

## News Updates

**Oil Pushes Higher After Historic OPEC+ Deal to Cut Production** - Oil pushed higher after swinging wildly in early trading as investors weighed whether an historic deal to cut output would be enough to steady a market pummeled by the coronavirus. Futures in London rose around 5% to near \$33 a barrel after the OPEC+ alliance agreed to a plan to slash production by 9.7 million barrels a day starting in May. The group reached a deal following days of intense negotiations after Mexico declined to endorse the original agreement reached Thursday.

**Coronavirus Delays \$8.8 Billion Kuwait-Bahrain Banking Merger** - The coronavirus has halted one of the rare cross-country bank mergers in the Middle East, with a Kuwait lender delaying the process to acquire a Bahraini bank. Kuwait Finance House KSCP and Ahli United Bank BSC said work on the acquisition procedures will be postponed until December due to suspension of work activities in the countries.

**Fitch Downgrades Doha Bank's VR to 'bb'; Long-Term IDR Unaffected at 'A'** - Fitch Ratings has downgraded Doha Bank's Viability Rating (VR) to 'bb' from 'bb+'. The bank's other ratings are unaffected by this rating action. The downgrade of the VR primarily reflects a weaker loss-absorption capacity resulting from material asset-quality deterioration in 2019, largely due to a high concentration to Qatar's troubled real estate and contracting sectors and large problem loans from Gulf Cooperation Council (GCC) lending.

**GCC countries are resilient to weather coronavirus storm: Oxford Economics** - Most GCC countries are resilient enough to weather the coronavirus storm, Oxford Economics said and noted restrictive measures have been in place for several weeks in the region to contain the rise in Covid-19 cases. On average, the GCC economies have a smaller share of people aged 65 and above and also a better-equipped healthcare system to handle potential large outbreaks of the virus. Recent forecasts suggest substantial economic impacts across the region and Oxford Economics expects “the magnitude of these to be determined by the extent and length of the restrictions, as well as each country's structural economic vulnerability to the outbreak.”

**World Bank Group Prepares Funds US\$160B Until 2021** - World Bank Group is prepared to deploy fast track support up to US\$160 billion over the next 15 months, to help the countries fight the COVID-19. So far, the Fund has disbursed in a 52 countries, with another 50 countries expected to begin implementation in coming weeks. While, its financial armed, the International Finance Corporation' (IFC) COVID-19 response pipeline to date includes more than 300 companies for a total of \$8.9 billion.

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.61	-1.98	KSA	2025	2.84	-2.77
Abu Dhabi	2047	3.69	-8.37	KSA	2029	3.18	-3.08
Bahrain	2024	6.60	-11.55	KSA	2049	4.54	-10.54
Bahrain	2029	7.56	-19.85	Oman	2025	7.84	-16.44
Bahrain	2047	7.91	-23.50	Oman	2029	10.09	-28.38
Dubai	2023	3.78	-4.22	Oman	2048	10.03	-32.05
Dubai	2029	4.90	-13.06	Qatar	2024	2.55	-1.95
Kuwait	2022	1.71	-0.01	Qatar	2028	3.04	-4.19
Kuwait	2027	2.36	-0.68	Qatar	2049	3.95	-7.64

Source: Bloomberg

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.58	7.50	0.00	-7.09
S&P MENA Bond and Sukuk Index		NA	0.09	-4.22
Bloomberg Emerging Markets USD Index	6.94	6.58	1.19	-8.56
Bloomberg Global Aggregate Index	1.16	7.47	0.00	0.15

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	12/04/2020	31/12/2019	12/04/2020	31/12/2019	12/04/2020	31/12/2019
KIBOR	1.9375	2.7500	2.1875	2.9375	2.4375	3.1875
SAIBOR	1.2343	2.2314	1.2329	2.2557	1.2329	2.3071
BHIBOR	1.7500	2.2500	2.0833	2.7000	2.2667	2.8333
QATAR	1.2849	2.2500	1.3521	2.3500	1.4690	2.5333
AEIBOR	1.5133	2.2086	1.5992	2.1914	1.4548	2.2900
EURIBOR	-0.2200	-0.3830	-0.1790	-0.3240	-0.0870	-0.2490
LIBOR	1.2189	1.9084	1.2259	1.9121	1.0509	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.6034	-0.71	-65.9
2-Year	0.4588	-0.66	-73.0
5-Year	0.5653	0.22	-67.3
7-Year	0.6820	0.95	-62.1
10-Year	0.8089	0.09	-57.3
30-Year	0.9960	-0.20	-52.4

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3118	-0.0225	-2.58
SAR	3.7662	0.0027	-0.29
BHD	0.3783	0.0000	-0.20
QAR	3.6825	-0.1854	-0.25
OMR	0.3851	-0.0052	-0.01
AED	3.6732	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.22	0.01
5-Year	0.41	-0.03
10-Year	0.73	-0.10
30-Year	1.35	-0.07

## UK Gilts

	Yield %	1D Δ (%)
2-Year	0.01	0.18
5-Year	0.11	0.38
10-Year	0.30	0.95
30-Year	0.65	3.07

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.68	0.05
5-Year	-0.61	0.20
10-Year	-0.39	0.40
30-Year	0.05	0.89

	Sovereign Ratings		
	Moody's	S&P	Fitch
Abu Dhabi	Aa2	AA	AA
Bahrain	B2u	B+	BB-
Kuwait	Aa2	AA-	AA
Oman	Ba2	BB-	BB
Qatar	Aa3	AA-	AA-
KSA	A1	A-u	A
UAE	Aa2	NR	NR
Egypt	B2	B	B+
Lebanon	Ca	SD	RD
Turkey	B1	B+u	BB-
Tunisia	B2	NR	B+
Morocco	Ba1	BBB-	BBB-
Jordan	B1	B+	BB-
China	A1	A+	A+
UK	Aa2	AA	AA
USA	Aaa	AA+u	AAA
USD 5-Year CDS			YTD Δ (%)
Abu Dhabi	123		265
Kuwait	110		211
Dubai	286		229
Bahrain	445		160
Qatar	129		274
KSA	149		176
Egypt	580		113
Lebanon	NA		NA
Turkey	534		90
Iraq	932		167
Morocco	180		108
China	38		30
France	34		104
Germany	22		182
Japan	34		88
UK	34		87
US	18		70