

## News Updates

**Fitch Downgrades DP World PLC to 'BBB-'; Outlook Stable** – Fitch Ratings has downgraded DP World PLC's (DPW) Long-Term Issuer Default Rating (IDR) to 'BBB-' from 'BBB' and Short-Term IDR to 'F3' from 'F2'. The Rating Watch Negative has been resolved, and the Outlooks have been revised to Stable. The rating action follows the progression of the taking private of DPW. Its parent company, Port and Freezone World FZE (PFZW, together with DPW, the group,) is in the process of buying back the 19.55% minority shareholding in DPW, taking the company private and re-leveraging the group. The transaction is expected to be completed by end-June 2020. DPW has surpassed the threshold needed to squeeze out minorities, allowing for more visibility on its medium-term capital structure. (Source: Bloomberg)

**Sharjah Islamic Bank sells \$500 million in five-year sukuk** – Sharjah Islamic Bank sold \$500 million in five-year U.S. dollar-denominated sukuk at 2.85% on Tuesday, a document showed. SIB received more than \$3.4 billion in orders for the Islamic bonds, the document from one of the arranging banks showed. The bank tightened the spread after it gave an initial price guidance of 285-290 basis points over midswaps for the sukuk earlier in the day. (Source: Reuters)

**Panic-driven liquidations, debt restructurings 'not rampant' in Saudi: KPMG** – Saudi Arabia's banks have been able to avert the worst economic fallout of the coronavirus pandemic, thanks to the timely intervention by the government. In its latest analysis, KPMG said the financial and economic relief measures have prevented many companies in the kingdom from collapsing. "A robust support program by SAMA (Saudi Arabian Monetary Authority) meant that panic-driven measures such as foreclosures, un-economical debt restructurings and forced liquidations have not been rampant," commented Khalil Ibrahim Al Sedais, office managing partner - Riyadh, KPMG in Saudi Arabia. (Source: Zawya)

**Egypt looking to raise over \$1bn loan, taps UAE banks – sources** – The Egyptian government is looking to raise a loan of more than \$1 billion and has tapped lenders in the United Arab Emirates (UAE) for financing help, three sources familiar with the deal said. The coronavirus crisis has battered Egypt's finances by shutting down tourism, denting remittances from Egyptians working abroad and triggering capital flight. Egypt obtained \$2.77 billion in emergency financing from the International Monetary Fund (IMF) in May and this month reached staff-level agreement for a one-year, \$5.2 billion standby loan. It also raised \$5 billion in bonds in May. Emirates NBD and First Abu Dhabi Bank are helping to arrange the new loan and have reached out to other lenders as well, the sources said. Two of the sources said the loan would have a maturity of one year. (Source: Zawya)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.87	3.04	KSA	2025	1.71	2.13
Abu Dhabi	2047	3.04	2.44	KSA	2029	2.46	2.19
Bahrain	2024	4.25	-3.74	KSA	2049	3.72	2.02
Bahrain	2029	5.43	-6.89	Oman	2025	5.18	-5.30
Bahrain	2047	6.53	-8.55	Oman	2029	6.54	-8.44
Dubai	2023	1.62	1.26	Oman	2048	7.63	-11.43
Dubai	2029	3.07	-0.67	Qatar	2024	1.46	1.88
Kuwait	2022	0.96	1.19	Qatar	2028	2.11	1.85
Kuwait	2027	1.81	2.44	Qatar	2049	3.19	4.87

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.26	7.32	-0.34	0.67
S&P MENA Bond and Sukuk Index	2.69	NA	-0.46	2.33
Bloomberg Emerging Markets USD Index	4.82	6.26	-0.25	-1.49
Bloomberg Global Aggregate Index	0.99	7.33	0.06	2.91

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	17/06/2020	31/12/2019	17/06/2020	31/12/2019	17/06/2020	31/12/2019
KIBOR	1.6875	2.7500	1.8750	2.9375	2.1250	3.1875
SAIBOR	1.0186	2.2314	1.0786	2.2557	1.1271	2.3071
BHIBOR	2.1833	2.6667	2.2667	2.7000	2.4667	2.8333
QATAR	1.2110	2.2500	1.2738	2.3500	1.3611	2.5333
AEIBOR	0.6543	2.2086	0.8760	2.1914	1.2105	2.2900
EURIBOR	-0.3550	-0.3830	-0.2060	-0.3240	-0.1350	-0.2490
LIBOR	0.2990	1.9084	0.4309	1.9121	0.5908	1.9963

## USD Swap Rates

	Currencies				Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.3070	0.70	-82.7	KWD	0.3075	0.0813	-1.43
2-Year	0.2703	0.47	-84.1	SAR	3.7519	0.0187	0.01
5-Year	0.3935	0.21	-77.2	BHD	0.3773	0.0000	-0.02
7-Year	0.5503	1.10	-69.4	QAR	3.6419	0.0027	0.01
10-Year	0.7366	2.47	-61.1	OMR	0.3851	0.0000	-0.01
30-Year	1.0427	6.52	-50.1	AED	3.6731	0.0000	0.00

## US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.20	-0.02	-0.05	0.01
5-Year	0.34	0.00	0.00	0.01
10-Year	0.75	-0.26	0.20	-0.04
30-Year	1.53	-1.65	0.61	-0.36

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-Jun 2020	31-Dec 2019
Kuwait	73.550	36.700
KSA	91.110	56.915
Abu Dhabi	70.830	36.090
Dubai	182.160	91.005
Qatar	71.900	36.705
Bahrain	349.370	175.995
Oman	509.640	234.400
Iraq	615.050	383.680
Egypt	506.980	277.420
Morocco	137.970	91.435
Turkey	458.040	282.130
US	11.700	10.810
UK	27.200	16.210
China	47.320	31.205
Japan	16.780	21.042
Germany	14.860	7.080
France	21.650	16.130