

News Update – 6 January 2020

ADIB to finance \$800m facility to Oman Shipping Company – Abu Dhabi Islamic Bank (ADIB) announced it has signed an agreement to provide an \$800-million Sharia-compliant financing facility to Oman Shipping Company. The company will use the funds to finance two crude oil tankers to support its expansion plans. The deal represents Oman Shipping Company's first Sharia-based leasing, and is also part of ADIB's plans to finance significant assets in the marine and energy sectors. The funds will also allow the shipping company to enhance its debt position by reducing overall financing costs while continuing to diversify its pool of financial partners.

Saudi banks increase investments in government bonds – Banks operating in Saudi Arabia increased its investments in government-issued bonds during November by 25.2% on an annual basis, equivalent to SAR 76.56 billion. The banking sector investments in bonds reached SAR 379.95 billion by the end of last November, compared with SAR 303.39 billion in the same period in 2018, as shown by the monthly bulletin of the Saudi General Authority for Statistics (GaStat). Banks purchased bonds valued at SAR 897 million during November 2019, registering an increase of 0.2% compared with October. Alinma Bank CEO, Abdulmohsen Abdulaziz Al Fares previously told Mubasher that the growth in the bank's investment portfolio came primarily from the increased investments in low-risk government bonds, as well as in other Saudi funds and the Saudi Stock Exchange (Tadawul).

Kuwait CMA nods to Sultan Center's \$50m convertible bonds prospectus – Sultan Center Food announced the approval of the Capital Markets Authority (CMA) for the prospectus of the private placement on issuing KWD 15 million worth of convertible bonds to ordinary shares in the company's capital. The company will coordinate with the lead manager to complete the procedures for the bonds issue and disclose any details in a timely manner, according to the bourse statement on Tuesday. In November, the CMA agreed to cut the issued and paid-up capital of the company to offset part of the accumulated losses. During the first nine months of 2019, the company's profits reached KWD 1.07 million, down 78% from KWD 4.86 million in the same period last year.

GCC Sovereign Yields (6 January 2020)

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.40	-0.21	KSA	2025	2.36	-0.24
Abu Dhabi	2047	3.23	-0.53	KSA	2029	2.90	-0.76
Bahrain	2024	3.38	0.00	KSA	2049	3.93	-1.37
Bahrain	2029	4.53	-0.03	Oman	2025	4.18	-0.11
Bahrain	2047	5.84	0.19	Oman	2029	5.36	-0.34
Dubai	2023	2.43	-0.01	Oman	2048	6.71	-0.56
Dubai	2029	3.12	0.03	Qatar	2024	2.16	-0.09
Kuwait	2022	1.94	-0.06	Qatar	2028	2.52	-0.19
Kuwait	2027	2.29	0.15	Qatar	2049	3.54	-1.02

Source: Bloomberg

Bonds and Sukuk Indices (6 January 2020)

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.19	7.33	-0.12	-0.25
S&P MENA Bond and Sukuk Index	2.95	NA	0.07	-0.07
Bloomberg Emerging Markets USD Index	4.81	6.28	0.12	0.23
Bloomberg Global Aggregate Index	1.40	7.27	0.21	0.34

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	06/01/2020	31/12/2019	06/01/2020	31/12/2019	06/01/2020	31/12/2019
KIBOR	2.6875	2.7500	2.9375	2.9375	3.1250	3.1875
SAIBOR	2.2300	2.2314	2.2557	2.2557	2.3114	2.3071
BHIBOR	2.2500	2.2500	2.7000	2.7000	2.8333	2.8333
QATAR	2.2700	2.2500	2.3700	2.3500	2.6300	2.5333
AEIBOR	2.1302	2.2086	2.1761	2.1914	2.3149	2.2900
EURIBOR	-0.3840	-0.3830	-0.3230	-0.3240	-0.2380	-0.2490
LIBOR	1.8739	1.9084	1.8929	1.9121	1.9641	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.7165	-0.68	-3.0
2-Year	1.5990	-1.52	-5.8
5-Year	1.5900	-1.98	-8.0
7-Year	1.6443	-1.95	-8.5
10-Year	1.7342	-1.79	-8.5
30-Year	1.9176	-1.54	-8.3

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3032	0.0132	-0.03
SAR	3.7525	-0.0240	-0.01
BHD	0.3771	-0.0159	0.00
QAR	3.6631	-0.0219	-0.07
OMR	0.3851	-0.0078	-0.02
AED	3.6732	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	1.52	0.02
5-Year	1.57	0.09
10-Year	1.77	0.16
30-Year	2.23	0.29

UK Giltis

	Yield %	1D Δ (%)
2-Year	0.54	0.00
5-Year	0.54	0.18
10-Year	0.74	0.50
30-Year	1.22	1.45

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.64	0.03
5-Year	-0.56	0.22
10-Year	-0.29	0.57
30-Year	0.24	1.59

	Sovereign Ratings		
	Moody's	S&P	Fitch
Abu Dhabi	Aa2	AA	AA
Bahrain	B2	B+	BB-
Kuwait	Aa2	AA	AA
Oman	Ba1	BB	BB+
Qatar	Aa3	AA-	AA-
KSA	A1	A-	A
UAE	Aa2	NR	NR
Egypt	B2	B	B+
Lebanon	Caa2	CCC	CC
Turkey	B1	B+	BB-
Tunisia	B2	NR	B+
Morocco	Ba1	BBB-	BBB-
Jordan	B1	B+	BB-
China	A1	A+	A+
UK	Aa2	AA	AA
USA	Aaa	AA+	AAA
USD 5-Year CDS			YTD Δ (%)
Abu Dhabi	36.030		4.35
Kuwait	32.930		-2.71
Dubai	86.580		0.90
Bahrain	165.820		0.01
Qatar	36.990		5.22
KSA	63.500		14.34
Egypt	263.320		0.00
Lebanon	2435.210		5.49
Turkey	283.722		1.14
Iraq	335.210		0.65
Morocco	83.440		2.20
China	32.290		6.17
France	17.180		2.69
Germany	7.600		0.17
Japan	19.598		0.00
UK	17.210		-2.97
US	12.510		13.98