

News Updates

SABB sets up local Sukuk programme – The Saudi British Bank (SABB) intends to update and amend its previously established international Sukuk programme and set up a local Sukuk programme. Through the two Sukuk programmes, SABB will issue and offer senior and subordinated Sukuk including the issuance of Tier II capital-eligible Sukuk, in one or more tranches, through one or more issuances, for a private placement or public offering inside or outside of Saudi Arabia, according to a stock exchange statement on Sunday. For the international programme, the Sukuk will be issued in US dollars or any other currencies at a maximum value of \$5 billion, but as for the local programme, the Sukuk will be offered in Saudi riyals at a value not exceeding SAR 5 billion, or their equivalent. The offering, subject to official competent approvals, aims to meet the bank's financial and strategic needs. (Source: Zawya)

Saudi Central Bank Exceeded Stimulus Plan for Private Sector – The Saudi Arabian Monetary Authority exceeded the 50 billion riyals (\$13.3 billion) of support it announced for the private sector during the coronavirus pandemic, providing 51.7 billion riyals between March 14 and the end of June, according to a statement from the central bank. 50.3 billion riyals went to help small and medium enterprises delay payments to banks and financing companies; 26,000 micro-enterprises, 18,000 small businesses and 27,000 medium-sized firms benefited from the program. The central bank had originally set aside 30 billion riyals for the program to delay payments, but increased the amount because of demand. (Source: Bloomberg)

UAE restructures government, merges 50% of federal agencies – The United Arab Emirates restructured its government, merging 50% of federal agencies as the Gulf nation seeks to shore up finances battered by the coronavirus pandemic and oil's slump. The new government has a year to achieve its “new priorities” and there'll be “continuous changes” to improve efficiency and flexibility, Prime Minister Sheikh Mohammed Bin Rashid Al Maktoum said in a tweet on Sunday. (Source: Arabian Business)

Egypt's central bank issues LE23.5 on T-bills, bonds Sunday – The Central Bank of Egypt (CBE), on behalf of the Ministry of Finance, is set to issue LE 23.5 billion in treasury bills and bonds on Sunday, July 5. The T-bills will be offered in two installments; the first installment is valued at LE 9 billion with a 182-day term and the second is worth LE 10.5 billion with a 364-day term. While t-bonds are valued at LE 4 billion with a 3-year term. For the current fiscal year, the budget deficit is estimated to record LE 445.1 billion, or 7.2 percent, planned by the ministry to be financed through treasury bills and bonds and through international and Arab loans. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.54	5.24	KSA	2025	1.40	3.35
Abu Dhabi	2047	2.78	7.16	KSA	2029	2.07	5.04
Bahrain	2024	4.00	-3.16	KSA	2049	3.49	5.93
Bahrain	2029	5.32	-6.24	Oman	2025	5.14	-5.08
Bahrain	2047	6.51	-8.28	Oman	2029	6.83	-10.20
Dubai	2023	0.70	1.16	Oman	2048	7.82	-13.31
Dubai	2029	3.05	-0.14	Qatar	2024	1.05	3.22
Kuwait	2022	0.55	1.75	Qatar	2028	1.77	4.05
Kuwait	2027	1.46	4.62	Qatar	2049	2.99	8.58

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.93	7.32	0.01	3.46
S&P MENA Bond and Sukuk Index	2.36	NA	0.11	5.37
Bloomberg Emerging Markets USD Index	4.59	6.26	0.35	0.10
Bloomberg Global Aggregate Index	0.95	7.33	0.05	3.15

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	06/07/2020	31/12/2019	06/07/2020	31/12/2019	06/07/2020	31/12/2019
KIBOR	1.6250	2.7500	1.8750	2.9375	2.1875	3.1875
SAIBOR	0.9757	2.2314	1.0343	2.2557	1.0800	2.3071
BHIBOR	2.3000	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.2142	2.2500	1.2887	2.3500	1.3842	2.5333
AEIBOR	0.6337	2.2086	0.9263	2.1914	1.0387	2.2900
EURIBOR	-0.4350	-0.3830	-0.3140	-0.3240	-0.2380	-0.2490
LIBOR	0.2759	1.9084	0.3663	1.9121	0.5056	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.2696	0.07	-84.8	KWD	0.3076	0.0650	-1.48
2-Year	0.2201	-0.70	-87.0	SAR	3.7515	0.0027	0.01
5-Year	0.3320	0.00	-80.8	BHD	0.3771	0.0000	-0.01
7-Year	0.4730	-0.16	-73.7	QAR	3.6413	0.0000	0.01
10-Year	0.6490	0.00	-65.8	OMR	0.3850	0.0000	0.00
30-Year	0.9363	0.18	-55.2	AED	3.6731	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.00	-0.09	-0.03	-0.69	-0.01
5-Year	0.30	0.00	-0.05	-0.05	-0.70	0.03
10-Year	0.67	0.01	0.18	-0.05	-0.50	0.04
30-Year	1.43	0.04	0.65	-0.05	0.02	0.03

Source: Bloomberg

Currencies

	Yield %	1D Δ (bps)	YTD Δ (%)		Yield %	1D Δ (bps)	YTD Δ (%)
2-Year	0.15	0.00	-0.09	-0.03	-0.69	-0.01	
5-Year	0.30	0.00	-0.05	-0.05	-0.70	0.03	
10-Year	0.67	0.01	0.18	-0.05	-0.50	0.04	
30-Year	1.43	0.04	0.65	-0.05	0.02	0.03	

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	Ba3	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

	6-Jul 2020	31-Dec 2019
Kuwait	68.540	36.700
KSA	88.120	56.915
Abu Dhabi	61.460	36.090
Dubai	176.880	91.005
Qatar	60.860	36.705
Bahrain	331.460	175.995
Oman	477.860	234.400
Iraq	776.020	383.680
Egypt	456.820	277.420
Morocco	133.190	91.435
Turkey	458.860	282.130
US	11.780	10.810
UK	26.050	16.210
China	44.790	31.205
Japan	16.000	21.042
Germany	12.180	7.080
France	19.520	16.130