

News Updates

Dubai Islamic Bank Hires Banks to Market Dollar Sukuk – Dubai Islamic Bank mandates Bank ABC, Dubai Islamic Bank, Emirates NBD Capital, First Abu Dhabi Bank, HSBC, ICBC, The Islamic Corporation for the Development of the Private Sector, KFH Capital, Sharjah Islamic Bank and Standard Chartered Bank as joint lead managers and bookrunners to arrange a global investor conference call on June 8. A fixed rate 5-year or long 5-year benchmark Regulation S only, USD-denominated, senior unsecured sukuk offering under DIB Sukuk Ltd.'s \$7.5b trust certificate issuance program will follow, subject to market conditions. Dubai Islamic Bank is rated A3 by Moody's and A by Fitch, both with stable outlook. (Source: Bloomberg)

First Abu Dhabi Bank Sells HK\$750 Million Five-Year Green Bond – First Abu Dhabi Bank PJSC raised HK\$750 million (\$97 million) from the sale of green bond, the first by a Middle East issuer denominated in Hong Kong dollars. The five-year green bond was sold through a private placement, the bank said in a statement. Green bonds, where the proceeds from sales are used for environmentally friendly projects, have grown from a niche to a debt market staple in just a few years as institutional investors shift their money and attention toward addressing climate change. National Bank of Abu Dhabi, which combined with First Gulf Bank to form First Abu Dhabi Bank, sold \$587 million of green bonds in 2017. (Source: Bloomberg)

Fitch Downgrades ADCB's Subordinated Notes to 'A-'; Removes from UCO – Fitch Ratings has downgraded Abu Dhabi Commercial Bank's (ADCB) subordinated notes, which were issued by ADCB Finance (Cayman) Limited, to 'A-' from 'A' and removed it from Under Criteria Observation (UCO). The one-notch downgrade of ADCB's subordinated notes, which had previously been notched down once from ADCB's 'A+/Stable Long-Term Issuer Default Rating (LT IDR), reflects the change in Fitch's baseline notching for loss severity for this type of debt to two notches from one in the agency's revised Bank Rating Criteria. (Source: Bloomberg)

Strong OSP indicates return on oil demand - Saudi energy minister – A day after Saudi Arabia made the biggest oil price hike in 20 years while setting its crude grades for all destinations for July, Saudi energy minister Prince Abdulaziz bin Salman said that strong Saudi official selling prices (OSP) are an indication of the return of global oil demand. He also said that Saudi Arabia, Kuwait and the UAE are not planning to extend voluntary cuts in oil output into July as they were for June only. The three Gulf states had pledged to cut an extra 1.180 million bpd in June beyond their output commitments. Saudi Arabia raised selling prices on Sunday, a day after OPEC and its allies agreed to extend record oil production cuts until the end of July. (Source: Zawya)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.91	2.73	KSA	2025	1.75	1.82
Abu Dhabi	2047	3.12	1.09	KSA	2029	2.52	1.67
Bahrain	2024	4.14	-3.37	KSA	2049	3.88	-0.84
Bahrain	2029	5.50	-7.42	Oman	2025	5.60	-7.10
Bahrain	2047	6.53	-8.90	Oman	2029	6.74	-9.70
Dubai	2023	1.56	1.47	Oman	2048	7.83	-13.31
Dubai	2029	3.12	-0.94	Qatar	2024	1.56	1.51
Kuwait	2022	1.03	1.09	Qatar	2028	2.19	1.25
Kuwait	2027	1.79	2.54	Qatar	2049	3.28	2.90

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.32	7.32	0.01	0.28
S&P MENA Bond and Sukuk Index	2.74	NA	-0.31	1.97
Bloomberg Emerging Markets USD Index	4.78	6.26	0.40	-1.31
Bloomberg Global Aggregate Index	1.08	7.33	-0.17	2.10

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	09/06/2020	31/12/2019	09/06/2020	31/12/2019	09/06/2020	31/12/2019
KIBOR	1.6875	2.7500	1.9375	2.9375	2.1250	3.1875
SAIBOR	1.0486	2.2314	1.1100	2.2557	1.1486	2.3071
BHIBOR	2.1833	2.6667	2.2667	2.7000	2.4667	2.8333
QATAR	1.1120	2.2500	1.1856	2.3500	1.3549	2.5333
AEIBOR	0.7250	2.2086	0.9285	2.1914	1.1316	2.2900
EURIBOR	-0.3530	-0.3830	-0.1960	-0.3240	-0.1200	-0.2490
LIBOR	0.3129	1.9084	0.4813	1.9121	0.6340	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.3172	1.05	-82.1	KWD	0.3080	0.0325	-1.58
2-Year	0.3013	0.54	-82.3	SAR	3.7548	-0.0107	-0.06
5-Year	0.4870	-2.23	-71.8	BHD	0.3773	0.0000	-0.02
7-Year	0.6605	-2.49	-63.3	QAR	3.6416	-0.0055	0.00
10-Year	0.8573	-2.41	-54.8	OMR	0.3851	0.0000	-0.01
30-Year	1.1691	-1.63	-44.1	AED	3.6731	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.22	-0.03	-0.01	0.01	-0.63	0.01
5-Year	0.44	0.10	0.07	0.01	-0.60	0.12
10-Year	0.87	0.23	0.33	0.25	-0.36	0.39
30-Year	1.65	0.41	0.77	0.44	0.20	1.50

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	9-Jun 2020	31-Dec 2019	
Kuwait	72.540	36.700	
KSA	112.950	56.915	
Abu Dhabi	73.370	36.090	
Dubai	163.550	91.005	
Qatar	68.880	36.705	
Bahrain	375.520	175.995	
Oman	561.270	234.400	
Iraq	615.080	383.680	
Egypt	517.130	277.420	
Morocco	134.930	91.435	
Turkey	427.330	282.130	
US	11.400	10.810	
UK	26.740	16.210	
China	43.040	31.205	
Japan	17.440	21.042	
Germany	14.700	7.080	
France	22.440	16.130	