

News

The Gulf Cooperation Council (GCC) approved Kuwait's proposal to establish a common food supply safety network - The official Kuwaiti News Agency (KUNA) quoted the Ministry of Commerce as saying that members had instructed the General Secretariat of the Council to complete a technical study of the proposal, and approve it.

Dubai RTA posts 28% surge in e-licensing - Dubai's Roads and Transport Authority (RTA) has recorded a total of 254,203 licensing transactions in March compared to 198,895 transactions during March 2018, reflecting a 28 per cent increase. The surge of online transactions reported in March, be it through the website, Dubai Drive and RTA apps, is mainly attributed to customers response to RTA's preventive measures rolled out at the start of March to cope with the outbreak of the Covid-19

Junk Bond Ratings Keep Getting Better - Junk indexes have noticeably improved in quality over the last few weeks. Bonds rated BB- or better now comprise 50% of the global high-yield market, up from 45% in November. Fallen angels dropping out of high grade helped push the market cap of the BB index to a record high of \$668 billion on Wednesday. The second-largest borrower in the Bloomberg Barclays Global High Yield index, and the largest in the U.S. Corporate High Yield index is now Ford.

ECB Is Flexible and Could Do More If Needed, Officials Say - The European Central Bank could take further action if needed to support the euro area through the economic crisis sparked by the coronavirus outbreak, policy makers at the institution said. The central bank has already unleashed a barrage of support over the past few weeks to cushion countries across the bloc, including committing to spend more than 1 trillion euros (\$1.1 trillion) on public and private debt this year. Yet even with such an unprecedented monetary boost, tensions are growing on markets and policy makers expect inflation will likely remain below the ECB's 2% target for a long time.

Debt Relief for Poor Nations Not an Easy Sell to Bondholders - A pause in debt payments for the world's poorest countries to help them battle the coronavirus will be a hard sell for private creditors. The Group of 20 leading economies last week heeded calls from African finance ministers to grant a debt waiver of about \$20 billion until the end of the year, and asked private creditors to step up. Groups representing commercial creditors, who snapped up bonds from low-income countries in recent years amid record-low yields in developed markets, said they would be willing to participate. But a deferral of sovereign bond payments will be far from easy.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.48	-0.85	KSA	2025	2.63	-1.89
Abu Dhabi	2047	3.65	-7.38	KSA	2029	3.12	-2.59
Bahrain	2024	6.49	-10.59	KSA	2049	4.46	-9.46
Bahrain	2029	7.28	-18.01	Oman	2025	7.13	-13.52
Bahrain	2047	7.95	-22.63	Oman	2029	9.72	-26.61
Dubai	2023	3.63	-4.12	Oman	2048	9.86	-30.65
Dubai	2029	4.55	-10.78	Qatar	2024	2.17	-0.57
Kuwait	2022	1.41	0.48	Qatar	2028	2.81	-2.68
Kuwait	2027	2.17	0.46	Qatar	2049	3.85	-6.37

Source: Bloomberg

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.30	7.50	0.35	-5.75
S&P MENA Bond and Sukuk Index		NA	0.22	-3.10
Bloomberg Emerging Markets USD Index	6.63	6.58	0.25	-7.39
Bloomberg Global Aggregate Index	1.11	7.47	0.06	0.71

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	19/04/2020	31/12/2019	19/04/2020	31/12/2019	19/04/2020	31/12/2019
KIBOR	1.8750	2.7500	2.1250	2.9375	2.3750	3.1875
SAIBOR	1.2286	2.2314	1.2314	2.2557	1.2314	2.3071
BHIBOR	1.8000	2.2500	2.0833	2.7000	2.2667	2.8333
QATAR	1.2400	2.2500	1.2833	2.3500	1.3833	2.5333
AEIBOR	1.5771	2.2086	1.5897	2.1914	1.6383	2.2900
EURIBOR	-0.2430	-0.3830	-0.1950	-0.3240	-0.1050	-0.2490
LIBOR	1.1090	1.9084	1.1025	1.9121	0.9819	1.9963

USD Swap Rates

	Currencies				Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.5465	-1.15	-69.1	KWD	0.3127	-0.1251	-2.80
2-Year	0.4161	-0.91	-75.5	SAR	3.7597	-0.0293	-0.15
5-Year	0.4782	-0.33	-72.3	BHD	0.3783	-0.0318	-0.20
7-Year	0.5868	0.29	-67.4	QAR	3.6630	-0.0382	-0.08
10-Year	0.7128	1.01	-62.4	OMR	0.3852	0.0000	-0.03
30-Year	0.8952	2.63	-57.2	AED	3.6733	0.0000	0.00

US Treasuries

	UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.20	0.01	0.08	-0.05
5-Year	0.36	-0.01	0.17	-0.12
10-Year	0.64	-0.14	0.30	-0.06
30-Year	1.26	-0.94	0.68	-0.22

	Sovereign Ratings		
	Moody's	S&P	Fitch
Abu Dhabi	Aa2	AA	AA
Bahrain	B2u	B+	BB-
Kuwait	Aa2	AA-	AA
Oman	Ba2	BB-	BB
Qatar	Aa3	AA-	AA-
KSA	A1	A-u	A
UAE	Aa2	NR	NR
Egypt	B2	B	B+
Lebanon	Ca	SD	RD
Turkey	B1	B+u	BB-
Tunisia	B2	NR	B+
Morocco	Ba1	BBB-	BBB-
Jordan	B1	B+	BB-
China	A1	A+	A+
UK	Aa2	AA	AA
USA	Aaa	AA+u	AAA
USD 5-Year CDS			YTD Δ (%)
Abu Dhabi	127		276
Kuwait	107		200
Dubai	260		213
Bahrain	446		160
Qatar	119		250
KSA	157		188
Egypt	607		123
Oman	685		196
Turkey	627		121
Iraq	932		167
Morocco	177		105
China	42		42
France	39		128
Germany	22		201
Japan	34		84
UK	35		87
US	18		68