

News Update – 26 December 2019

**Aramco CEO says Saudi-Kuwaiti accord paves way for resumption of oil production** – Saudi ARAMCO said on Wednesday a new agreement between Saudi Arabia and Kuwait paves the way for the resumption of oil production in the Neutral (partitioned) Zone shared by the two countries. "With the signing of this new accord, both parties have reached consensus that now is the right time to resume production in this zone," ARAMCO's President and CEO Amin Nasser was quoted as saying in a statement by ARAMCO. "Both sides will work to ensure production resumption at the earliest opportunity," he added.

**S&P initiates coverage of GFH with 'B' long-term issuer rating and stable outlook** – GFH Financial Group (GFH) today announced that S&P Global Ratings has initiated coverage and assigned it with a 'B' long-term issuer credit rating with a stable outlook. The rating comes in line with the GFH's success in reshaping its business model in order to become a fully diversified financial group. The report looked at the Group's four distinct business segments that include: Investment Banking, where the agency made note of GFH's ability to achieve a stable pipeline of deals as well as its focus on undertaking income-generating transactions; Commercial Banking, via its subsidiary Khaleeji Commercial Bank (KHCB); Real Estate Development, where the Group is looking to transform and exit legacy assets, and Treasury and Proprietary Investments, a recently established and growing business line that manages the Group's liquidity and generates income.

**Aldar Properties gains prime land in swap deal with Abu Dhabi government** – The government of Abu Dhabi and Aldar Properties have agreed on a land swap deal that would help the emirate's biggest property firm gain prime land, Aldar said on Wednesday. The transaction, which will be implemented from December, does not involve any transfer of funds, it said in a statement. Aldar will receive land split equally between the prime areas of Saadiyat Cultural District and Mina Zayed, one of United Arab Emirates' bigger ports. In return, the government will receive land in al-Raha Beach West, Lulu Island and plots inside Abu Dhabi island that Aldar held but which were not part of its development strategy in the foreseeable future, the statement said.

## GCC Sovereign Yields (26 December 2019)

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.38	9.51	KSA	2025	2.32	8.74
Abu Dhabi	2047	3.19	21.35	KSA	2029	2.80	12.63
Bahrain	2024	3.43	8.57	KSA	2049	3.83	24.00
Bahrain	2029	4.54	18.80	Oman	2025	4.16	13.72
Bahrain	2047	5.87	25.46	Oman	2029	5.31	4.78
Dubai	2023	2.39	4.23	Oman	2048	6.66	21.65
Dubai	2029	3.10	9.87	Qatar	2024	2.14	4.66
Kuwait	2022	1.89	3.31	Qatar	2028	2.49	9.83
Kuwait	2027	2.28	8.00	Qatar	2049	3.48	23.92

Source: Bloomberg

## Bonds and Sukuk Indices (26 December 2019)

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.17	7.33	0.00	14.50
S&P MENA Bond and Sukuk Index	2.94	NA	0.14	13.60
Bloomberg Emerging Markets USD Index	4.86	6.28	0.13	12.94
Bloomberg Global Aggregate Index	1.46	7.27	0.03	6.25

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	26/12/2019	31/12/2018	26/12/2019	31/12/2018	26/12/2019	31/12/2018
KIBOR	2.7500	2.3125	2.9375	2.5625	3.1875	2.8125
SAIBOR	2.2357	2.9750	2.2571	3.1150	2.3071	3.3413
BHIBOR	2.2500	3.5500	2.7000	4.0833	2.8333	4.7000
QATAR	2.2000	2.9056	2.3000	3.0889	2.4500	3.3028
AEIBOR	2.1371	2.8375	2.2349	3.1849	2.3863	3.5737
EURIBOR	-0.3980	-0.3090	-0.3310	-0.2370	-0.2480	-0.1170
LIBOR	1.9605	2.8076	1.9213	2.8756	2.0120	3.0054

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.8034	-0.06	-34.6
2-Year	1.7170	-1.10	-35.4
5-Year	1.7303	1.25	-32.7
7-Year	1.7833	1.09	-32.0
10-Year	1.8690	0.47	-31.0
30-Year	2.0492	0.62	-27.8

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3037	-0.0165	-0.02
SAR	3.7535	0.0027	-0.04
BHD	0.3771	0.0000	-0.02
QAR	3.6677	0.0136	-0.31
OMR	0.3850	-0.0649	0.00
AED	3.6731	0.0054	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	1.63	0.00
5-Year	1.73	-0.05
10-Year	1.91	-0.08
30-Year	2.34	-0.15

## UK Gilt

	Yield %	1D Δ (%)
2-Year	0.53	-0.02
5-Year	0.57	0.02
10-Year	0.76	0.05
30-Year	1.27	0.10

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.67	0.00
5-Year	-0.53	0.00
10-Year	-0.25	0.00
30-Year	0.28	0.00

	Sovereign Ratings		
	Moody's	S&P	Fitch
Abu Dhabi	Aa2	AA	AA
Bahrain	B2	B+	BB-
Kuwait	Aa2	AA	AA
Oman	Ba1	BB	BB+
Qatar	Aa3	AA-	AA-
KSA	A1	A-	A
UAE	Aa2	NR	NR
Egypt	B2	B	B+
Lebanon	Caa2	CCC	CC
Turkey	B1	B+	BB-
Tunisia	B2	NR	B+
Morocco	Ba1	BBB-	BBB-
Jordan	B1	B+	BB-
China	A1	A+	A+
UK	Aa2	AA	AA
USA	Aaa	AA+	AAA
USD 5-Year CDS			YTD Δ (%)
Abu Dhabi	33.840		-47.15
Kuwait	33.930		-44.23
Dubai	83.840		-30.67
Bahrain	165.750		-39.66
Qatar	34.760		-55.83
KSA	54.490		-46.51
Egypt	275.850		-25.79
Lebanon	2327.490		213.08
Turkey	281.962		-21.48
Iraq	354.640		-20.84
Morocco	81.420		-17.37
China	30.433		-53.18
France	15.850		-54.07
Germany	7.260		-35.82
Japan	19.578		-10.02
UK	16.020		-53.90
US	12.560		-31.40