

## News Updates

### MANDATE: Burgan Bank Tier 2 USD Reg S Bond Investor Call Dec 7

– Burgan Bank K.P.S.C. (“Burgan Bank”), rated A+ by Fitch, A3 by Moody’s and BBB+ by S&P (all stable), the second largest conventional bank in Kuwait by asset size, has mandated Citi and Standard Chartered Bank as Joint Global Coordinators and, together with Bank ABC, Citi, Emirates NBD Capital, First Abu Dhabi Bank, HSBC, J.P. Morgan, Kamco Invest, Mizuho Securities, MUFG, NBK Capital and Standard Chartered Bank, as Joint Lead Managers and Joint Bookrunners, to arrange a global investor conference call on Monday 7 December 2020 at 9:30AM UKT / 12:30PM KWT, along with a series of fixed income investor calls. A fixed rate USD-denominated Regulation S 11NC6 Basel III compliant Tier 2 Bond offering, with an expected rating of A- by Fitch, will follow, subject to market conditions. (Source: Bloomberg)

### SAMA governor says some stimulus packages maintained amid uncertainty

– Dr. Ahmed Alkholife, Governor of the Saudi Central Bank (SAMA) lauded the stability of the Kingdom’s financial sector in face of the repercussions of COVID-19 pandemic. Speaking during the Financial Stability Forum held today, Dec. 6, Alkholife, said: “We are keen to monitor the asset quality of the Saudi financial sector. We noted that the sector witnessed a rise in non-performing loans to 2.3% from 1.9%”. The central bank is closely monitoring the solvency of the financial sector and the cost of finance that it sees as low due to the procedures it has taken, he noted. Alkholife also highlighted that some stimulus packages injected by SAMA are still existing due to the continued state of uncertainty. Liquidity levels are very satisfactory, whether on the level of economy or the liquidity coverage ratio in banking sector, Alkholife noted, adding that the money supply grew by over 5% in the first 10 months of the year. Moreover, the liquidity coverage in the banking sector exceeded 190%, he concluded. (Source: Argaam)

### Fitch Solutions downgrades projections of Egypt’s growth in 2021 to 3.2%; inflation to hit 6%

– Fitch Solutions has slightly downgraded its economic growth outlook for Egypt to 3.2 percent in 2021, down from 3.3 percent projected in November, expecting the country to achieve four percent economic growth over the next three years. In its monthly outlook insights on the Middle East and North Africa (MENA) region economy, shared with Ahram Online, Fitch Solutions expects that Egypt’s interest rate will stand at 9.75 percent until end of 2021, projecting that inflation will hit six percent in 2021, slightly above Fitch’s projection in November of 5.9 percent. It also expected that US dollar will be traded at EGP 16.20 until the end of 2021. (Source: Ahram Online)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.83	5.15	KSA	2025	1.25	6.46
Abu Dhabi	2030	1.57	9.66	KSA	2030	2.11	10.16
Abu Dhabi	2050	2.70	20.01	KSA	2050	3.25	9.99
Bahrain	2026	3.26	-1.01	Oman	2025	4.36	-1.98
Bahrain	2030	4.75	16.86	Oman	2029	5.41	-0.96
Bahrain	2047	6.11	-3.90	Oman	2048	6.76	-1.23
Dubai	2029	2.61	2.51	Qatar	2025	0.93	6.52
Kuwait	2022	0.27	1.29	Qatar	2030	1.71	11.88
Kuwait	2027	1.12	5.96	Qatar	2050	2.77	23.73

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.53	8.08	-0.08	8.14
S&P MENA Bond and Sukuk Index	1.76	NA	-0.11	8.79
Bloomberg Emerging Markets USD Index	3.64	6.80	0.03	5.31
Bloomberg Global Aggregate Index	0.89	7.42	-0.18	8.08

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	7/12/2020	31/12/2019	7/12/2020	31/12/2019	7/12/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	1.9375	3.1875
SAIBOR	0.8288	2.2314	0.8775	2.2557	0.9488	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.2218	2.2500	1.2944	2.3500	1.3892	2.5333
AEIBOR	0.3323	2.2086	0.5229	2.1914	0.5200	2.2900
EURIBOR	-0.5320	-0.3830	-0.5120	-0.3240	-0.4900	-0.2490
LIBOR	0.2259	1.9084	0.2558	1.9121	0.3368	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2099	0.03	-88.1
2-Year	0.2311	-0.01	-86.4
5-Year	0.4761	-0.49	-72.5
7-Year	0.6964	-0.83	-61.3
10-Year	0.9607	-1.20	-49.3
30-Year	1.4294	-1.60	-31.7

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3044	0.0329	-0.43
SAR	3.7512	0.0000	0.01
BHD	0.3771	0.0080	0.00
QAR	3.6417	-0.0082	0.00
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.15	0.01
5-Year	0.41	0.03
10-Year	0.96	0.11
30-Year	1.72	0.35

Source: Bloomberg

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.05	-0.03
5-Year	0.02	-0.09
10-Year	0.35	-0.39
30-Year	0.92	-0.76

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.75	0.01
5-Year	-0.77	0.01
10-Year	-0.61	-0.10
30-Year	-0.13	-0.62

## Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	A1	AA-	AA
KSA	A1	A-u	A
UAE	Aa2	NR	AA-
Abu Dhabi	Aa2	AA	AA
Qatar	Aa3	AA-	AA-
Bahrain	B2	B+	B+
Oman	Ba3	B+	BB-
Egypt	B2	B	B+
Lebanon	C	SD	RD
Jordan	B1	B+	BB-
Turkey	B2	B+u	BB-
Tunisia	B2	NR	B
Morocco	Ba1	BBB-	BB+
US	Aaa	AA+u	AAA
UK	Aa2	AAu	AA-
China	A1	A+	A+

## USD 5Yr CDS

	7-Dec 2020	31-Dec 2019
Kuwait	39.19	36.700
KSA	63.08	56.915
Abu Dhabi	33.98	36.090
Dubai	104.93	91.005
Qatar	34.29	36.705
Bahrain	252.31	175.995
Oman	360.98	234.400
Iraq	505.80	383.680
Egypt	351.00	277.420
Morocco	98.58	91.435
Turkey	349.69	282.130
US	12.57	10.810
UK	16.59	16.210
China	28.23	31.205
Japan	14.69	21.042
Germany	9.54	7.080
France	15.19	16.130