

News Update – 23 January 2020

**Saudi lender Samba raises \$500m in a 7-year bond sale** – Saudi lender Samba Financial Group raised \$500m in seven-year bonds on Wednesday. The bank priced the Reg S senior unsecured bond at a spread of 130 basis points over benchmark mid-swap rate. It released the initial guidance at MS+160. The re-offer price of the bond was 99.818 indicating yield 2.929%, while the coupon was set at 2.9%. According to a Bloomberg update, order book for the deal was over \$2.3bn. Citigroup, Standard Chartered and Samba Capital acted as the joint lead managers and book runners for the deal. The issue follows Saudi Arabia's \$5bn bond issuance on Tuesday, which saw hefty demand.

**Mumtalakat receives \$4bn orders for \$500m sukuk** – Bahrain Mumtalakat Holding Company, the sovereign wealth fund of Bahrain, has received \$4 billion worth of orders for \$500 million sukuk, Mumtalakat's CEO Khalid Al Rumaihi told CNBC Arabiya on Wednesday. The company did not expect such demand on its sukuk, Al Rumaihi said, adding that the sukuk's yield stood at 4.25%.

**Kuwait's bank deposits up to KWD 43.6bn in November 2019 – KFH report** – Kuwaiti banking sector's deposits grew by KWD 656 million or 1.5% year-on-year (YoY) to approach KWD 43.6 billion in November 2019, Kuwait Finance House (KFH) said in a recent report, citing data from the Central Bank of Kuwait (CBK). Meanwhile, banking credit rose by more than 4.7% YoY, with total credit balances registering KWD 38.3 billion. The rise in deposits was driven by a growth in government deposits by 14% or KWD 882 million to KWD 7.2 billion, while private sector deposits declined by 0.6% or KWD 226 million to KWD 36.4 billion.

**Lebanon dollar bonds rally after country forms government** – Lebanon sovereign dollar-bonds rallied as much as 1 cent on Wednesday after the country formed a government under Prime Minister Hassan Diab on Tuesday. The bond maturing in March this year jumped 1 cent to 84.02 cents in the dollar, according to MarketAxess. Bonds maturing in 2030 and 2037 gained 0.6 cents to trade just over 42 cents in the dollar, according to Tradeweb and Refinitiv.

## GCC Sovereign Yields (23 January 2020)

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.34	0.30	KSA	2025	2.31	0.07
Abu Dhabi	2047	3.22	-0.04	KSA	2029	2.75	0.51
Bahrain	2024	3.44	-0.21	KSA	2049	3.83	0.55
Bahrain	2029	4.54	-0.18	Oman	2025	4.00	0.70
Bahrain	2047	5.80	0.70	Oman	2029	5.27	0.33
Dubai	2023	2.48	-0.22	Oman	2048	6.64	0.25
Dubai	2029	3.11	-0.02	Qatar	2024	2.10	0.09
Kuwait	2022	1.90	-0.02	Qatar	2028	2.50	-0.13
Kuwait	2027	2.28	0.15	Qatar	2049	3.49	-0.21

Source: Bloomberg

## Bonds and Sukuk Indices (23 January 2020)

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.10	7.33	0.03	0.42
S&P MENA Bond and Sukuk Index	2.89	NA	0.05	0.53
Bloomberg Emerging Markets USD Index	4.72	6.28	0.06	1.07
Bloomberg Global Aggregate Index	1.39	7.27	0.03	0.16

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	23/01/2020	31/12/2019	23/01/2020	31/12/2019	23/01/2020	31/12/2019
KIBOR	2.7500	2.7500	3.0000	2.9375	3.1875	3.1875
SAIBOR	2.2043	2.2314	2.2329	2.2557	2.2886	2.3071
BHIBOR	2.2500	2.2500	2.7333	2.7000	2.8833	2.8333
QATAR	2.3247	2.2500	2.4247	2.3500	2.7368	2.5333
AEIBOR	1.9797	2.2086	2.1263	2.1914	2.3155	2.2900
EURIBOR	-0.3920	-0.3830	-0.3340	-0.3240	-0.2430	-0.2490
LIBOR	1.8063	1.9084	1.8344	1.9121	1.9184	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.6929	-1.07	-4.4
2-Year	1.5849	-1.71	-6.6
5-Year	1.5676	-2.01	-9.3
7-Year	1.6176	-2.01	-10.0
10-Year	1.7058	-1.99	-10.0
30-Year	1.8932	-2.43	-9.5

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3038	-0.0165	-0.22
SAR	3.7516	0.0053	0.01
BHD	0.3770	0.0000	0.01
QAR	3.6650	-0.0109	-0.15
OMR	0.3850	-0.0026	-0.01
AED	3.6730	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	1.51	0.03
5-Year	1.56	0.09
10-Year	1.75	0.18
30-Year	2.20	0.50

## UK Gilt

	Yield %	1D Δ (%)
2-Year	0.43	-0.04
5-Year	0.43	-0.04
10-Year	0.63	-0.04
30-Year	1.13	0.41

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.60	0.01
5-Year	-0.54	0.04
10-Year	-0.30	0.11
30-Year	0.24	0.24

	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	35.240		3.09
Kuwait	35.940		5.49
Dubai	87.00		-0.15
Bahrain	157.400		-4.78
Qatar	39.270		11.74
KSA	60.730		9.34
Egypt	238.610		-8.91
Lebanon	2742.120		17.64
Turkey	238.019		-14.98
Iraq	398.050		17.09
Morocco	77.400		-4.41
China	33.524		9.29
France	16.600		-0.44
Germany	7.140		-3.87
Japan	19.825		-0.89
UK	16.690		-5.34
US	12.310		12.34