

News Updates

Kuwait and Saudi Arabia start work to resume oil output from Khafji - sources – Kuwait and Saudi Arabia have started preparation work to resume crude oil production from the al-Khafji oilfield jointly operated by the two countries, with initial output expected around the end of February, two industry sources said. Kuwait and Saudi Arabia, both members of the Organization of the Petroleum Exporting Countries (OPEC), agreed last year to end a five-year dispute over the area known as the Neutral Zone, allowing production to resume at two jointly run fields that can pump up to 0.5% of the world's oil supply. Trial production of about 10,000 barrels per day (bpd) from Khafji will start around Feb. 25, a Kuwaiti oil official told Reuters on condition of anonymity, adding that this would be "sufficient to test all installations and their operational efficiency". The field should be pumping about 60,000 bpd by August, the official said. Output is expected to reach 175,000 bpd from al-Khafji and 145,000 bpd from Wafra after a year of restarting the fields, the official said.

KAMCO seals KWD 5m loan deal with local bank – Kamco Investment Company on Sunday announced the signing of a credit facility agreement worth KWD 5 million with a local bank in Kuwait. The loan will finance the company's current and future activities, according to a statement to the Kuwaiti bourse. Kamco further referred that the transaction will have no material impact on its financial position.

Saudi SWCC secures \$430m bridge financing from local banks – Saudi Arabia's Saline Water Conversion Corp (SWCC), which operates desalination plants and power stations in the kingdom, has signed a 1.6 billion riyals (\$430 million) bridge financing agreement with local banks. The financing aims to improve the utilization of assets and increase the efficiency of desalination plants Jubail 1 and Khobar 2, double their daily production, and achieve savings on energy and operational costs of up to 1.25 billion riyals (\$ 330 billion) annually, SWCC said. The financing was provided by Banque Saudi Fransi and Saudi British Bank (SABB) and with the support of the financial consultant of the company HSBC Saudi Arabia, the corporation said in Arabic through its official twitter account.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Yield Δ (YTD %)	Sovereigns	Maturity	Yield %	Yield Δ (YTD %)
Abu Dhabi	2027	2.20	-8.01	KSA	2025	2.11	-10.02
Abu Dhabi	2047	3.07	-4.66	KSA	2029	2.56	-9.35
Bahrain	2024	3.44	0.91	KSA	2049	3.66	-5.34
Bahrain	2029	4.56	0.66	Oman	2025	4.02	-3.54
Bahrain	2047	5.82	-0.69	Oman	2029	5.30	-0.24
Dubai	2023	2.37	-2.69	Oman	2048	6.72	0.89
Dubai	2029	3.04	-2.80	Qatar	2024	1.92	-10.01
Kuwait	2022	1.69	-11.21	Qatar	2028	2.34	-6.20
Kuwait	2027	2.12	-8.30	Qatar	2049	3.32	-4.70

Source: Bloomberg

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.00	7.33	0.17	1.36
S&P MENA Bond and Sukuk Index	2.77	NA	0.01	1.56
Bloomberg Emerging Markets USD Index	4.72	6.28	0.15	1.54
Bloomberg Global Aggregate Index	1.25	7.27	0.29	1.28

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	03/02/2020	31/12/2019	03/02/2020	31/12/2019	03/02/2020	31/12/2019
KIBOR	2.7500	2.7500	2.9375	2.9375	3.1875	3.1875
SAIBOR	2.1686	2.2314	2.1900	2.2557	2.2443	2.3071
BHIBOR	2.2500	2.2500	2.7333	2.7000	2.8833	2.8333
QATAR	2.3002	2.2500	2.4002	2.3500	2.6812	2.5333
AEIBOR	1.9450	2.2086	2.0225	2.1914	2.2918	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

	Currencies			Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)
1-Year	1.5562	1.40	-12.1	KWD	0.3040	0.0000
2-Year	1.3988	2.05	-17.6	SAR	3.7521	0.0000
5-Year	1.3381	2.14	-22.6	BHD	0.3770	0.0000
7-Year	1.3823	2.02	-23.1	QAR	3.6660	0.0136
10-Year	1.4720	1.95	-22.3	OMR	0.3850	0.0026
30-Year	1.6853	1.63	-19.4	AED	3.6731	0.0000

US Treasuries

	UK Gilt		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	1.33	-0.03	0.49	-0.03
5-Year	1.33	-0.10	0.41	0.06
10-Year	1.53	-0.16	0.52	0.16
30-Year	2.02	-0.39	1.03	0.39

	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	39.600		14.42
Kuwait	35.960		5.55
Dubai	93.820		6.70
Bahrain	155.910		-5.63
Qatar	44.440		25.69
KSA	66.800		19.99
Egypt	250.140		-4.75
Lebanon	3473.060		52.38
Turkey	239.064		-14.73
Iraq	394.110		15.92
Morocco	81.420		-0.01
China	41.028		34.60
France	16.030		-4.54
Germany	7.080		-3.64
Japan	18.153		-7.69
UK	16.470		-6.96
US	12.440		13.33