

News Updates

UAE-based NMC Health files for bankruptcy in US – NMC Health, the debt-ridden UAE-based hospital operator battered by scandals and allegations of a multi-billion-dollar fraud, has filed for bankruptcy protection in the US where it faces a spate of shareholder lawsuits over financial irregularities. The company, which had accumulated a total of \$6.6 billion in debts, was placed into administration by a UK court in April following a petition filed by ADCB Bank, one of its top lenders. The healthcare provider with one of the largest network of hospitals and clinics in several countries, filed for protection from its creditors. It is seeking recognition of proceedings in the UK and allowing administrators to "maximize the value of assets owned in the US, including certain medical practices," according informed sources. The bankruptcy filing cites total liabilities of \$1.873 billion and "possible fraudulent activity leading to the UK proceeding, including the discovery of at least \$2.7 billion in previously undisclosed facilities to NMC Group." (Source: Zawya)

Saudi Central Bank Transferred \$40 Billion to Sovereign Fund – Saudi Arabia transferred 150 billion riyals (\$40 billion) from its central bank's foreign currency reserves to the kingdom's sovereign wealth fund in March and April. The transfer, which happened on an "exceptional" basis, will "strengthen the investment capacity" of the Public Investment Fund, finance minister Mohammed Al-Jadaan said in a statement published by the official Saudi Press Agency on Friday night. (Source: Bloomberg)

S&P Sees Abu Dhabi, Bahrain Economies Contracting on Oil, Virus – Abu Dhabi's economy will contract 7.5% this year, S&P Global Ratings said, citing lower oil production and the coronavirus pandemic. The ratings company said Abu Dhabi's economy may recover gradually from 2021, on the back of higher oil prices and improved domestic demand. S&P expects the United Arab Emirates' central bank to maintain the dirham's peg to the U.S. dollar "backed by its foreign international reserves and the government's large external assets." Bahrain's economy will shrink 5% this year because of low oil prices, although government stimulus measures should provide some support, S&P said. The ratings company expects Bahrain's economy to rebound in 2021 as oil prices recover and regional activity increases. Following the \$10 billion bailout Bahrain received from the Gulf Corporation Council in 2018, the likelihood of more aid from neighboring nations will "help maintain confidence in the Bahraini dinar's peg to the U.S. dollar." (Source: Bloomberg)

Amlak Finance unable to complete debt restructuring agreement – Dubai-based real estate finance company Amlak Finance has been unable to execute a debt-restructuring agreement because one of its creditors abstained from signing, it said on Thursday. The economic downturn caused by the coronavirus pandemic has further weakened Dubai's property market, already sluggish for most of the past decade. Amlak said it had previously obtained the approval of all the company's creditors for the debt restructuring and had been working to get them to sign an agreement. (Source: Zawya)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.90	2.77	KSA	2025	1.83	1.31
Abu Dhabi	2047	3.10	1.45	KSA	2029	2.61	1.05
Bahrain	2024	4.93	-5.92	KSA	2049	3.89	-1.05
Bahrain	2029	6.27	-12.24	Oman	2025	6.09	-9.13
Bahrain	2047	7.25	-16.30	Oman	2029	8.48	-19.77
Dubai	2023	1.83	0.99	Oman	2048	9.05	-24.29
Dubai	2029	3.26	-1.82	Qatar	2024	1.62	1.31
Kuwait	2022	1.01	1.10	Qatar	2028	2.23	0.94
Kuwait	2027	1.78	2.64	Qatar	2049	3.38	1.52

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.50	7.32	-0.15	-0.58
S&P MENA Bond and Sukuk Index	2.76	NA	-0.08	1.99
Bloomberg Emerging Markets USD Index	5.06	6.26	0.03	-2.85
Bloomberg Global Aggregate Index	1.01	7.33	0.33	2.08

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	31/05/2020	31/12/2019	31/05/2020	31/12/2019	31/05/2020	31/12/2019
KIBOR	1.6875	2.7500	1.9375	2.9375	2.1875	3.1875
SAIBOR	1.0900	2.2314	1.1514	2.2557	1.1843	2.3071
BHIBOR	2.2333	2.6667	2.3167	2.7000	2.5583	2.8333
QATAR	1.2298	2.2500	1.2661	2.3500	1.3716	2.5333
AEIBOR	0.7337	2.2086	1.1522	2.1914	1.2126	2.2900
EURIBOR	-0.3070	-0.3830	-0.1580	-0.3240	-0.0850	-0.2490
LIBOR	0.3500	1.9084	0.5150	1.9121	0.6769	1.9963

USD Swap Rates

	Currencies				Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.2927	-0.90	-83.5	KWD	0.3087	0.0486	-1.81
2-Year	0.2513	-1.55	-85.2	SAR	3.7570	0.0213	-0.11
5-Year	0.3595	-2.90	-79.2	BHD	0.3776	0.0000	-0.06
7-Year	0.4898	-3.12	-72.8	QAR	3.6414	0.0000	0.01
10-Year	0.6506	-3.49	-65.7	OMR	0.3850	0.0000	0.01
30-Year	0.9374	-4.46	-55.2	AED	3.6730	0.0027	0.00

US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.16	0.03	-0.06	0.04
5-Year	0.30	0.18	-0.01	0.09
10-Year	0.65	0.38	0.18	0.30
30-Year	1.41	1.10	0.58	1.16

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	31-May 2020	31-Dec 2019
Kuwait	84.630	36.700
KSA	135.940	56.915
Abu Dhabi	91.680	36.090
Dubai	195.960	91.005
Qatar	91.730	36.705
Bahrain	413.920	175.995
Oman	605.030	234.400
Iraq	772.990	383.680
Egypt	550.260	277.420
Morocco	141.010	91.435
Turkey	551.000	282.130
US	14.680	10.810
UK	27.530	16.210
China	55.280	31.205
Japan	20.310	21.042
Germany	18.570	7.080
France	30.340	16.130