

News Updates

Kuwait's economic growth slowed to 0.7 per cent in 2019, says IMF –

The International Monetary Fund (IMF) said that Kuwait's non-oil growth strengthened in 2019, but lower oil prices and output curbs are weighing on the oil sector, bringing the country's overall growth to around 0.7 per cent in 2019 from 1.2 per cent in 2018. The Washington-based fund stated that its projections are based on oil prices declining from \$62 per barrel in 2019 to about \$56 per barrel in 2023 and remaining broadly unchanged thereafter. "The current conjuncture and the exhaustible nature of oil underscore the need to diversify the economy and ensure adequate savings for future generations," the IMF said in a report.

Kuwait could need \$180 bln in financing over the next six years -IMF –

The International Monetary Fund estimates that Kuwait's financing needs will amount to some \$180 billion over the next six years given the Gulf state's "modest" fiscal measures and expectations of lower oil prices. Kuwait said earlier this month it expects a budget deficit of 9.2 billion dinars (\$30.31 billion) in the fiscal year starting on April 1, a deficit increase of 19% compared to the previous year. "Subdued oil prices and output are weighing on near-term growth prospects and external and fiscal balances," the Washington-based international crisis lender said in a statement describing its preliminary findings at the end of an official visit to the country. A major oil exporter, Kuwait was among the most resilient economies in the region when oil prices sank in 2014-2015 thanks to low debt and large financial assets. But it has not tapped global debt markets since its debut \$8 billion debt sale in 2017, because parliament has yet to pass a law that would allow it to raise its debt ceiling and to issue debt with longer maturities.

Saudi Arabia closes January Sukuk issuance – The Saudi Ministry of Finance announced that it has closed the January 2020 issuance under the Saudi Arabian Government SAR-denominated Sukuk Program. The issuance size was set at SAR 6.720 billion, according to an official statement issued on Monday. Moreover, the issuance was divided into two tranches, a SAR 715 million tranche that matures in 2027, while the second tranche was valued at SAR 6.005 billion, with a total tranche size of SAR 7.842 billion, which matures in 2030.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Yield Δ (YTD %)	Sovereigns	Maturity	Yield %	Yield Δ (YTD %)
Abu Dhabi	2027	2.33	-2.90	KSA	2025	2.26	-3.46
Abu Dhabi	2047	3.18	-1.21	KSA	2029	2.72	-3.83
Bahrain	2024	3.47	1.68	KSA	2049	3.79	-1.94
Bahrain	2029	4.61	1.85	Oman	2025	4.06	-2.49
Bahrain	2047	5.88	0.31	Oman	2029	5.43	2.21
Dubai	2023	2.47	1.71	Oman	2048	6.84	2.70
Dubai	2029	3.11	-0.57	Qatar	2024	2.06	-3.90
Kuwait	2022	1.86	-2.33	Qatar	2028	2.46	-1.40
Kuwait	2027	2.26	-2.13	Qatar	2049	3.43	-1.30

Source: Bloomberg

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.10	7.33	0.08	0.56
S&P MENA Bond and Sukuk Index	2.86	NA	0.13	0.80
Bloomberg Emerging Markets USD Index	4.75	6.28	-0.06	1.06
Bloomberg Global Aggregate Index	1.30	7.27	0.33	0.77

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	27/01/2020	31/12/2019	27/01/2020	31/12/2019	27/01/2020	31/12/2019
KIBOR	2.7500	2.7500	2.9375	2.9375	3.1875	3.1875
SAIBOR	2.1957	2.2314	2.2186	2.2557	2.2771	2.3071
BHIBOR	2.2500	2.2500	2.7333	2.7000	2.8833	2.8333
QATAR	2.2846	2.2500	2.3846	2.3500	2.6556	2.5333
AEIBOR	1.9788	2.2086	2.1333	2.1914	2.3168	2.2900
EURIBOR	-0.3860	-0.3830	-0.3230	-0.3240	-0.2580	-0.2490
LIBOR	1.7954	1.9084	1.8053	1.9121	1.8799	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	1.6351	-0.12	-7.6	KWD	0.3038	-0.0099	-0.22
2-Year	1.4922	-0.02	-12.1	SAR	3.7519	-0.0027	0.00
5-Year	1.4318	-0.32	-17.2	BHD	0.3770	-0.0027	0.02
7-Year	1.4715	-0.07	-18.1	QAR	3.6658	-0.0273	-0.17
10-Year	1.5528	0.20	-18.1	OMR	0.3850	-0.0649	-0.01
30-Year	1.7367	-0.03	-17.0	AED	3.6730	0.0000	0.00

US Treasuries

	UK Gilt		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	1.43	0.02	0.39	0.02
5-Year	1.44	0.03	0.34	0.18
10-Year	1.61	-0.01	0.51	0.53
30-Year	2.06	0.00	1.01	1.51

Sovereign Ratings

	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	CC
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		16.32
Kuwait	35.940		5.49
Dubai	90.720		4.56
Bahrain	150.670		-8.61
Qatar	43.130		22.04
KSA	64.660		16.24
Egypt	241.180		-7.98
Lebanon	3265.350		42.51
Turkey	244.943		-12.49
Iraq	398.060		17.09
Morocco	75.390		-6.61
China	41.664		36.32
France	16.250		-2.39
Germany	7.120		-4.10
Japan	19.404		-2.94
UK	16.200		-8.34
US	12.660		15.19