

News Updates

Shuaa Capital fully pays 2017 bond at \$100m – Shuaa Capital has fully redeemed the \$100 million bond issued in November 2017 by ADFG FC Limited, according to a press release on Tuesday. The repayment of bonds came after the company had successfully closed a new three-year bond to raise \$150 million in the first high yield issuance in MENA since the beginning of the coronavirus (COVID-19) outbreak. The new bond is listed on the London Stock Exchange's International Securities Market. It is noteworthy to mention that in late October, the company priced a \$150 million bond issuance with a coupon of 7.5%. *(Source: Mubasher)*

Saudi Fransi Issues 5B-Riyal Additional Tier 1 Sukuk – Saudi Fransi Bank issues sukuk by way of private placement, according to statement. Sukuk is expected to have a profit rate of 4.5% per year. This perpetual issuance, denominated in Saudi Riyals, will support the Bank's Additional Tier 1 capital. *(Source: Bloomberg)*

Gulf Investors Plot U.S. Election Fallout Via Oil Markets – Saed Abukarsh, chief investment officer at Ark Capital Management in Dubai: A possible Biden win has fueled investor concerns that he would ease sanctions on Iran, potentially flooding an already fragile market with more than 2 million barrels of crude a day. “A Biden victory will be seen as more oil negative”. “The odds of removal of sanctions and re-engaging Iran may upset relations with Saudi Arabia and the market may choose to buy” dollar-riyal forwards amid the prospect of regional instability. “The initial reaction to the Biden win will be that older deals that have been concluded may have a fresh look, but I doubt very much a change in the overall direction. A pause perhaps, but not a change”. Ehsan Khoman, head of Middle Eastern research at MUFG Bank in Dubai: “For the MENA region, the most explicit near-term transmission channels are on oil prices and the U.S. dollar”. “Absent a contested result that could prompt a selloff, the prospect for a robust relief rally in oil prices and with it across GCC risks assets -- which are highly correlated with the price of crude -- irrespective of the outcome, is likely”. “Also, a Biden victory or outright blue wave could pull forward U.S. dollar weakness, due to Biden's campaign messaging to increase the corporate tax rate and expand government expenditures. Such an acceleration in U.S. dollar depreciation is supportive of oil prices and with it will comprise positive spillovers for GCC assets” *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.99	4.63	KSA	2025	1.35	6.09
Abu Dhabi	2030	1.73	8.34	KSA	2030	2.16	9.68
Abu Dhabi	2050	2.85	16.70	KSA	2050	3.42	6.92
Bahrain	2026	3.97	-3.66	Oman	2025	5.45	-5.91
Bahrain	2030	5.69	9.52	Oman	2029	6.88	-10.35
Bahrain	2047	6.86	-12.39	Oman	2048	8.06	-15.45
Dubai	2029	2.65	2.23	Qatar	2025	1.03	6.36
Kuwait	2022	0.47	1.24	Qatar	2030	1.82	10.99
Kuwait	2027	1.24	5.36	Qatar	2050	2.94	20.10

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.76	8.08	0.33	5.65
S&P MENA Bond and Sukuk Index	2.19	NA	0.05	7.04
Bloomberg Emerging Markets USD Index	4.07	6.80	0.26	2.12
Bloomberg Global Aggregate Index	0.92	7.42	0.33	6.17

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	04/11/2020	31/12/2019	04/11/2020	31/12/2019	04/11/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	2.0000	3.1875
SAIBOR	0.8450	2.2314	0.8938	2.2557	0.9588	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	0.9659	2.2500	1.0580	2.3500	1.3163	2.5333
AEIBOR	0.5108	2.2086	0.6928	2.1914	0.8286	2.2900
EURIBOR	-0.5200	-0.3830	-0.5130	-0.3240	-0.4860	-0.2490
LIBOR	0.2201	1.9084	0.2460	1.9121	0.3324	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2146	-0.19	-87.9
2-Year	0.2375	-0.59	-86.0
5-Year	0.4120	-3.98	-76.2
7-Year	0.6010	-5.43	-66.6
10-Year	0.8371	-6.63	-55.8
30-Year	1.2608	-6.47	-39.7

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3062	0.0000	-1.01
SAR	3.7508	-0.0027	0.02
BHD	0.3771	0.0000	-0.01
QAR	3.6420	0.0110	0.02
OMR	0.3850	0.0000	-0.01
AED	3.6731	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.15	0.03
5-Year	0.35	0.22
10-Year	0.82	0.73
30-Year	1.61	1.61

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.05	-0.07
5-Year	-0.04	-0.19
10-Year	0.27	-0.68
30-Year	0.84	-1.35

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.79	-0.02
5-Year	-0.83	-0.06
10-Year	-0.68	-0.19
30-Year	-0.22	-0.52

Source: Bloomberg

Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	A1	AA-	AA
KSA	A1	A-u	A
UAE	Aa2	NR	NR
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

	04-Nov 2020	31-Dec 2019
Kuwait	50.17	36.700
KSA	81.43	56.915
Abu Dhabi	45.37	36.090
Dubai	127.93	91.005
Qatar	45.92	36.705
Bahrain	342.69	175.995
Oman	467.35	234.400
Iraq	706.76	383.680
Egypt	400.76	277.420
Morocco	133.00	91.435
Turkey	546.89	282.130
US	13.17	10.810
UK	17.93	16.210
China	37.20	31.205
Japan	15.86	21.042
Germany	9.61	7.080
France	16.73	16.130