

News Updates

Qatar's Masraf Al Rayan receives over \$3.1bln demand for sukuk – Qatari Islamic lender Masraf Al Rayan has tightened the price guidance for its five-year U.S. dollar-denominated sukuk and received more than \$3.1 billion in orders, a document showed on Wednesday. The bank tightened the price guidance to 190-195 basis points (bps) over mid-swaps after it began marketing the Islamic bonds at about 220 bps over mid-swaps earlier on Wednesday. The deal is expected to close later on Wednesday. *(Source: Zawya)*

Arab National Bank to Redeem 2 Billion-Riyal Sukuk 5 Years Early – Arab National Bank will redeem its Tier II Sukuk on October 7 at full at face value, the Saudi lender said in a statement. The 10-year Sukuk was offered through private placement. *(Source: Bloomberg)*

Saudi's June oil exports down \$8.7bln yr/yr – The value of Saudi Arabia's June oil exports was down 55% year on year, a drop of \$8.7 billion, official data showed on Wednesday. Compared with May, total exports - including non-oil exports of goods such as chemicals and plastics - grew by 19.1%, or \$1.86 billion, the General Authority for Statistics said. Saudi Arabia, the world's largest oil exporter, is facing a deep recession this year amid the coronavirus crisis and lower oil revenue. In May Saudi oil exports fell by nearly \$12 billion year on year. *(Source: Zawya)*

Fed Seen Holding Rates at Zero for Five-Years Plus in New Policy – The Federal Reserve looks likely to keep short-term interest rates near zero for five years or possibly more after it adopts a new strategy for carrying out monetary policy. The new approach, which could be unveiled as soon as next month, is likely to result in policy makers taking a more relaxed view toward inflation, even to the point of welcoming a modest, temporary rise above their 2% target to make up for past shortfalls. Fed Chairman Jerome Powell is slated to provide an update on the Fed's 1-1/2-year-old framework review of its policies and practices when he speaks on Thursday to the central bank's Jackson Hole conference, being held virtually this year because of the coronavirus pandemic. At their June meeting, all 17 Fed policy makers projected that the federal funds rate they target would remain near zero this year and next. And all but two saw rates staying at that level in 2022. Officials will provide updated quarterly forecasts at their meeting next month, including for the first time projections for 2023. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.00	4.70	KSA	2025	1.48	5.65
Abu Dhabi	2030	1.71	8.75	KSA	2030	2.17	9.71
Abu Dhabi	2050	2.71	19.92	KSA	2050	3.22	10.68
Bahrain	2026	3.88	-2.94	Oman	2025	5.17	-4.90
Bahrain	2030	5.07	14.64	Oman	2029	6.24	-6.36
Bahrain	2047	6.29	-5.87	Oman	2048	7.63	-11.09
Dubai	2029	2.71	2.00	Qatar	2025	1.13	6.37
Kuwait	2022	0.65	1.33	Qatar	2030	1.80	11.46
Kuwait	2027	1.29	5.40	Qatar	2050	2.81	22.74

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.66	8.08	-0.23	6.10
S&P MENA Bond and Sukuk Index	2.14	NA	-0.20	7.67
Bloomberg Emerging Markets USD Index	4.18	6.80	-0.11	3.17
Bloomberg Global Aggregate Index	0.91	7.42	0.02	5.66

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	27/08/2020	31/12/2019	27/08/2020	31/12/2019	27/08/2020	31/12/2019
KIBOR	1.5625	2.7500	1.8125	2.9375	2.1250	3.1875
SAIBOR	0.8929	2.2314	0.9443	2.2557	0.9986	2.3071
BHIBOR	2.2833	2.6667	2.5000	2.7000	2.6833	2.8333
QATAR	0.9833	2.2500	1.0750	2.3500	1.3250	2.5333
AEIBOR	0.4742	2.2086	0.6958	2.1914	0.7513	2.2900
EURIBOR	-0.4810	-0.3830	-0.4430	-0.3240	-0.3730	-0.2490
LIBOR	0.2510	1.9084	0.3081	1.9121	0.4400	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2380	-0.39	-86.6
2-Year	0.2290	-0.40	-86.5
5-Year	0.3340	-0.95	-80.7
7-Year	0.4803	-1.19	-73.3
10-Year	0.6778	-1.37	-64.2
30-Year	1.0387	-1.54	-50.3

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3058	0.0000	-0.88
SAR	3.7507	0.0000	0.03
BHD	0.3770	0.0000	0.01
QAR	3.6421	-0.0055	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	0.28	0.05
10-Year	0.68	0.12
30-Year	1.40	0.34

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.02	-0.01
5-Year	0.01	-0.09
10-Year	0.30	-0.49
30-Year	0.88	-1.15

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.68	0.00
5-Year	-0.67	0.00
10-Year	-0.49	0.00
30-Year	0.03	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	27-Aug 2020	31-Dec 2019
Kuwait	52.530	36.700
KSA	81.170	56.915
Abu Dhabi	45.070	36.090
Dubai	152.810	91.005
Qatar	44.400	36.705
Bahrain	314.840	175.995
Oman	444.720	234.400
Iraq	573.070	383.680
Egypt	425.840	277.420
Morocco	124.540	91.435
Turkey	531.260	282.130
US	13.000	10.810
UK	17.080	16.210
China	34.820	31.205
Japan	15.650	21.042
Germany	9.930	7.080
France	16.590	16.130