

News Updates

Fitch Affirms Commercial Bank of Kuwait at 'A+'; Outlook Stable – Fitch Ratings has affirmed Commercial Bank of Kuwait's (CBok) Long-Term Issuer Default Rating (IDR) at 'A+' with a Stable Outlook. Fitch has also affirmed the bank's Viability Rating (VR) at 'bb'. *(Source: Bloomberg)*

Moody's downgrades Boubyan Takaful's IFSR rating to Baa3 and will withdraw rating – Moody's Investors Service, ("Moody's") has downgraded Boubyan Takaful Insurance Company K.S.C.'s (Boubyan Takaful's) insurance financial strength rating (IFSR) to Baa3 from Baa2 and changed the outlook to stable from rating under review. Subsequently, Moody's will withdraw Boubyan Takaful's IFSR for its own business reasons. *(Source: Bloomberg)*

Oil Extends Drop After Saudi Price Cuts Show Demand Concern – Oil extended its retreat below \$40 a barrel after Saudi Arabia cut pricing for October crude sales as demand stuck below pre-Covid levels. Futures in New York dropped after Saudi Aramco reduced its key Arab Light grade more than expected for shipments to Asia, a signal that fuel consumption in the largest oil-importing region is wavering. The company also lowered prices to the U.S. for the first time in six months.

UAE posts \$2.6bln in Q2 budget surplus – The UAE federal government posted a second-quarter budget surplus of around Dh9.75 billion, up from a surplus of Dh1.8 billion in the first quarter 2020. Revenues in the second quarter were at Dh34.744 billion and expenditures were at Dh24.997 billion, state news agency WAM said on Monday, citing a finance ministry report. For 2019, data from the UAE Ministry of Finance shows that the consolidated budget posted a surplus of Dh37 billion, around 2.4 per cent of the estimated GDP in 2019. *(Source: Bloomberg)*

Commercial Bank Mandates \$Benchmark 5Y Reg S Roadshow – The Commercial Bank (P.S.Q.C.) (“CBQ”), rated A3 by Moody's, BBB+ by S&P and A by Fitch, has mandated Morgan Stanley as Sole Global Coordinator and ANZ, BofA Securities, Citi, Mizuho, Morgan Stanley, QNB Capital and Standard Chartered Bank as Joint Lead Managers to arrange a series of fixed income investor calls commencing Monday 7 September 2020. A benchmark 5-year fixed rate U.S. Dollar-denominated senior unsecured Regulation S bond (in registered form) transaction under CBQ's US\$5bn Euro Medium Term Note Programme will follow, subject to market conditions. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.99	4.76	KSA	2025	1.48	5.66
Abu Dhabi	2030	1.68	9.06	KSA	2030	2.19	9.61
Abu Dhabi	2050	2.66	21.04	KSA	2050	3.21	10.81
Bahrain	2026	3.90	-3.03	Oman	2025	4.95	-4.14
Bahrain	2030	5.04	14.94	Oman	2029	6.02	-4.98
Bahrain	2047	6.31	-6.07	Oman	2048	7.51	-9.80
Dubai	2029	2.61	2.82	Qatar	2025	1.11	6.39
Kuwait	2022	0.47	1.53	Qatar	2030	1.76	11.81
Kuwait	2027	1.18	5.95	Qatar	2050	2.80	23.26

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.60	8.08	0.00	6.49
S&P MENA Bond and Sukuk Index	2.11	NA	-0.29	7.74
Bloomberg Emerging Markets USD Index	4.04	6.80	-0.39	3.54
Bloomberg Global Aggregate Index	0.91	7.42	0.03	5.75

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	08/09/2020	31/12/2019	08/09/2020	31/12/2019	08/09/2020	31/12/2019
KIBOR	1.6250	2.7500	1.8125	2.9375	2.1250	3.1875
SAIBOR	0.8900	2.2314	0.9413	2.2557	0.9950	2.3071
BHIBOR	2.2833	2.6667	2.5000	2.7000	2.6833	2.8333
QATAR	1.1146	2.2500	1.1917	2.3500	1.3403	2.5333
AEIBOR	0.4728	2.2086	0.6706	2.1914	0.8270	2.2900
EURIBOR	-0.4830	-0.3830	-0.4510	-0.3240	-0.4010	-0.2490
LIBOR	0.2480	1.9084	0.2921	1.9121	0.4210	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2370	-0.17	-86.6
2-Year	0.2290	0.20	-86.5
5-Year	0.3535	0.49	-79.6
7-Year	0.5059	-0.41	-71.9
10-Year	0.7122	-0.27	-62.4
30-Year	1.0864	-0.83	-48.1

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3059	-0.0327	-0.90
SAR	3.7508	0.0000	0.02
BHD	0.3771	-0.0027	0.01
QAR	3.6419	0.0137	0.01
OMR	0.3850	0.0000	0.00
AED	3.6731	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.14	0.01
5-Year	0.28	0.07
10-Year	0.71	0.12
30-Year	1.46	0.30

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.10	0.03
5-Year	-0.06	0.10
10-Year	0.25	0.16
30-Year	0.82	0.35

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.69	0.00
5-Year	-0.72	0.00
10-Year	-0.53	0.00
30-Year	-0.01	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

	08-Sep 2020	31-Dec 2019
Kuwait	48.53	36.700
KSA	80.75	56.915
Abu Dhabi	42.63	36.090
Dubai	130.76	91.005
Qatar	42.30	36.705
Bahrain	285.20	175.995
Oman	413.23	234.400
Iraq	573.06	383.680
Egypt	416.54	277.420
Morocco	119.27	91.435
Turkey	508.62	282.130
US	13.00	10.810
UK	15.34	16.210
China	33.84	31.205
Japan	15.86	21.042
Germany	8.87	7.080
France	15.13	16.130