

News Updates

Saudi Arabia raises 8.495 bln riyals in Islamic bonds - finance ministry – Saudi Arabia has raised 8.495 billion riyals (\$2.27 billion) in sukuk, or Islamic bonds, in June, the finance ministry said on Sunday. The first tranche of the sukuk issue is 2.494 billion riyals, and the total tranche size is 5.017 billion riyals, maturing in 2027, a ministry statement said. The second tranche has a size of 3.670 billion riyals, and a total tranche size of 13.966 billion riyals, maturing in 2030. The third tranche has a size of 2.331 billion riyals, and a total tranche size of 10.569 billion riyals, maturing in 2035. (Source: Reuters)

APICORP issues \$750m five-year bond – The Arab Petroleum Investments Corporation (APICORP) has issued a \$750 million five-year bond. The issuance is part of APICORP’s \$3 billion Global Medium-Term Note (GMTN) program and will bolster the corporation’s business operations, the development bank said in a statement. The five-year notes’ cost of funding is 1.46 percent per annum and the spread stood at 110bps. The latest issuance attracted more than \$1.1 billion in orders for debt sale from over 40 investors of various types from within and outside the MENA region. (Source: Zawya)

Egypt repays over \$20bn worth external debts in 4 months – Egypt has repaid over \$20bn worth external debts to international financial and investment institutions in the past four months, and expects to repay more \$5bn within 12 months, a banking sector source has revealed. In statements to the Middle East News Agency (MENA), the source added that Egypt’s foreign debts constitute less than 33% of GDP. The source added that Egypt has paid off its short-term debts, and replaced them with a long-term loan portfolio, some of which extend for 40 years. This brings the country’s long-term debt ratio to nearly 90% of the volume of debts it owes. He pointed out that Egypt had agreed on loans worth \$13bn from the International Monetary Fund (IMF) and the international market. These are long-term loans from which Egypt has so far obtained \$7.77bn, including \$2.77bn from the IMF as part of the rapid financing instrument, and a further \$5bn worth of bonds sold last month. This came against repaying the \$20bn commitment in the last four months and \$5bn that will be paid before June 2021. (Source: Zawya)

Treasuries’ Best Run Since 1995 Shows Traders Girding for Worst – The world’s biggest bond market is holding firm in its conviction that the revival of the American economy from the devastation of the pandemic will be slow and fragmented. Benchmark 10-year Treasury yields at 0.64% are barely changed from the end of March. Investors have pounced on any sell-off as a buying opportunity, keeping yields in check after they slid 125 basis points in the first quarter. The result is that Treasuries are up about 9% in 2020, on pace for the best first-half performance in the Bloomberg Barclays U.S. Treasury index since 1995. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.67	4.35	KSA	2025	1.52	2.90
Abu Dhabi	2047	2.90	5.11	KSA	2029	2.26	3.63
Bahrain	2024	4.12	-3.36	KSA	2049	3.62	3.65
Bahrain	2029	5.34	-6.30	Oman	2025	5.17	-5.20
Bahrain	2047	6.51	-8.34	Oman	2029	6.88	-10.51
Dubai	2023	1.63	1.31	Oman	2048	7.87	-13.68
Dubai	2029	3.05	-0.40	Qatar	2024	1.27	2.49
Kuwait	2022	0.68	1.62	Qatar	2028	1.95	2.90
Kuwait	2027	1.60	3.76	Qatar	2049	3.10	6.49

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	Ba2	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+

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.01	7.32	0.34	2.62
S&P MENA Bond and Sukuk Index	2.47	NA	0.26	4.36
Bloomberg Emerging Markets USD Index	4.64	6.26	0.10	-0.36
Bloomberg Global Aggregate Index	0.95	7.33	-0.01	2.97

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019	30/06/2020	31/12/2019
KIBOR	1.6250	2.7500	1.8750	2.9375	2.1250	3.1875
SAIBOR	0.9900	2.2314	1.0471	2.2557	1.0971	2.3071
BHIBOR	2.2500	2.6667	2.4333	2.7000	2.5667	2.8333
QATAR	1.0235	2.2500	1.1288	2.3500	1.2655	2.5333
AEIBOR	0.5454	2.2086	0.8788	2.1914	1.1966	2.2900
EURIBOR	-0.4030	-0.3830	-0.2830	-0.3240	-0.1990	-0.2490
LIBOR	0.3079	1.9084	0.3614	1.9121	0.5663	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2673	-1.28	-84.9
2-Year	0.2295	-1.02	-86.5
5-Year	0.3229	-1.76	-81.3
7-Year	0.4571	-1.18	-74.6
10-Year	0.6230	-0.42	-67.1
30-Year	0.8993	1.81	-57.0

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3078	0.0000	-1.51
SAR	3.7521	0.0000	0.01
BHD	0.3772	0.0000	-0.01
QAR	3.6421	0.0027	0.01
OMR	0.3850	0.0000	0.00
AED	3.6731	-0.0027	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.16	0.01
5-Year	0.29	0.08
10-Year	0.64	-0.02
30-Year	1.40	-0.59

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.10	0.03
5-Year	-0.06	0.06
10-Year	0.16	0.11
30-Year	0.61	0.38

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.72	-0.01
5-Year	-0.72	-0.05
10-Year	-0.54	-0.11
30-Year	-0.03	-0.64

Source: Bloomberg

USD 5Yr CDS	30-Jun 2020	31-Dec 2019
Kuwait	70.540	36.700
KSA	106.020	56.915
Abu Dhabi	74.350	36.090
Dubai	177.220	91.005
Qatar	74.260	36.705
Bahrain	335.570	175.995
Oman	480.080	234.400
Iraq	775.170	383.680
Egypt	486.340	277.420
Morocco	138.580	91.435
Turkey	492.340	282.130
US	12.040	10.810
UK	27.100	16.210
China	50.310	31.205
Japan	15.770	21.042
Germany	14.360	7.080
France	20.820	16.130