

News Updates

UAE Plots New Stimulus Measures to Bolster Virus-Hit Economy –

The United Arab Emirates will deliver a three-stage "flexible package" of measures to bolster the economy, including steps to support the labor market and encourage investment, state-run WAM reported on Wednesday. Economy Minister Abdullah bin Touq Al-Marri said the proposals would provide "studied" stimulus packages. The UAE's central bank had provided more than 256 billion dirhams (\$70 billion) of stimulus by March to aid businesses amid the coronavirus pandemic. The minister didn't provide further details. Business conditions in the UAE saw a second straight monthly improvement, according to Purchasing Managers' Index surveys compiled by IHS Markit published on Wednesday. Small- and medium-sized enterprises will get support in the first stage of the plan, including through efforts to promote tourism, WAM reported. The following two stages will focus on sustainable long-term economic growth. (Source: Bloomberg)

Mubadala's Mamoura lists \$4bln bond on Abu Dhabi's ADX –

Abu Dhabi Securities Exchange (ADX) has announced a \$4 billion listing of Fixed Rate Notes issued by MDGH GHTN B.V. The listing is guaranteed by Mamoura Diversified Global Holding PJSC (MDGH). MDGH is the debt entity of Mubadala Investment Company, and the MDGH bonds have their primary listing on the London Stock Exchange. (Source: Zawya)

U.S. Treasury Expects Borrowing Needs to Remain Elevated Amid

Coronavirus Spending Surge – The Treasury Department said Wednesday it expects the government's borrowing needs to moderate somewhat this quarter but remain elevated amid an unprecedented surge in federal spending to combat the coronavirus pandemic. The Treasury plans to increase auction sizes across all securities, particularly 7- and 10-year notes and 20- and 30-year bonds, as part of a broader effort to shift government financing to longer-dated maturities. Treasury officials also said they are taking a precautionary approach to government outflows, and expect to maintain a higher cash balance for the foreseeable future until the uncertainty around government outflows diminishes. The Treasury on Monday estimated the cash balance would fall to \$800 billion by the end of the current quarter. "The extent of the decline will depend on several uncertain factors, including the pace of outflows under current law and the potential for additional legislation," Brian Smith, Treasury's assistant secretary for federal finance, said in a statement Wednesday. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.26	7.11	KSA	2025	1.20	4.16
Abu Dhabi	2047	2.45	13.82	KSA	2029	1.86	6.50
Bahrain	2024	3.70	-2.22	KSA	2049	2.95	16.15
Bahrain	2029	5.07	-4.64	Oman	2025	4.62	-2.95
Bahrain	2047	6.45	-7.65	Oman	2029	6.47	-7.88
Dubai	2023	1.42	1.59	Oman	2048	7.61	-10.88
Dubai	2029	2.81	1.46	Qatar	2024	0.81	3.91
Kuwait	2022	0.49	1.76	Qatar	2028	1.47	6.06
Kuwait	2027	1.25	5.82	Qatar	2049	2.55	17.27

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.63	7.32	0.24	6.72
S&P MENA Bond and Sukuk Index	2.08	NA	0.09	8.54
Bloomberg Emerging Markets USD Index	4.15	6.26	0.33	3.13
Bloomberg Global Aggregate Index	0.80	7.33	0.28	6.17

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	06/08/2020	31/12/2019	06/08/2020	31/12/2019	06/08/2020	31/12/2019
KIBOR	1.5625	2.7500	1.8125	2.9375	2.1250	3.1875
SAIBOR	0.9200	2.2314	0.9700	2.2557	1.0200	2.3071
BHIBOR	2.3000	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.1833	2.2500	1.2500	2.3500	1.3833	2.5333
AEIBOR	0.5913	2.2086	0.6602	2.1914	0.9433	2.2900
EURIBOR	-0.4720	-0.3830	-0.4210	-0.3240	-0.3380	-0.2490
LIBOR	0.2485	1.9084	0.3055	1.9121	0.4509	1.9963

USD Swap Rates

	Currencies				Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.2145	0.00	-87.9	KWD	0.3057	0.0654	-0.85
2-Year	0.1940	1.06	-88.6	SAR	3.7510	-0.0027	0.02
5-Year	0.2639	2.07	-84.7	BHD	0.3770	0.0000	0.02
7-Year	0.3815	2.45	-78.8	QAR	3.6420	0.0082	0.01
10-Year	0.5347	2.87	-71.8	OMR	0.3850	0.0000	0.00
30-Year	0.7939	3.48	-62.0	AED	3.6731	0.0000	0.00

US Treasuries

	UK Gilts			German Bunds	
	Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.12	-0.01	-0.06	-0.03	-0.71
5-Year	0.22	-0.12	-0.10	-0.17	-0.73
10-Year	0.54	-0.32	0.13	-0.70	-0.57
30-Year	1.22	-0.82	0.66	-2.03	-0.10

Source: Bloomberg

Sovereign Ratings

	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	C	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+
USD 5Yr CDS	6-Aug 2020	31-Dec 2019	
Kuwait	55.510	36.700	
KSA	86.440	56.915	
Abu Dhabi	49.810	36.090	
Dubai	162.280	91.005	
Qatar	48.680	36.705	
Bahrain	295.330	175.995	
Oman	434.300	234.400	
Iraq	663.240	383.680	
Egypt	438.370	277.420	
Morocco	136.470	91.435	
Turkey	585.080	282.130	
US	13.190	10.810	
UK	20.720	16.210	
China	40.390	31.205	
Japan	16.420	21.042	
Germany	10.080	7.080	
France	15.940	16.130	