

News Updates

Saudi Finance Ministry closes book on July sukuk issuance – Saudi Arabia's Ministry of Finance has closed the book to investors on its July 2020 riyal-dominated sukuk program, seeking to raise SR1 billion, the ministry said in a tweet. The sukuk are divided into two tranches of 5 and 7 years. The first tranche has a size of SR452.2 million and a total tranche size of SR7.001 billion and matures in 2025. The second tranche has a size of SR547.8 million, and a total tranche size of SR547.8 million and matures in 2027. (Source: Zawya)

NMC seeks up to \$250mIn ahead of UAE insolvency proceedings – Hospital operator NMC Health is looking to raise up to \$250 million in debt while it prepares for insolvency proceedings in the United Arab Emirates and has picked Perella Weinberg Partners to advise it on the process, sources said. The company, run by administrators Alvarez & Marsal, has also tasked Perella to advise it on the sale of UK-based Aspen Healthcare, a company it acquired in 2018, the two sources familiar with the matter said. Its UAE entity is considering to apply for insolvency under the jurisdiction of Abu Dhabi Global Markets (ADGM), sources have previously told Reuters, to obtain protection from the court from any enforcement from creditors, similar to Chapter 11 in the United States. The \$250 million loan, referred to as debtor-in-possession financing, would help sustain operations and cover advisers' fees while the company navigates insolvency proceedings, the sources said. The financing is contingent on ADGM accepting NMC's filing under its jurisdiction, one of them added. (Source: Zawya)

Bond Market Eyeing Record-Low Yields Set for Nudge From the Fed – Treasuries traders are once again eyeing record low yields, with dimming hopes for a sharp U.S. growth recovery fueling expectations that the Federal Reserve is about to signal more accommodation ahead. The benchmark 10-year yield just posted its lowest-ever weekly close, at 0.59%. And after stripping out inflation, the real yield -- one of the market's purest reads on the economy -- has almost never finished a trading day lower than Friday's minus 0.91%. Wall Street strategists expect Fed Chairman Jerome Powell to send a sufficiently dovish message after the central bank's July 28-29 meeting to sustain downward pressure on yields, which have also been sinking amid mounting coronavirus cases and escalating U.S.-China tension. The odds are that no concrete changes emerge, but traders are betting that officials will hint at further steps, such as changes to guidance on its policy rate. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.36	6.28	KSA	2025	1.32	3.51
Abu Dhabi	2047	2.64	9.85	KSA	2029	2.00	5.42
Bahrain	2024	4.02	-3.37	KSA	2049	3.22	10.75
Bahrain	2029	5.21	-5.61	Oman	2025	4.82	-3.96
Bahrain	2047	6.54	-8.80	Oman	2029	6.79	-10.00
Dubai	2023	1.32	1.84	Oman	2048	7.67	-11.96
Dubai	2029	2.82	1.17	Qatar	2024	0.99	3.43
Kuwait	2022	0.29	1.83	Qatar	2028	1.62	4.80
Kuwait	2027	1.39	4.93	Qatar	2049	2.79	12.50

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.75	7.32	-0.23	5.42
S&P MENA Bond and Sukuk Index	2.18	NA	-0.21	7.35
Bloomberg Emerging Markets USD Index	4.32	6.26	-0.16	2.01
Bloomberg Global Aggregate Index	0.87	7.33	0.14	5.29

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	26/07/2020	31/12/2019	26/07/2020	31/12/2019	26/07/2020	31/12/2019
KIBOR	1.5625	2.7500	1.8125	2.9375	2.1250	3.1875
SAIBOR	0.9371	2.2314	0.9857	2.2557	1.0357	2.3071
BHIBOR	2.3000	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.0015	2.2500	1.1054	2.3500	1.3127	2.5333
AEIBOR	0.5475	2.2086	0.7550	2.1914	1.1008	2.2900
EURIBOR	-0.4480	-0.3830	-0.3730	-0.3240	-0.2920	-0.2490
LIBOR	0.2468	1.9084	0.3185	1.9121	0.4595	1.9963

USD Swap Rates

	Currencies				Currencies		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
1-Year	0.2361	0.06	-86.7	KWD	0.3066	0.0326	-1.14
2-Year	0.2123	0.18	-87.5	SAR	3.7506	0.0000	0.02
5-Year	0.3088	0.34	-82.1	BHD	0.3770	0.0027	0.01
7-Year	0.4305	0.89	-76.1	QAR	3.6417	-0.0137	0.00
10-Year	0.5822	1.33	-69.3	OMR	0.3850	0.0000	0.00
30-Year	0.8177	1.56	-60.9	AED	3.6729	0.0000	0.00

US Treasuries

	UK Gilts			German Bunds	
	Yield %	1D Δ (%)		Yield %	1D Δ (%)
2-Year	0.15	0.01	-0.10	-0.02	-0.67
5-Year	0.28	-0.02	-0.10	-0.07	-0.67
10-Year	0.59	-0.09	0.14	-0.30	-0.51
30-Year	1.23	0.07	0.65	-0.53	-0.03

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	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+
USD 5Yr CDS	26-Jul 2020	31-Dec 2019	
Kuwait	58.510	36.700	
KSA	86.480	56.915	
Abu Dhabi	51.780	36.090	
Dubai	166.720	91.005	
Qatar	49.900	36.705	
Bahrain	325.870	175.995	
Oman	467.570	234.400	
Iraq	691.340	383.680	
Egypt	432.890	277.420	
Morocco	121.790	91.435	
Turkey	491.180	282.130	
US	13.200	10.810	
UK	20.220	16.210	
China	43.360	31.205	
Japan	17.400	21.042	
Germany	10.690	7.080	
France	16.390	16.130	