

News Updates

Kuwait's central bank offers \$647mln bonds – The Central Bank of Kuwait (CBK) on Monday offered bonds and related tawarruq at a total value of KWD 200 million, with a 1.250% return rate. The bonds have a three-month maturity period, according to official data by the CBK. Bonds and related tawarruq are local bonds offered by the CBK to the banks working in the Kuwaiti financial sector to regulate the market's liquidity.

Saudi Arabia's Reserves Plunge the Most in at Least Two Decades – Saudi Arabia's central bank depleted its net foreign assets in March at the fastest clip since at least 2000, showing the severity of the damage inflicted on public finances by the slump in oil prices. The drop of more than 100 billion riyals (\$27 billion) brought the stockpile to \$464 billion, the lowest since 2011, according to data compiled by Bloomberg. Last week, Saudi Finance Minister Mohammed Al-Jadaan said the kingdom would only draw down reserves by up to 120 billion riyals over the whole year. The world's biggest oil exporter is having to dig deeper into reserves despite scaling back spending and looking to rely more on debt to withstand the historic collapse in commodity markets. Crude sales account for the majority of the government's revenue.

Saudis Likely to Issue Euro-Denominated Bonds This Year: Rtrs – Saudi Arabia is likely to issue Euro-denominated bonds this year and some banks have started pitching for the potential debt sale, Reuters reported, citing two unidentified people familiar with the matter. Issuance is likely to be around June and be about the same size as the country's last euro-bond issuance. The Kingdom raised 3 billion Euros from its debut bonds denominated in euros last July. Reuters didn't identify the banks in talks with Saudi Arabia about the potential sale.

Qatar Insurance Plans Perpetual Tier 2 Cap. Notes of Up to \$300M – Qatar Insurance Group currently intends to issue perpetual subordinated Tier-2 qualifying capital notes up to a maximum of \$300 million, according to a statement. The notes will be perpetual in nature and are expected to qualify as Tier 2 Capital under Qatar Central Bank regulations for calculation of solvency ratios of insurance companies.

Treasury yields grind lower as Fed meeting gets underway – U.S. Treasury yields fell Tuesday as investors looked forward to the outcome of the Federal Reserve's two-day policy meeting, when Fed Chairman Jerome Powell will speak on the economic outlook on Wednesday. The 10-year Treasury note yield fell 4.5 basis points at 0.610%. The two-year note yield fell 1.8 basis points to 0.209%. The 30-year bond yield slumped 4.2 basis points to 1.207%. Bond prices move in the opposite direction of yields. Few analysts expect announcements of new initiatives from the Fed after the central bank implemented a raft of measures to buy government, corporate and municipal debt in recent weeks, but Powell could offer a broad assessment of the central bank's actions to date, and why it responded in such a vigorous manner to combat the economic shock of the COVID-19 pandemic.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.32	0.03	KSA	2025	2.76	-2.39
Abu Dhabi	2047	3.54	-5.97	KSA	2029	3.09	-2.54
Bahrain	2024	6.48	-10.57	KSA	2049	4.48	-10.06
Bahrain	2029	7.54	-19.54	Oman	2025	7.15	-13.74
Bahrain	2047	8.19	-24.81	Oman	2029	10.61	-30.55
Dubai	2023	1.67	-2.52	Oman	2048	10.46	-34.58
Dubai	2029	3.87	-6.57	Qatar	2024	2.05	-0.15
Kuwait	2022	1.53	0.32	Qatar	2028	2.71	-2.18
Kuwait	2027	2.06	1.01	Qatar	2049	3.79	-5.32

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.23	7.32	0.19	-5.45
S&P MENA Bond and Sukuk Index	3.35	NA	0.15	-2.42
Bloomberg Emerging Markets USD Index	6.88	6.26	-0.16	-8.30
Bloomberg Global Aggregate Index	1.09	7.33	0.05	0.73

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	29/04/2020	31/12/2019	29/04/2020	31/12/2019	29/04/2020	31/12/2019
KIBOR	1.8125	2.7500	2.0000	2.9375	2.2500	3.1875
SAIBOR	1.2371	2.2314	1.2443	2.2557	1.2429	2.3071
BHIBOR	1.9667	2.6667	2.0667	2.7000	2.3000	2.8333
QATAR	1.2625	2.2500	1.3167	2.3500	1.4292	2.5333
AEIBOR	1.8863	2.2086	1.5717	2.1914	1.7535	2.2900
EURIBOR	-0.2230	-0.3830	-0.1470	-0.3240	-0.1090	-0.2490
LIBOR	0.8408	1.9084	0.8931	1.9121	0.9251	1.9963

USD Swap Rates

	Currencies				Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.4305	0.10	-75.7	KWD	0.3091	-0.0485	-1.93
2-Year	0.3563	0.08	-79.0	SAR	3.7620	0.0000	-0.23
5-Year	0.4310	-0.06	-75.1	BHD	0.3786	0.0000	-0.29
7-Year	0.5204	0.02	-71.0	QAR	3.6421	0.0000	0.00
10-Year	0.6220	-0.15	-67.2	OMR	0.3851	0.0000	-0.01
30-Year	0.7700	-0.05	-63.2	AED	3.6731	0.0000	0.00

US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.21	0.02	0.04	0.03
5-Year	0.38	0.17	0.15	0.08
10-Year	0.61	0.48	0.28	0.17
30-Year	1.20	1.46	0.64	-0.03

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

	29-Apr 2020	31-Dec 2019
Kuwait	101.800	36.700
KSA	163.140	56.915
Abu Dhabi	122.770	36.090
Dubai	284.160	91.005
Qatar	122.660	36.705
Bahrain	475.200	175.995
Oman	737.190	234.400
Iraq	1230.640	383.680
Egypt	646.160	277.420
Morocco	176.790	91.435
Turkey	587.510	282.130
US	17.030	10.810
UK	31.850	16.210
China	46.000	31.205
Japan	31.200	21.042
Germany	21.210	7.080
France	37.510	16.130