

## News Updates

**Sharjah Islamic Bank hires banks for dollar sukuk** – Sharjah Islamic Bank has hired banks to arrange the sale of benchmark dollar sukuk, three sources with knowledge of the matter told Reuters. The sukuk issuance was likely to be soon, two of the sources said on Wednesday, adding that the banks appointed were Sharjah Islamic Bank's relationship lenders. The size was likely be \$500 million, but this could be more if demand is strong, one of the sources said. Sharjah Islamic Bank, which had \$500 million sukuk which matured in March, did not immediately respond to a request for comment from Reuters. The potential debt sale comes on the heels of Dubai Islamic Bank, the United Arab Emirates' largest Islamic lender, selling \$1 billion in sukuk on Tuesday. DIB's deal was the first international public sukuk issuance by a Gulf bank since the twin shock of the coronavirus pandemic and an oil price slump hit the region's debt markets. The emirate of Sharjah also sold \$1 billion in sukuk last week. (Source: Reuters)

**GFH Group completes \$500m sukuk issuance** – GFH, a leading financial group in the region with interests in key sectors such as asset management, wealth management, real estate development and commercial banking, has announced that it has completed the issuance of a \$500 million sukuk (Islamic Bond). According to GFH, the proceeds from the sukuk issuance will be used to further strengthen its balance sheet and diversify income. (Source: Trade Arabia)

**UAE Central Bank expects recovery of economic activity in H2** – The CBUAE, has projected the recovery of economic activity to commence in the second half of the year. The first quarter economic activities witnessed mixed movements, with the UAE economy performing well during the first two months of 2020. The bank affirmed - in the Quarterly Economic Review 2020 published on Wednesday - that the Targeted Economic Support Scheme, TESS, by the CBUAE and the economic stimulus packages announced by both local and federal governments are likely to weigh in positively on the PMI, real estate prices, employment and credit growth with a positive impact on the overall sentiment. In line with the agreement by OPEC+, the UAE average oil production is projected at 2.984 million barrels per day in 2020. (Source: Zawya)

**Mnuchin says will consider more direct payments in next U.S. coronavirus bill aid** – U.S. Treasury Secretary Steven Mnuchin said on Wednesday that he “definitely” believes another coronavirus aid bill is needed to assist U.S. recovery and will look seriously at including more direct payments to individuals and other measures to put people back to work. Testifying before the U.S. Senate Small Business Committee, Mnuchin said the Trump administration and Congress should proceed cautiously and further aid should be targeted to those businesses and sectors that are having the most difficulty reopening after coronavirus-driven shutdowns. (Source: Reuters)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.88	2.99	KSA	2025	1.80	1.76
Abu Dhabi	2047	3.07	1.97	KSA	2029	2.48	2.02
Bahrain	2024	4.10	-3.26	KSA	2049	3.76	1.26
Bahrain	2029	5.46	-7.03	Oman	2025	5.45	-6.48
Bahrain	2047	6.50	-8.19	Oman	2029	6.70	-9.50
Dubai	2023	1.58	1.53	Oman	2048	7.86	-13.67
Dubai	2029	3.08	-0.46	Qatar	2024	1.49	1.80
Kuwait	2022	0.93	1.25	Qatar	2028	2.10	1.89
Kuwait	2027	1.77	2.72	Qatar	2049	3.21	4.56

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.22	7.32	0.31	1.00
S&P MENA Bond and Sukuk Index	2.67	NA	0.28	2.60
Bloomberg Emerging Markets USD Index	4.68	6.26	0.05	-0.73
Bloomberg Global Aggregate Index	1.03	7.33	0.38	2.82

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	11/06/2020	31/12/2019	11/06/2020	31/12/2019	11/06/2020	31/12/2019
KIBOR	1.6875	2.7500	1.9375	2.9375	2.1250	3.1875
SAIBOR	1.0400	2.2314	1.1014	2.2557	1.1414	2.3071
BHIBOR	2.1833	2.6667	2.2667	2.7000	2.5000	2.8333
QATAR	1.2603	2.2500	1.3393	2.3500	1.4258	2.5333
AEIBOR	0.6900	2.2086	1.0713	2.1914	1.1268	2.2900
EURIBOR	-0.3640	-0.3830	-0.1940	-0.3240	-0.1330	-0.2490
LIBOR	0.3146	1.9084	0.4605	1.9121	0.6328	1.9963

## USD Swap Rates

USD Swap Rates				Currencies			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.3055	-0.89	-82.7	KWD	0.3075	0.0813	-1.43
2-Year	0.2790	-1.20	-83.6	SAR	3.7537	0.0000	-0.03
5-Year	0.4256	-2.48	-75.4	BHD	0.3773	0.0000	-0.02
7-Year	0.5870	-3.40	-67.3	QAR	3.6421	0.0082	0.01
10-Year	0.7712	-4.23	-59.3	OMR	0.3851	0.0000	-0.01
30-Year	1.0702	-3.85	-48.8	AED	3.6731	0.0000	0.00

## US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.19	0.03	-0.06	0.11
5-Year	0.37	0.18	0.02	0.30
10-Year	0.78	0.46	0.26	0.87
30-Year	1.52	1.21	0.65	2.33

Source: Bloomberg

## Sovereign Ratings

	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	Ba2	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

	11-Jun 2020	31-Dec 2019
Kuwait	68.530	36.700
KSA	93.490	56.915
Abu Dhabi	73.680	36.090
Dubai	174.780	91.005
Qatar	73.450	36.705
Bahrain	348.650	175.995
Oman	542.470	234.400
Iraq	615.060	383.680
Egypt	492.340	277.420
Morocco	131.550	91.435
Turkey	448.410	282.130
US	12.000	10.810
UK	26.550	16.210
China	46.570	31.205
Japan	16.800	21.042
Germany	14.180	7.080
France	23.090	16.130