

News Updates

Kuwait C. bank sells KWD 200m bonds; oversubscribed 13.8 times –

The Central Bank of Kuwait (CBK) on Tuesday issued bonds and related tawarruq worth KWD 200 million, with a 2.75% rate of return. The issue was oversubscribed by 13.79 times, while the subscription demand recorded KWD 2.76 billion, according to recent data published by the CBK. The three-month bonds will be matured on 28 April 2020. It is worth noting that bonds and related tawarruq are local bonds offered by the CBK to banks working in the Kuwaiti banking sector to regulate the market's liquidity.

Kuwait's economic growth slowed to 0.7 per cent in 2019, says IMF –

The International Monetary Fund (IMF) said that Kuwait's non-oil growth strengthened in 2019, but lower oil prices and output curbs are weighing on the oil sector, bringing the country's overall growth to around 0.7 per cent in 2019 from 1.2 per cent in 2018. The Washington-based fund stated that its projections are based on oil prices declining from \$62 per barrel in 2019 to about \$56 per barrel in 2023 and remaining broadly unchanged thereafter. “The current conjuncture and the exhaustible nature of oil underscore the need to diversify the economy and ensure adequate savings for future generations,” the IMF said in a report.

Crisis-hit Lebanon needs \$24bln financing, could return to growth from Q4 2020 –

If crisis-hit Lebanon wants to finance its deficits, boost foreign currency reserves and avoid further decline in gross official reserves, the country will need external financing at about \$24 billion (42 percent of its GDP) over a five-year period (2020-2024), the Institute of International Finance (IIF) has said. The pledged financing of \$11 billion from CEDRE conference is a sizable and welcome figure but that may not be enough. At this juncture, seeking an IMF program to anchor reforms and secure additional financing seems to be one of the best ways to provide a framework for fiscal consolidation and structural reforms. “We hope that the new cabinet will seek an IMF program to bring in additional financing, arrest economic deterioration, and boost the country's liquid foreign currency reserves,” Garbis Iradian, IIF Chief Economist, MENA noted in a report.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Yield Δ (YTD %)	Sovereigns	Maturity	Yield %	Yield Δ (YTD %)
Abu Dhabi	2027	2.32	-3.00	KSA	2025	2.24	-4.45
Abu Dhabi	2047	3.17	-1.49	KSA	2029	2.70	-4.41
Bahrain	2024	3.46	1.30	KSA	2049	3.79	-1.96
Bahrain	2029	4.57	1.00	Oman	2025	4.04	-2.87
Bahrain	2047	5.83	-0.42	Oman	2029	5.33	0.16
Dubai	2023	2.47	1.56	Oman	2048	6.75	1.31
Dubai	2029	3.11	-0.52	Qatar	2024	2.02	-5.76
Kuwait	2022	1.87	-1.90	Qatar	2028	2.43	-2.77
Kuwait	2027	2.26	-2.10	Qatar	2049	3.39	-2.67

Source: Bloomberg

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.07	7.33	0.22	0.78
S&P MENA Bond and Sukuk Index	2.85	NA	0.13	0.93
Bloomberg Emerging Markets USD Index	4.75	6.28	0.13	1.19
Bloomberg Global Aggregate Index	1.31	7.27	-0.22	0.55

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	29/01/2020	31/12/2019	29/01/2020	31/12/2019	29/01/2020	31/12/2019
KIBOR	2.7500	2.7500	3.0000	2.9375	3.1875	3.1875
SAIBOR	2.1857	2.2314	2.2071	2.2557	2.2657	2.3071
BHIBOR	2.2500	2.2500	2.7333	2.7000	2.8833	2.8333
QATAR	2.2891	2.2500	2.3891	2.3500	2.6676	2.5333
AEIBOR	2.0340	2.2086	2.1633	2.1914	2.2905	2.2900
EURIBOR	-0.3980	-0.3830	-0.3330	-0.3240	-0.2600	-0.2490
LIBOR	1.7745	1.9084	1.7835	1.9121	1.8373	1.9963

USD Swap Rates

	Currencies				Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	1.6513	-0.62	-6.7	KWD	0.3040	-0.0362	-0.29
2-Year	1.5222	-0.36	-10.3	SAR	3.7519	0.0000	0.00
5-Year	1.4727	-0.47	-14.8	BHD	0.3770	0.0000	0.02
7-Year	1.5150	-0.50	-15.7	QAR	3.6669	-0.0273	-0.17
10-Year	1.5993	-0.49	-15.6	OMR	0.3850	-0.0649	-0.01
30-Year	1.7889	-0.63	-14.5	AED	3.6730	0.0000	0.00

US Treasuries

	UK Gilt		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	1.46	0.01	0.43	-0.07
5-Year	1.47	0.03	0.39	-0.21
10-Year	1.65	0.04	0.55	-0.43
30-Year	2.11	0.15	1.06	-1.40

Sovereign Ratings

	Sovereign Ratings		
	Moody's	S&P	Fitch
Abu Dhabi	Aa2	AA	AA
Bahrain	B2	B+	BB-
Kuwait	Aa2	AA	AA
Oman	Ba1	BB	BB+
Qatar	Aa3	AA-	AA-
KSA	A1	A-	A
UAE	Aa2	NR	NR
Egypt	B2	B	B+
Lebanon	Caa2	CCC	CC
Turkey	B1	B+	BB-
Tunisia	B2	NR	B+
Morocco	Ba1	BBB-	BBB-
Jordan	B1	B+	BB-
China	A1	A+	A+
UK	Aa2	AA	AA
USA	Aaa	AA+	AAA
USD 5-Year CDS			YTD Δ (%)
Abu Dhabi	40.320		16.32
Kuwait	35.940		5.49
Dubai	90.720		4.56
Bahrain	150.670		-8.61
Qatar	43.130		22.04
KSA	64.660		16.24
Egypt	241.180		-7.98
Lebanon	3265.350		42.51
Turkey	236.964		-15.34
Iraq	398.060		17.09
Morocco	75.390		-6.61
China	38.489		25.58
France	16.250		-2.39
Germany	7.120		-4.10
Japan	18.583		-5.71
UK	16.200		-8.34
US	12.660		15.19