	91.005
Qatar	124.580	36.705
Bahrain	476.810	175.995
Oman	733.430	234.400
Iraq	1230.610	383.680
Egypt	646.270	277.420
Morocco	174.170	91.435
Turkey	600.950	282.130
US	17.040	10.810
UK	33.210	16.210
China	47.150	31.205
Japan	32.290	21.042
Germany	21.850	7.080
France	39.620	16.130