

## News Updates

**Kuwait's budget deficit seen at 8% of GDP in FY19/20: NBK** – The Kuwaiti government recorded a general budget deficit of KWD 1 billion during the first nine months of fiscal year (FY) 2019/2020, representing 3% of the estimated 2019 gross domestic product (GDP), against a surplus of KWD 3.6 billion in the same period a year earlier. The total deficit reached KWD 2.3 billion after transfers to the Future Generations Fund (FGF), the National Bank of Kuwait (NBK) said in a report on Monday. The rise in deficit is attributed to lower oil prices, which drove total revenues down by 19% on an annual basis.

## Fitch Ratings: Coronavirus Could Push Global Oil Market into Surplus

– The coronavirus outbreak could curb oil demand growth if it continues to spread, leading to an extended production surplus as production grows in Brazil, Norway and the US, Fitch Ratings says. The surplus magnitude will depend on the duration of the outbreak and the ability of OPEC+ countries to adjust production levels, if required. We expect oil prices to remain highly volatile in 2020, with geopolitical tensions and economic sentiment being other key drivers. Oil prices have been under pressure since the start of the coronavirus outbreak with Brent crude falling from just under USD70 a barrel in early January to about USD56/bbl in early February. China accounts for about 15% of global oil consumption and is the main driver of global demand growth. Its contribution to global consumption growth averaged 36% over the past five years and should have been close to 40% in 2020, according to the US Energy Information Administration (EIA). A further 30% of demand growth is driven by other Asian countries, including India.

**UAE's Emirates Global Aluminium secures \$600 mln loan** – Emirates Global Aluminium (EGA), one of the largest industrial companies in the United Arab Emirates (UAE), said on Monday it had secured a \$600 million three-year revolving loan from UAE and international banks. Commercial Bank of Dubai, Emirates NBD, Mashreqbank and Standard Chartered were joint lead arrangers and bookrunners for the deal, the company said in a statement. The loan "replaces uncommitted facilities extended to EGA separately by a number of banks," the company said.

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Yield Δ (YTD %)	Sovereigns	Maturity	Yield %	Yield Δ (YTD %)
Abu Dhabi	2027	2.17	-9.41	KSA	2025	2.10	-10.47
Abu Dhabi	2047	3.07	-4.59	KSA	2029	2.58	-8.61
Bahrain	2024	3.43	0.46	KSA	2049	3.67	-5.01
Bahrain	2029	4.53	0.17	Oman	2025	4.01	-3.74
Bahrain	2047	5.80	-0.94	Oman	2029	5.31	-0.04
Dubai	2023	2.39	-1.64	Oman	2048	6.72	0.97
Dubai	2029	3.06	-2.08	Qatar	2024	1.93	-9.91
Kuwait	2022	1.71	-10.05	Qatar	2028	2.35	-5.72
Kuwait	2027	2.11	-8.59	Qatar	2049	3.31	-4.82

Source: Bloomberg

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.01	7.33	0.02	1.38
S&P MENA Bond and Sukuk Index	2.76	NA	0.23	1.80
Bloomberg Emerging Markets USD Index	4.73	6.28	0.02	1.57
Bloomberg Global Aggregate Index	1.25	7.27	-0.20	1.07

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	04/02/2020	31/12/2019	04/02/2020	31/12/2019	04/02/2020	31/12/2019
KIBOR	2.7500	2.7500	3.0000	2.9375	3.1875	3.1875
SAIBOR	2.1643	2.2314	2.1857	2.2557	2.2400	2.3071
BHIBOR	2.2500	2.2500	2.7333	2.7000	2.8500	2.8333
QATAR	2.3200	2.2500	2.4200	2.3500	2.7262	2.5333
AEIBOR	2.0299	2.2086	2.0438	2.1914	2.3793	2.2900
EURIBOR	-0.3930	-0.3830	-0.3380	-0.3240	-0.2840	-0.2490
LIBOR	1.7511	1.9084	1.7453	1.9121	1.8066	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	1.5817	0.62	-10.7	KWD	0.3043	0.0197	-0.38
2-Year	1.4309	1.44	-15.7	SAR	3.7523	-0.0080	-0.01
5-Year	1.3727	1.96	-20.6	BHD	0.3770	0.0027	0.02
7-Year	1.4165	2.05	-21.2	QAR	3.6671	0.0055	-0.19
10-Year	1.5033	1.98	-20.7	OMR	0.3850	0.0026	-0.01
30-Year	1.7028	2.01	-18.6	AED	3.6731	0.0000	0.00

## US Treasuries

	UK Gilt		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	1.37	-0.03	0.46	0.04
5-Year	1.37	-0.10	0.39	0.08
10-Year	1.54	-0.15	0.51	0.11
30-Year	2.02	-0.29	1.02	0.22

## 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	39.550		14.28
Kuwait	36.960		8.27
Dubai	94.000		6.90
Bahrain	156.410		-5.35
Qatar	44.380		25.53
KSA	66.770		19.94
Egypt	251.390		-4.30
Lebanon	3471.740		52.28
Turkey	242.664		-13.46
Iraq	394.130		15.92
Morocco	74.890		-7.16
China	38.157		24.51
France	16.130		-3.99
Germany	7.280		-2.22
Japan	18.185		-7.31
UK	16.230		-8.21
US	12.680		15.35