

News Update – 22 January 2020

**Saudi Arabia Issues \$5 Billion of Bonds as Gulf Tensions Ease** – The kingdom issued \$5 billion of debt, taking advantage of low borrowing costs globally. It's seeking to plug part of its growing budget deficit by selling about \$32 billion of local currency and international debt over the course of the year. The country issued a \$1.25 billion seven-year tranche at 85 basis points over U.S. Treasuries and a yield of 2.54%. A 12-year offering of \$1 billion was priced at a spread of 110 basis points and yield of 2.88%, while a \$2.75 billion 35-year tranche, the kingdom's longest yet, yielded 3.84%.

**Bahrain's GFH sets yield for \$300 mln 5-year sukuk at 7.5%** – Bahrain-based GFH Financial Group set the yield on Tuesday for its \$300 million five-year sukuk, or Islamic bonds, at 7.5%, a document from one of the banks arranging the deal showed. The yield set by the investment group was in line with the level at which the notes were marketed earlier on Tuesday. The sale, expected to close later in the day, received more than \$750 million in demand, the document showed. The issuer is rated B by S&P and Fitch.

**Kuwait Telecommunications (STC) Signs 40 Mln Dinars 10-Year Financing Agreement** – Kuwait Telecommunications Company (STC) signed a long-term Murabaha financing agreement, at a value of KD 40 million for a period of 10 years. The facility is intended for expanding operational activities and covering the company's capital expenditures.

**Bahraini economy to grow 2.3% in 2020** – The Bahraini economy is expected to maintain the same growth rate recorded last year in 2020, governor of the Central Bank of Bahrain (CBB) Rasheed Al Maraj stated on Tuesday. Strategic projects will have a positive impact on the national economy in 2020, Al Maraj added, according to the Bahrain News Agency. Bahrain's GDP is expected to grow by 2.3% in 2019, supported by the non-oil economy, which is projected to grow by 2.8% in 2020 and by 3.2% in 2021, Al Maraj revealed.

## GCC Sovereign Yields (22 January 2020)

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.36	0.22	KSA	2025	2.33	-0.03
Abu Dhabi	2047	3.23	-0.11	KSA	2029	2.76	0.50
Bahrain	2024	3.46	-0.26	KSA	2049	3.83	0.66
Bahrain	2029	4.54	-0.16	Oman	2025	4.01	0.68
Bahrain	2047	5.81	0.61	Oman	2029	5.26	0.42
Dubai	2023	2.47	-0.19	Oman	2048	6.63	0.35
Dubai	2029	3.12	-0.07	Qatar	2024	2.12	0.04
Kuwait	2022	1.89	0.01	Qatar	2028	2.50	-0.10
Kuwait	2027	2.28	0.15	Qatar	2049	3.49	-0.17

Source: Bloomberg

## Bonds and Sukuk Indices (22 January 2020)

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.11	7.33	0.08	0.39
S&P MENA Bond and Sukuk Index	2.90	NA	0.05	0.48
Bloomberg Emerging Markets USD Index	4.72	6.28	0.11	1.01
Bloomberg Global Aggregate Index	1.39	7.27	0.32	0.13

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	22/01/2020	31/12/2019	22/01/2020	31/12/2019	22/01/2020	31/12/2019
KIBOR	2.7500	2.7500	3.0000	2.9375	3.1875	3.1875
SAIBOR	2.2071	2.2314	2.2329	2.2557	2.2900	2.3071
BHIBOR	2.2500	2.2500	2.7333	2.7000	2.8833	2.8333
QATAR	2.3235	2.2500	2.4236	2.3500	2.7342	2.5333
AEIBOR	1.9844	2.2086	2.1300	2.1914	2.3030	2.2900
EURIBOR	-0.3920	-0.3830	-0.3330	-0.3240	-0.2440	-0.2490
LIBOR	1.8021	1.9084	1.8295	1.9121	1.9246	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.7148	0.93	-3.1
2-Year	1.6218	1.43	-4.5
5-Year	1.6087	1.55	-7.0
7-Year	1.6597	1.40	-7.7
10-Year	1.7497	1.27	-7.7
30-Year	1.9404	0.96	-7.2

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3038	0.0000	-0.20
SAR	3.7519	0.0160	0.00
BHD	0.3770	-0.0027	0.01
QAR	3.6640	0.0137	-0.12
OMR	0.3850	0.0052	-0.01
AED	3.6731	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	1.54	-0.02
5-Year	1.59	-0.07
10-Year	1.79	-0.10
30-Year	2.24	-0.13

## UK Gilt

	Yield %	1D Δ (%)
2-Year	0.41	-0.01
5-Year	0.42	0.02
10-Year	0.63	0.18
30-Year	1.15	1.01

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.59	-0.01
5-Year	-0.53	0.07
10-Year	-0.29	0.29
30-Year	0.25	1.10

	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	36.940		6.97
Kuwait	35.930		5.46
Dubai	86.630		0.69
Bahrain	155.380		-5.93
Qatar	38.490		9.32
KSA	60.150		8.33
Egypt	236.160		-9.79
Lebanon	2786.390		20.10
Turkey	247.331		-11.73
Iraq	398.040		17.09
Morocco	77.900		-3.86
China	32.122		4.82
France	16.390		-1.37
Germany	6.910		-5.92
Japan	19.825		-0.89
UK	16.430		-6.94
US	12.330		12.49