

## News Updates

**Kuwait's Warba Bank obtains CMA approval on 150 Mln Dinars Sukuk Issuance** – Kuwait's Warba Bank has obtained CMA approval on the content of the Private Offering Prospectus for the issuance of Sukuk not exceeding KD 150 million under its Sukuk program not exceeding USD 2 billion. (Source: Reuters)

**First Abu Dhabi Bank sells \$197.3mln in Chinese yuan for 5-yr Formosa bonds** – First Abu Dhabi Bank sold 1.4 billion Chinese yuan (\$197.3 million) in five-year Formosa bonds at 3.5%, a document showed on Monday. Credit Agricole, HSBC and Standard Chartered were lead managers on the deal and First Abu Dhabi Bank was structuring agent, the document from one of the banks on the deal showed. The bonds, which have a fixed rate payable annually in arrears, will be used for general corporate purposes, the document said. They will be listed on the London Stock Exchange and Taipei Exchange. (Source: Zawya)

**Islamic Development Bank hires banks for dollar sukuk** – Jeddah-based Islamic Development Bank has hired banks for a potential sale of U.S. dollar-denominated five-year sukuk, or Islamic bonds, a document showed on Monday. The triple-A rated financial institution has mandated Citi, Credit Agricole, Emirates NBD Capital, Gulf International Bank, HSBC, the Islamic Corporation for the Development of the Private Sector, Natixis, Societe Generale and Standard Chartered to arrange the issuance, subject to market conditions. IsDB will use the money raised to fund sustainable projects, including employment generation and financing small and medium enterprises, as well as to support education programmes, according to an investor presentation seen by Reuters. The bank's approved funding for 2020 is \$5.5 billion, more than half of which has been secured. (Source: Reuters)

**Treasuries Rally After Beijing Cases Renew Second Wave Fears** – Treasuries advanced after a Beijing coronavirus breakout intensified concerns about a second wave of infections and the rising number of cases in the U.S. threatened to set back states' efforts to reopen. Traders raced for the longer end of the curve, sending the yield on 30-year bonds down as much as seven basis points, and those on 10-year maturities by five basis points. While demand for the world's safest assets calmed down during U.S. trading hours, long-term securities continued to outperform their shorter-dated peers. Traded volumes in Treasury futures were close to double the average for the first three hours of the day's session in Asia, but U.S. trading was much more subdued. There are signs the rally in Treasuries will continue. The latest data from the Commodity Futures Trading Commission shows that hedge funds and other large speculators have flipped to long U.S. 10-year futures for the first time since 2017. That puts the prospect of yields falling to 0% back in focus. (Source: Bloomberg)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.95	2.48	KSA	2025	1.83	1.61
Abu Dhabi	2047	3.14	0.72	KSA	2029	2.54	1.49
Bahrain	2024	4.39	-4.14	KSA	2049	3.85	-0.19
Bahrain	2029	5.61	-8.05	Oman	2025	5.36	-6.03
Bahrain	2047	6.65	-9.94	Oman	2029	6.88	-10.56
Dubai	2023	1.67	1.20	Oman	2048	7.99	-14.92
Dubai	2029	3.11	-0.91	Qatar	2024	1.57	1.50
Kuwait	2022	1.03	1.06	Qatar	2028	2.20	1.20
Kuwait	2027	1.86	2.15	Qatar	2049	3.30	2.82

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.21	7.32	-0.12	1.01
S&P MENA Bond and Sukuk Index	2.65	NA	0.02	2.80
Bloomberg Emerging Markets USD Index	4.77	6.26	-0.17	-1.25
Bloomberg Global Aggregate Index	0.99	7.33	-0.54	2.84

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	16/06/2020	31/12/2019	16/06/2020	31/12/2019	16/06/2020	31/12/2019
KIBOR	1.6875	2.7500	1.8750	2.9375	2.1250	3.1875
SAIBOR	1.0286	2.2314	1.0843	2.2557	1.1314	2.3071
BHIBOR	2.1833	2.6667	2.2667	2.7000	2.4667	2.8333
QATAR	1.2552	2.2500	1.3190	2.3500	1.4054	2.5333
AEIBOR	0.8306	2.2086	0.8750	2.1914	1.3105	2.2900
EURIBOR	-0.3660	-0.3830	-0.1990	-0.3240	-0.1240	-0.2490
LIBOR	0.3209	1.9084	0.4320	1.9121	0.5934	1.9963

## USD Swap Rates

	Currencies				Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.2961	-0.74	-83.3	KWD	0.3078	-0.1137	-1.51
2-Year	0.2603	-0.53	-84.7	SAR	3.7530	0.0160	-0.01
5-Year	0.3755	-0.25	-78.3	BHD	0.3773	0.0000	-0.02
7-Year	0.5161	-0.80	-71.3	QAR	3.6421	0.0027	0.01
10-Year	0.6835	-1.30	-63.9	OMR	0.3851	0.0000	-0.01
30-Year	0.9527	-2.38	-54.4	AED	3.6731	0.0000	0.00

## US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.19	0.01	-0.05	0.00
5-Year	0.33	0.00	0.00	0.00
10-Year	0.69	0.11	0.20	0.03
30-Year	1.44	0.46	0.60	0.23

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	16-Jun 2020	31-Dec 2019
Kuwait	73.550	36.700
KSA	106.460	56.915
Abu Dhabi	79.040	36.090
Dubai	180.230	91.005
Qatar	78.090	36.705
Bahrain	349.790	175.995
Oman	518.940	234.400
Iraq	615.050	383.680
Egypt	508.920	277.420
Morocco	136.280	91.435
Turkey	484.270	282.130
US	12.650	10.810
UK	27.470	16.210
China	52.430	31.205
Japan	16.620	21.042
Germany	15.430	7.080
France	22.970	16.130