

## News Updates

**Banks to provide \$650mln loan for Kuwait wastewater plant** – A group of six local and international banks has agreed to provide a \$650 million 26-year loan to finance the construction and operation of Kuwait's Umm al-Hayman Company for Waste Water Treatment project, three of the lenders said in a joint statement. The consortium of banks is led by Al Ahli Bank of Kuwait, Commercial Bank of Kuwait and KfW IPEX-Bank. It also includes DZ Bank, the Korea Development Bank and Siemens Bank. Kuwait's Ministry of Public Works signed a public-private partnership with the project company last week to develop the plant, the statement from the lenders said. Umm al-Hayman Company for Waste Water Treatment is 40% owned by its developers WTE Wassertechnik GmbH and Kuwait's International Financial Advisors, 10% by the Kuwait Investment Authority and 50% by Kuwait Authority for Partnership Projects (KAPP), the statement said. KAPP aims to offer shares to the public through an initial public offering once the plant is operational, it said.

**Moody's upgrades Dubai Aerospace Enterprise to investment grade, with stable outlook** – Moody's Investors Service has upgraded the corporate family rating of Dubai Aerospace Enterprise, DAE, Ltd to Baa3 from Ba1, and the senior unsecured rating of subsidiary DAE Funding LLC to Baa3 from Ba2. This action concludes the review for upgrade initiated on 8th November, 2019, the credit ratings agency said, adding that the outlook is stable. Firoz Tarapore, Chief Executive Officer of DAE said, "We have worked assiduously over the last two years to position our franchise to be rated as an investment grade company. We are delighted with this rating upgrade from Moody's. DAE's senior unsecured debt is now rated investment grade by three major US credit rating agencies. This will enable us to further solidify our Top 10 franchise, accelerate our growth ambitions and strengthen our liquidity and capital position."

**Federal Reserve Holds Benchmark Rate Steady** – The Federal Reserve left its benchmark interest rate unchanged Wednesday and reaffirmed its make-no-moves posture while it gauges how rate cuts last year cushioned the U.S. economy against a spell of weaker global growth. "We're comfortable with our current policy stance and we think it's appropriate," Fed Chairman Jerome Powell said at a news conference after the central bank announced its decision. But his comments suggested that lingering risks to the global economy and difficulty sustaining inflation at the Fed's 2% target meant that if Fed officials were to change rates, they would be more likely to cut them than to raise them.

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Yield Δ (YTD %)	Sovereigns	Maturity	Yield %	Yield Δ (YTD %)
Abu Dhabi	2027	2.26	-5.52	KSA	2025	2.14	-8.57
Abu Dhabi	2047	3.12	-3.08	KSA	2029	2.61	-7.49
Bahrain	2024	3.45	1.07	KSA	2049	3.72	-3.78
Bahrain	2029	4.56	0.76	Oman	2025	4.03	-3.12
Bahrain	2047	5.82	-0.60	Oman	2029	5.30	-0.24
Dubai	2023	2.40	-1.14	Oman	2048	6.70	0.59
Dubai	2029	3.06	-2.12	Qatar	2024	1.99	-7.02
Kuwait	2022	1.82	-4.74	Qatar	2028	2.41	-3.48
Kuwait	2027	2.22	-3.94	Qatar	2049	3.38	-2.90

Source: Bloomberg

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.05	7.33	0.19	0.98
S&P MENA Bond and Sukuk Index	2.82	NA	0.25	1.18
Bloomberg Emerging Markets USD Index	4.72	6.28	0.20	1.39
Bloomberg Global Aggregate Index	1.29	7.27	0.16	0.71

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	30/01/2020	31/12/2019	30/01/2020	31/12/2019	30/01/2020	31/12/2019
KIBOR	2.7500	2.7500	2.9375	2.9375	3.1875	3.1875
SAIBOR	2.1814	2.2314	2.2014	2.2557	2.2586	2.3071
BHIBOR	2.2500	2.2500	2.7333	2.7000	2.8833	2.8333
QATAR	2.3078	2.2500	2.4078	2.3500	2.7235	2.5333
AEIBOR	2.0386	2.2086	2.1388	2.1914	2.3343	2.2900
EURIBOR	-0.4010	-0.3830	-0.3370	-0.3240	-0.2700	-0.2490
LIBOR	1.7695	1.9084	1.7710	1.9121	1.8313	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.6144	-1.20	-8.8
2-Year	1.4563	-1.93	-14.2
5-Year	1.3907	-1.98	-19.6
7-Year	1.4316	-1.99	-20.4
10-Year	1.5157	-2.05	-20.0
30-Year	1.7082	-1.88	-18.3

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3040	0.0329	-0.28
SAR	3.7521	-0.0027	-0.01
BHD	0.3770	0.0000	0.02
QAR	3.6665	0.0055	-0.19
OMR	0.3850	-0.0649	-0.01
AED	3.6731	-0.0027	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	1.40	0.03
5-Year	1.39	0.10
10-Year	1.57	0.18
30-Year	2.03	0.33

## UK Gilt

	Yield %	1D Δ (%)
2-Year	0.41	0.01
5-Year	0.37	0.09
10-Year	0.51	0.34
30-Year	1.02	1.02

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.65	0.02
5-Year	-0.62	0.11
10-Year	-0.41	0.36
30-Year	0.13	1.13

	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	38.390		11.26
Kuwait	36.370		6.66
Dubai	90.640		4.64
Bahrain	154.270		-6.57
Qatar	40.430		14.96
KSA	62.800		12.98
Egypt	251.690		-4.18
Lebanon	3602.220		59.95
Turkey	237.151		-15.33
Iraq	398.070		17.09
Morocco	79.920		-1.65
China	39.915		30.15
France	16.080		-4.37
Germany	7.040		-3.70
Japan	18.216		-8.49
UK	16.470		-7.11
US	12.300		12.22