

News Updates

Saudi Electricity readies dollar bond deal – State-controlled Saudi Electricity Company (SEC), the kingdom's electric transmission monopoly, plans to issue U.S. dollar-denominated bonds soon, four sources familiar with the matter said on Tuesday. The potential issuance would come amid a flurry of debt sales in the Gulf, including \$1 billion in dual-tranche bonds sold by Saudi Basic Industries Corp (SABIC) last week. One of the sources said Saudi Electricity plans to sell green sukuk, or Islamic bonds, whose proceeds would be used for environment-friendly projects. (Source: Reuters)

UAE's Tabreed seeks shareholder approval to raise \$1bln – District cooling firm National Central Cooling Company (Tabreed) is seeking shareholders' approval to raise \$1 billion through bonds, sukuk or any other instruments. The Abu Dhabi-based firm said in a statement posted on the Dubai bourse that a general assembly meeting will be convened on September 19 to issue any non-convertible senior bonds or sukuk or any similar instruments of up to \$1 billion. It said the special resolution set to be presented before the general assembly will grant authority to Tabreed's board of directors to raise the funding over the 12-month period. (Source: Reuters)

Fitch Downgrades Emirates REIT to 'B+'; Negative Outlook – Fitch Ratings has downgraded Emirates REIT's Long-Term Issuer Default Rating (IDR) to 'B+' from 'BB'. The Outlook is Negative. Fitch has also downgraded the senior unsecured sukuk trust certificates, issued through Emirates REIT Sukuk Limited, to 'BB-/RR3/57%' from 'BB'. The rating actions reflect Emirates REIT's limited ability to reduce high cash flow leverage. The Dubai real estate market is suffering from a supply and demand imbalance and an economy weakened by the effects of the pandemic and low oil prices. (Source: Bloomberg)

Bahrain to Sell Dollar Bond, Sukuk to Plug Gaping Budget Deficit – Bahrain started marketing a three-tranche dollar bond to help plug one of the biggest budget deficits in the world. The Gulf nation is selling benchmark-size seven-year Islamic bonds, 12-year conventional debt and 30-year securities, according to a person familiar with the matter, who's not authorized to speak publicly and asked not to be identified. Benchmark typically means the equivalent of at least \$500 million. Bank ABC, Citigroup Inc, Gulf International Bank BSC, HSBC Holdings Plc, National Bank of Bahrain BSC and Standard Chartered Plc are the lead managers for the sale and will arrange a global investor call on Tuesday. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.02	4.62	KSA	2025	1.49	5.60
Abu Dhabi	2030	1.68	8.99	KSA	2030	2.21	9.49
Abu Dhabi	2050	2.68	20.60	KSA	2050	3.21	10.90
Bahrain	2026	4.01	-3.55	Oman	2025	5.08	-4.46
Bahrain	2030	5.21	13.51	Oman	2029	6.13	-5.62
Bahrain	2047	6.45	-7.79	Oman	2048	7.60	-10.79
Dubai	2029	2.63	2.60	Qatar	2025	1.14	6.23
Kuwait	2022	0.51	1.46	Qatar	2030	1.78	11.61
Kuwait	2027	1.21	5.82	Qatar	2050	2.81	22.95

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.62	8.08	-0.19	6.29
S&P MENA Bond and Sukuk Index	2.10	NA	0.10	7.85
Bloomberg Emerging Markets USD Index	4.06	6.80	-0.13	3.40
Bloomberg Global Aggregate Index	0.90	7.42	0.06	5.81

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	09/09/2020	31/12/2019	09/09/2020	31/12/2019	09/09/2020	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	0.9938	2.3071
BHIBOR	2.2833	2.6667	2.5000	2.7000	2.6833	2.8333
QATAR	1.1537	2.2500	1.2229	2.3500	1.3601	2.5333
AEIBOR	0.3250	2.2086	0.5869	2.1914	0.8220	2.2900
EURIBOR	-0.4870	-0.3830	-0.4590	-0.3240	-0.4010	-0.2490
LIBOR	0.2418	1.9084	0.2933	1.9121	0.4210	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2406	-0.04	-86.4
2-Year	0.2265	-0.11	-86.7
5-Year	0.3263	-0.48	-81.1
7-Year	0.4705	-0.83	-73.8
10-Year	0.6694	-1.17	-64.7
30-Year	1.0212	-2.09	-51.2

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3060	-0.0327	-0.93
SAR	3.7510	0.0027	0.02
BHD	0.3771	0.0000	0.01
QAR	3.6421	-0.0110	0.00
OMR	0.3850	0.0000	-0.01
AED	3.6731	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.14	0.01
5-Year	0.26	0.02
10-Year	0.67	0.12
30-Year	1.40	0.44

Source: Bloomberg

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.15	0.08
5-Year	-0.11	0.24
10-Year	0.19	0.74
30-Year	0.74	2.04

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.70	0.00
5-Year	-0.73	0.00
10-Year	-0.57	0.00
30-Year	-0.05	0.00

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	09-Sep 2020	31-Dec 2019
Kuwait	48.94	36.700
KSA	83.33	56.915
Abu Dhabi	44.41	36.090
Dubai	134.39	91.005
Qatar	44.05	36.705
Bahrain	299.50	175.995
Oman	426.24	234.400
Iraq	573.06	383.680
Egypt	434.27	277.420
Morocco	123.34	91.435
Turkey	516.63	282.130
US	13.27	10.810
UK	15.15	16.210
China	35.80	31.205
Japan	15.47	21.042
Germany	9.17	7.080
France	14.32	16.130