

News Updates

Kuwait scraps \$400m oil project – Kuwait has scrapped an awarded oil project with a value of around 120 million Kuwaiti dinars (\$400 million) due to weak crude prices and the spread of Coronavirus, a newspaper in the OPEC member reported on Sunday. The project involves the development of heavy crude oil facilities in the North and it was awarded to an international firm this year but the contract was not formally signed, Alrai said. The state-owned Kuwait Oil Company (KOC) cancelled the contract in line with instructions by oil authorities to slash spending on projects due to weak crude prices and the spread of Coronavirus, the paper said, quoting KOC sources. "KOC's Board of Directors has decided to cancel the heavy crude project that involves 11 oil wells although it has been awarded recently," the report said without naming the company that had won that contract. It said KOC and other local oil firms intend to freeze more projects in line with instructions by the Kuwait Petroleum Corporation to slash capital expenditure after the Gulf emirate trimmed crude output by nearly one million bpd within an agreement by OPEC and its partners to cut supplies to prop up oil prices. (Source: Zawya)

Qatar National Bank Investor Calls Sept. 14 USD Bond – Qatar National Bank, rated Aa3/ A/ A+ by Moody's/ S&P/ Fitch, has mandated Barclays as Global Coordinator and Joint Lead Manager, ING as Sole Sustainability Structuring Advisor and Joint Lead Manager, and Credit Agricole, HSBC, QNB Capital and Standard Chartered Bank as Joint Lead Managers to organize a series of investor calls starting today, September 14th 2020. A USD-denominated Reg-S Registered Inaugural Green Benchmark Bond with a 5-year maturity will follow, subject to market conditions. The proceeds from the contemplated bond issue will be allocated by QNB to Eligible Green Loans as set out in the company's Green, Social and Sustainability Bond Framework.. (Source: Bloomberg)

Turkey Gets Unprecedented Downgrade, Crisis Warning From Moody's – Turkey had its debt rating cut deeper into junk by Moody's Investors Service, which warned of a possible balance-of-payments crisis in assigning the lowest grade it's ever given to the country. The sovereign credit rating was cut to B2, five levels below investment grade and on par with Egypt, Jamaica and Rwanda. The company kept a negative outlook on the rating, saying fiscal metrics could deteriorate faster than currently expected. "Turkey's external vulnerabilities are increasingly likely to crystallize in a balance-of-payments crisis," Moody's analysts said in a report Friday. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	1.04	4.53	KSA	2025	1.51	5.46
Abu Dhabi	2030	1.69	8.83	KSA	2030	2.17	9.59
Abu Dhabi	2050	2.68	20.50	KSA	2050	3.24	10.37
Bahrain	2026	4.04	-3.67	Oman	2025	4.99	-4.29
Bahrain	2030	5.34	12.51	Oman	2029	6.11	-5.49
Bahrain	2047	6.47	-7.92	Oman	2048	7.61	-10.84
Dubai	2029	2.63	2.59	Qatar	2025	1.23	5.84
Kuwait	2022	0.62	1.35	Qatar	2030	1.83	11.12
Kuwait	2027	1.32	5.23	Qatar	2050	2.82	22.63

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.63	8.08	-0.03	6.18
S&P MENA Bond and Sukuk Index	2.12	NA	0.02	7.70
Bloomberg Emerging Markets USD Index	3.99	6.80	-0.05	3.43
Bloomberg Global Aggregate Index	0.89	7.42	0.03	5.86

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	14/09/2020	31/12/2019	14/09/2020	31/12/2019	14/09/2020	31/12/2019
KIBOR	1.6250	2.7500	1.8125	2.9375	2.1250	3.1875
SAIBOR	0.8900	2.2314	0.9375	2.2557	0.9925	2.3071
BHIBOR	2.2833	2.6667	2.5000	2.7000	2.6833	2.8333
QATAR	0.9767	2.2500	1.0721	2.3500	1.2493	2.5333
AEIBOR	0.4181	2.2086	0.6050	2.1914	0.8054	2.2900
EURIBOR	-0.4840	-0.3830	-0.4550	-0.3240	-0.3950	-0.2490
LIBOR	0.2504	1.9084	0.2819	1.9121	0.4139	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2332	-0.05	-86.8
2-Year	0.2123	0.11	-87.5
5-Year	0.3155	0.04	-81.8
7-Year	0.4640	-0.35	-74.2
10-Year	0.6693	-0.72	-64.7
30-Year	1.0470	-0.43	-49.9

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3059	0.0000	-0.90
SAR	3.7511	0.0000	0.02
BHD	0.3771	0.0000	0.00
QAR	3.6414	0.0055	0.01
OMR	0.3850	0.0000	-0.01
AED	3.6730	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.13	0.00
5-Year	0.25	0.00
10-Year	0.67	0.01
30-Year	1.41	-0.03

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.14	0.02
5-Year	-0.13	0.18
10-Year	0.18	0.53
30-Year	0.75	1.57

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.69	0.00
5-Year	-0.72	0.00
10-Year	-0.55	0.00
30-Year	-0.04	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	B2	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	14-Sep 2020	31-Dec 2019
Kuwait	49.53	36.700
KSA	80.46	56.915
Abu Dhabi	41.95	36.090
Dubai	130.00	91.005
Qatar	41.61	36.705
Bahrain	301.68	175.995
Oman	415.69	234.400
Iraq	531.83	383.680
Egypt	409.34	277.420
Morocco	119.61	91.435
Turkey	503.63	282.130
US	12.99	10.810
UK	16.01	16.210
China	35.14	31.205
Japan	15.89	21.042
Germany	9.47	7.080
France	15.11	16.130