

News Update – 25 November 2019

**National Bank of Kuwait sells \$750 mln of perpetual bonds** – National Bank of Kuwait (NBK) sold \$750 million of perpetual bonds offering a 4.5% yield, a document by one of the banks leading the deal showed on Thursday. Citi, JPMorgan, NBK Capital and Standard Chartered were hired as global coordinators to arrange the issue. Perpetual bonds are similar to an equity instrument in that they have no maturity date.

**Egypt, KFAED ink KD-25-mln loan deal** – Egypt and Kuwait Fund for Arab Economic Development (KFAED) on Saturday signed a loan agreement worth KD 25 million (around USD 85 million). The loan will be used in bankrolling a road project that is part of Egypt's Sinai Peninsula development project. It was signed by Egyptian Minister of Investment and International Cooperation Sahar Nasr and KFAED Director-General Abdulwahab Al-Bader, with Prime Minister Mustafa Madbouli attending. The project aims at promoting Egypt's road network, boosting road safety and reducing operation costs. It is the 52nd loan offered by the KFAED to Egypt, hitting a total of KD 1.39 billion (USD USD 3.5 billion).

**Flydubai Secures \$500 Mln Term Financing Facility** – FlyDubai raised \$500 million to refinance the discount carrier's Islamic bonds maturing this month. Emirates NBD, Noor Bank and Dubai Islamic Bank helped arrange the five-year term financing facility, according to a statement.

**Creditors of UAE's Al Jaber consider enforcing debt claims** – Creditors of Abu Dhabi-based Al Jaber Group are considering enforcing claims against the owners of the group after delays in executing a restructuring agreement, the latest in a long-running debt dispute, two sources familiar with the matter said. Al Jaber, best known as a contractor but with interests across a range of sectors, has struggled since a construction downturn in the United Arab Emirates after the global financial crisis. The group agreed late last year restructuring terms for 5.9 billion dirhams (\$1.6 billion) of debt, in a deal that would have seen the company reduce its obligations through asset sales and a debt buyback mechanism with a 52% discount. But delays in implementing some aspects of the deal have frustrated a majority of creditors – including hedge funds and Abu Dhabi lenders Abu Dhabi Commercial Bank and First Abu Dhabi Bank– who are planning to take action against the group owners, the sources said.

## GCC Sovereign Yields (25 November 2019)

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.37	9.53	KSA	2025	2.50	7.94
Abu Dhabi	2047	3.23	20.41	KSA	2029	2.89	12.07
Bahrain	2024	3.68	7.78	KSA	2049	3.88	23.10
Bahrain	2029	4.93	15.56	Oman	2025	4.37	12.67
Bahrain	2047	6.14	21.27	Oman	2029	5.86	0.70
Dubai	2023	2.51	3.99	Oman	2048	7.12	14.78
Dubai	2029	3.20	9.15	Qatar	2024	2.20	4.54
Kuwait	2022	1.97	3.22	Qatar	2028	2.55	9.51
Kuwait	2027	2.37	7.49	Qatar	2049	3.51	23.32

Source: Bloomberg

## Bonds and Sukuk Indices (25 November 2019)

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.27	7.33	0.01	13.32
S&P MENA Bond and Sukuk Index	3.00	NA	0.15	12.84
Bloomberg Emerging Markets USD Index	5.06	6.28	0.07	11.21
Bloomberg Global Aggregate Index	1.41	7.27	-0.13	6.20

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	25/11/2019	31/12/2018	25/11/2019	31/12/2018	25/11/2019	31/12/2018
KIBOR	2.7500	2.3125	2.9375	2.5625	3.1875	2.8125
SAIBOR	2.2329	2.9750	2.2486	3.1150	2.2929	3.3413
BHIBOR	2.4000	3.5500	2.8367	4.0833	2.9167	4.7000
QATAR	2.3375	2.9056	2.4375	3.0889	2.7709	3.3028
AEIBOR	2.1675	2.8375	2.3017	3.1849	2.2495	3.5737
EURIBOR	-0.4030	-0.3090	-0.3350	-0.2370	-0.2770	-0.1170
LIBOR	1.9173	2.8076	1.9073	2.8756	1.9149	3.0054

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.7363	0.08	-37.0
2-Year	1.6087	-0.03	-39.5
5-Year	1.5561	0.06	-39.5
7-Year	1.5914	0.08	-39.3
10-Year	1.6718	0.04	-38.3
30-Year	1.8493	-0.03	-34.8

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3040	-0.0263	-0.11
SAR	3.7502	0.0027	0.03
BHD	0.3771	0.0000	-0.02
QAR	3.6652	-0.0218	-0.26
OMR	0.3850	0.0000	0.01
AED	3.6728	0.0027	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	1.62	0.02
5-Year	1.63	0.00
10-Year	1.77	0.01
30-Year	2.22	0.03

## UK Gilt

	Yield %	1D Δ (%)
2-Year	0.51	0.06
5-Year	0.49	0.22
10-Year	0.70	0.46
30-Year	1.27	0.99

## German Bunds

	Yield %	1D Δ (%)
2-Year	-1.12	-0.01
5-Year	-0.67	0.04
10-Year	-0.50	0.25
30-Year	0.12	1.25

	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	CCC
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	40.320		-36.97
Kuwait	39.910		-35.14
Dubai	109.650		-7.99
Bahrain	206.470		-25.67
Qatar	40.150		-49.13
KSA	68.600		-33.11
Egypt	302.170		-19.05
Lebanon	2068.240		180.57
Turkey	302.523		-15.87
Iraq	347.180		-22.30
Morocco	86.970		-12.35
China	39.326		-40.53
France	17.200		-51.33
Germany	7.490		-36.51
Japan	21.313		-10.02
UK	17.810		-49.35
US	11.810		-35.00