

News Updates

DP World lists \$1.5bn sukuk on Nasdaq Dubai – DP World is the largest UAE debt issuer on Nasdaq Dubai, where its sukuk and conventional bonds listing now total over \$10 billion. DP World plans to use a newly listed \$1.5 million perpetual sukuk to grow and refinance growth, it said on Wednesday. The sukuk marks the largest outstanding emerging markets US dollar corporate sukuk offering, and is DP World's inaugural perpetual issuance. DP World is the largest UAE debt issuer on Nasdaq Dubai, where its sukuk and conventional bonds listing now total over \$10 billion. “Our latest sukuk received strong demand from regional and international investors, demonstrating their confidence in DP World's global business activities and growth strategy and enabling us to achieve competitive pricing,” said Sultan Ahmed bin Sulayam, group CEO and CEO of DP World. *(Source: Arabian Business)*

Pace of Emerging Market Downgrades Slowed ‘Sharply’, Fitch Says – The pace of negative emerging-market sovereign rating actions has slowed sharply since March and April, when uncertainty over the impact of the coronavirus shock was at its height, Fitch Ratings says in a report. There were 18 EM downgrades in the six weeks from mid-March, but only three since May 12: Argentina and Suriname, which was downgraded twice. Some of the pressure of the shock has eased, but downside risks remain “severe” and further downgrades and defaults are likely. There have been a total 28 downgrades of EM sovereigns in 2020 - the highest-ever annual tally. A record four sovereigns have defaulted so far in 2020: Argentina, Ecuador, Lebanon and Suriname. *(Source: Bloomberg)*

OPEC+ set to ease record oil cuts from Aug – OPEC and allies such as Russia will ease record oil supply curbs from August as the global economy slowly recovers from the coronavirus pandemic, Saudi energy minister Prince Abdulaziz bin Salman said on Wednesday. The Organization of the Petroleum Exporting Countries and its allies, known as OPEC+, have been cutting output since May by 9.7 million barrels per day, or 10% of global supply, after the virus destroyed a third of global demand. After July, the record cuts are due to taper to 7.7 million bpd until December. Prince Abdulaziz said effective cuts would be deeper due to compensation by countries which overproduced in previous months. Oil prices have recovered to almost \$43 a barrel from a 21-year low below \$16 in April. *(Source: Zawya)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.49	5.54	KSA	2025	1.42	3.29
Abu Dhabi	2047	2.78	7.25	KSA	2029	2.11	4.72
Bahrain	2024	4.12	-3.35	KSA	2049	3.39	7.72
Bahrain	2029	5.58	-7.88	Oman	2025	4.99	-4.50
Bahrain	2047	6.79	-11.47	Oman	2029	7.24	-12.65
Dubai	2023	1.62	1.25	Oman	2048	8.02	-15.14
Dubai	2029	2.98	0.22	Qatar	2024	1.05	3.19
Kuwait	2022	0.50	1.82	Qatar	2028	1.71	4.49
Kuwait	2027	1.39	5.02	Qatar	2049	2.95	9.31

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.91	7.32	-0.06	3.75
S&P MENA Bond and Sukuk Index	2.32	NA	0.00	5.77
Bloomberg Emerging Markets USD Index	4.56	6.26	-0.10	0.41
Bloomberg Global Aggregate Index	0.92	7.33	0.14	3.91

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	16/07/2020	31/12/2019	16/07/2020	31/12/2019	16/07/2020	31/12/2019
KIBOR	1.5625	2.7500	1.8125	2.9375	2.1250	3.1875
SAIBOR	0.9557	2.2314	1.0043	2.2557	1.0514	2.3071
BHIBOR	2.3000	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	0.9983	2.2500	1.1027	2.3500	1.3096	2.5333
AEIBOR	0.5900	2.2086	0.6767	2.1914	1.3273	2.2900
EURIBOR	-0.4330	-0.3830	-0.3300	-0.3240	-0.2710	-0.2490
LIBOR	0.2709	1.9084	0.3414	1.9121	0.4810	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.2571	0.13	-85.5	KWD	0.3072	0.0326	-1.33
2-Year	0.2259	0.04	-86.7	SAR	3.7510	0.0053	0.02
5-Year	0.3224	-0.22	-81.4	BHD	0.3771	-0.0027	0.00
7-Year	0.4504	-0.03	-74.9	QAR	3.6420	0.0110	0.02
10-Year	0.6063	0.24	-68.0	OMR	0.3851	-0.0026	-0.01
30-Year	0.8598	1.30	-58.9	AED	3.6731	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.01	-0.09	-0.04	-0.68	0.01
5-Year	0.28	0.04	-0.06	-0.08	-0.69	0.02
10-Year	0.62	-0.01	0.16	-0.22	-0.52	-0.02
30-Year	1.33	-0.34	0.68	-1.37	-0.03	-0.20

Source: Bloomberg

Currencies

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2571	0.13	-85.5
2-Year	0.2259	0.04	-86.7
5-Year	0.3224	-0.22	-81.4
7-Year	0.4504	-0.03	-74.9
10-Year	0.6063	0.24	-68.0
30-Year	0.8598	1.30	-58.9

UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.01	-0.09	-0.04	-0.68	0.01
5-Year	0.28	0.04	-0.06	-0.08	-0.69	0.02
10-Year	0.62	-0.01	0.16	-0.22	-0.52	-0.02
30-Year	1.33	-0.34	0.68	-1.37	-0.03	-0.20

German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.01	-0.09	-0.04	-0.68	0.01
5-Year	0.28	0.04	-0.06	-0.08	-0.69	0.02
10-Year	0.62	-0.01	0.16	-0.22	-0.52	-0.02
30-Year	1.33	-0.34	0.68	-1.37	-0.03	-0.20

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	B2u	B+	BB-
Oman	Ba3	BB-	BB
Egypt	B2	B	B+
Lebanon	Ca	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

	16-Jul 2020	31-Dec 2019
Kuwait	60.510	36.700
KSA	97.150	56.915
Abu Dhabi	57.600	36.090
Dubai	181.220	91.005
Qatar	55.650	36.705
Bahrain	338.300	175.995
Oman	468.030	234.400
Iraq	691.350	383.680
Egypt	444.120	277.420
Morocco	132.640	91.435
Turkey	520.170	282.130
US	13.650	10.810
UK	26.120	16.210
China	43.110	31.205
Japan	15.780	21.042
Germany	12.420	7.080
France	19.500	16.130