

## News Updates

**Moody's affirms ratings of two Kuwaiti banks; changes outlook to stable from positive** – Moody's Investors Service ("Moody's") has today affirmed the A3 and Baa2 long-term deposit ratings and P-2 short-term deposit ratings of Gulf Bank K.S.C.P (Gulf Bank) and Warba Bank K.S.C.P. (Warba), respectively. Concurrently, Moody's has also affirmed the banks' ba1 and ba3 Baseline Credit Assessments (BCA) and adjusted BCAs, respectively. At the same time, the rating agency has changed the outlook on the banks' long-term deposit ratings to stable from positive.

**Saudi Arabia raises \$1.53bln in local sukuk** – Saudi Arabia has raised 5.755 billion riyals (\$1.53 billion) in sukuk, or Islamic bonds, the Finance Ministry said on Thursday. The first tranche of the sukuk issue is 3.8 billion riyals, and the total tranche size is 6.549 billion, maturing in 2025, a ministry statement said. The second tranche has a size of 1.95 billion riyals, and a total tranche size of 10.296 billion, maturing in 2030.

**Saudi central bank says committed to local currency peg to U.S dollar** – Saudi Arabian monetary agency (Sama) said on Thursday in a statement reported by state TV, it is still committed to local currency peg to the U.S. dollar, and that it serves the interest of economic growth and financial stability. It added that foreign reserves cover 43 months of imports and the total reserves represent 88% of monetary Aggregate.

**Egypt Shuns a Rate Cut With \$10 Billion Funding Gap in Focus** – Egypt kept interest rates unchanged as authorities guard against an emerging markets sell-off and focus on bridging a financing gap spurred by the coronavirus pandemic. The central bank maintained the deposit rate at 9.25% and its lending rate at 10.25% for the second straight month, it said Thursday in a statement. Eleven of 14 economists surveyed by Bloomberg had predicted a hold after a record 300 basis points were slashed at a March 16 emergency meeting. The North African nation is now looking for ways to cover a financing shortfall estimated at about \$10 billion in 2020 by EFG Hermes and Goldman Sachs Group Inc., as some of its main foreign-currency sources -- tourism, remittances and Suez Canal receipts -- take a hit from Covid-19.

**Fed Warns of Significant Hit to Asset Prices If Crisis Grows** – The Federal Reserve issued a stark warning Friday that stock and other asset prices could suffer significant declines should the coronavirus pandemic deepen, with the commercial real estate market being among the hardest-hit industries. The Fed made the assertion in its twice-yearly financial stability report, in which it flags risks to the U.S. banking system and broader economy.

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.01	2.05	KSA	2025	2.25	-0.22
Abu Dhabi	2047	3.31	-2.40	KSA	2029	2.71	0.30
Bahrain	2024	5.31	-7.07	KSA	2049	4.16	-5.16
Bahrain	2029	6.65	-14.49	Oman	2025	6.10	-9.28
Bahrain	2047	7.60	-19.68	Oman	2029	8.41	-19.47
Dubai	2023	2.06	0.34	Oman	2048	8.91	-23.14
Dubai	2029	3.57	-3.87	Qatar	2024	1.65	1.31
Kuwait	2022	1.25	0.85	Qatar	2028	2.42	-0.25
Kuwait	2027	1.85	2.25	Qatar	2049	3.54	-1.21

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.71	7.32	0.47	-2.26
S&P MENA Bond and Sukuk Index	2.94	NA	0.30	0.25
Bloomberg Emerging Markets USD Index	5.49	6.26	0.41	-5.59
Bloomberg Global Aggregate Index	1.07	7.33	-0.08	0.73

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	17/05/2020	31/12/2019	17/05/2020	31/12/2019	17/05/2020	31/12/2019
KIBOR	1.7500	2.7500	1.9375	2.9375	2.1875	3.1875
SAIBOR	1.1071	2.2314	1.1771	2.2557	1.2029	2.3071
BHIBOR	2.3000	2.6667	2.3833	2.7000	2.5917	2.8333
QATAR	1.2083	2.2500	1.2770	2.3500	1.3819	2.5333
AEIBOR	0.8700	2.2086	1.2696	2.1914	1.5228	2.2900
EURIBOR	-0.2660	-0.3830	-0.1310	-0.3240	-0.0780	-0.2490
LIBOR	0.3805	1.9084	0.6590	1.9121	0.7554	1.9963

## USD Swap Rates

	Currencies				Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.3000	-0.60	-83.1	KWD	0.3091	-0.0485	-1.94
2-Year	0.2480	-0.35	-85.4	SAR	3.7578	0.0000	-0.17
5-Year	0.3466	1.32	-80.0	BHD	0.3775	-0.0159	-0.13
7-Year	0.4728	2.39	-73.7	QAR	3.6416	0.0027	0.00
10-Year	0.6263	3.49	-66.9	OMR	0.3850	0.0104	0.01
30-Year	0.8588	4.72	-58.9	AED	3.6730	0.0000	0.00

## US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.01	-0.01	-0.07
5-Year	0.31	-0.01	0.07	-0.16
10-Year	0.64	-0.20	0.23	-0.39
30-Year	1.33	-0.85	0.62	-1.20

Source: Bloomberg

## 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

	17-May 2020	31-Dec 2019
Kuwait	92.700	36.700
KSA	148.300	56.915
Abu Dhabi	99.340	36.090
Dubai	240.690	91.005
Qatar	99.420	36.705
Bahrain	448.040	175.995
Oman	686.280	234.400
Iraq	1122.070	383.680
Egypt	601.680	277.420
Morocco	158.080	91.435
Turkey	616.350	282.130
US	14.540	10.810
UK	30.050	16.210
China	51.880	31.205
Japan	26.780	21.042
Germany	20.740	7.080
France	39.550	16.130