

## News Updates

**S&P revises Kuwait's outlook to negative on depletion in liquidity buffer** – S&P Global Ratings on Friday revised Kuwait's outlook to 'negative' from 'stable', saying it expects that the country's main liquidity buffer, the General Reserve Fund, will be insufficient to cover central government deficit. "The GRF balance has been steadily reducing over the past three years, but this process has accelerated in recent months following the decline in oil prices and Kuwait's implementation of the OPEC+ oil production cut agreement," the ratings agency said in a statement. Kuwait has been drawing down its GRF to plug the deficit, which the International Monetary Fund estimates could reach more than 11% of gross domestic product this year, compared with a 4.8% surplus last year. A government official, speaking on condition of anonymity, had told Reuters on July 12 that the state was considering selling assets of the GRF to the Future Generations Fund as one alternative to plug the deficit. The agency affirmed the Middle Eastern country's ratings at 'AA-/A-1+'. (Source: Zawya)

**KIPCO repays US\$ 500 million bond** – The Kuwait Projects Company (Holding) has announced that it has repaid its US\$ 500 million (KD 153.9 million) bond maturing on July 15, in addition to US\$ 23.4 million (KD 7.2 million) in interest. KIPCO has no maturing debts for the next three years. As part of its strategy, KIPCO regularly raises money in the local and international debt markets and will continue to do so with the aim of diversifying its investor base and providing the company with financial flexibility in cost and maturities. The US\$ 500 million bond was issued in July 2010 for a ten-year tenure, under KIPCO's EMTN program. The next bond maturity will be US\$ 500 million on March 15, 2023. (Source: Bloomberg)

**Foreign investments in Egypt's T-bills fall at slowest pace since COVID-19** – Foreign investments in Egypt's treasury bills (T-bills) declined in May at the slowest pace in three months since the coronavirus (COVID-19) crisis. According to data by the Central Bank of Egypt (CBE), foreign investments in T-bills slid to \$7.016 billion in May, compared to \$7.4 billion in April. Foreign investors sold T-bills worth \$10.4 billion in March and \$2.4 billion in April amid the growing concerns over the pandemic. On 6 July, a source told the Middle East News Agency (MENA) that foreign inflows to the Egyptian market reached a daily record high of \$440 million. (Source: Zawya)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.45	5.74	KSA	2025	1.38	3.29
Abu Dhabi	2047	2.77	7.40	KSA	2029	2.09	4.85
Bahrain	2024	4.10	-3.36	KSA	2049	3.34	8.46
Bahrain	2029	5.47	-7.27	Oman	2025	4.93	-4.26
Bahrain	2047	6.73	-10.87	Oman	2029	7.15	-12.14
Dubai	2023	1.54	1.40	Oman	2048	7.97	-14.68
Dubai	2029	2.92	0.56	Qatar	2024	1.04	3.24
Kuwait	2022	0.46	1.79	Qatar	2028	1.68	4.51
Kuwait	2027	1.38	4.98	Qatar	2049	2.88	10.62

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.86	7.32	0.20	4.23
S&P MENA Bond and Sukuk Index	2.28	NA	0.15	6.21
Bloomberg Emerging Markets USD Index	4.48	6.26	0.16	0.94
Bloomberg Global Aggregate Index	0.91	7.33	-0.10	4.11

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	19/07/2020	31/12/2019	19/07/2020	31/12/2019	19/07/2020	31/12/2019
KIBOR	1.5625	2.7500	1.8125	2.9375	2.1250	3.1875
SAIBOR	0.9543	2.2314	1.0029	2.2557	1.0514	2.3071
BHIBOR	2.3000	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.0497	2.2500	1.1505	2.3500	1.3119	2.5333
AEIBOR	0.5750	2.2086	0.9039	2.1914	1.2325	2.2900
EURIBOR	-0.4430	-0.3830	-0.3510	-0.3240	-0.2900	-0.2490
LIBOR	0.2714	1.9084	0.3336	1.9121	0.4700	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2548	0.16	-85.6
2-Year	0.2255	0.27	-86.7
5-Year	0.3249	0.79	-81.2
7-Year	0.4551	1.12	-74.7
10-Year	0.6150	1.50	-67.5
30-Year	0.8740	2.44	-58.2

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3072	0.0000	-1.33
SAR	3.7508	-0.0053	0.02
BHD	0.3771	0.0027	0.00
QAR	3.6415	-0.0137	0.01
OMR	0.3850	0.0000	0.01
AED	3.6730	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.15	0.00
5-Year	0.28	-0.04
10-Year	0.63	-0.09
30-Year	1.33	-0.48

Source: Bloomberg

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.10	-0.02
5-Year	-0.07	-0.07
10-Year	0.16	-0.34
30-Year	0.67	-0.33

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.68	-0.02
5-Year	-0.68	-0.10
10-Year	-0.52	-0.20
30-Year	-0.01	-0.65

## Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	Aa2	AA-	AA
KSA	A1	A-u	A
UAE	Aa2	NR	NR
Abu Dhabi	Aa2	AA	AA
Qatar	Aa3	AA-	AA-
Bahrain	B2u	B+	BB-
Oman	Ba3	BB-	BB
Egypt	B2	B	B+
Lebanon	Ca	SD	RD
Jordan	B1	B+	BB-
Turkey	B1	B+u	BB-
Tunisia	B2	NR	B
Morocco	Ba1	BBB-	BBB-
US	Aaa	AA+u	AAA
UK	Aa2	AAu	AA-
China	A1	A+	A+

	19-Jul 2020	31-Dec 2019
Kuwait	58.830	36.700
KSA	100.960	56.915
Abu Dhabi	58.810	36.090
Dubai	180.210	91.005
Qatar	56.640	36.705
Bahrain	338.790	175.995
Oman	480.070	234.400
Iraq	691.350	383.680
Egypt	448.660	277.420
Morocco	137.430	91.435
Turkey	526.730	282.130
US	13.680	10.810
UK	25.560	16.210
China	43.220	31.205
Japan	15.510	21.042
Germany	12.500	7.080
France	19.510	16.130