

News Updates

Moody's affirms Boubyan Bank's credit ratings; outlook stable – Moody's Investors Service has maintained all the credit ratings of Boubyan Bank, with a 'Stable' outlook, according to the bank's disclosure to Boursa Kuwait on Wednesday. The credit rating agency has affirmed the bank's long-term deposit rating at 'A3', short-term deposit rating at 'P-2', and baseline credit assessment at 'ba1'. The Kuwaiti bank's 'ba1' rating reflects the fast-growing domestic services provided to individuals and companies, supporting the bank's stable funding as well as solid profitability and capital. It is noteworthy to mention that in 2019, the bank's net profits increased by 12% year-on-year (YoY) to KWD 62.65 million, when compared to KWD 56.11 million in 2018. (Source: Mubasher)

Moody's upgrades TAQA's ratings to Aa3 following successful transfer of assets; stable outlook – Moody's Investors Service has today upgraded the issuer rating of Abu Dhabi National Energy Company (TAQA) to Aa3 from A3 and its short term rating to P-1 from P-2. The outlook on all ratings is stable. TAQA successfully completed the transfer of certain assets from Abu Dhabi Power Corporation PJSC (ADPower), TAQA's main direct shareholder, on 1 July 2020. The transaction significantly enhances TAQA's asset portfolio, adding transmission and distribution assets to its generation assets and creating a monopoly integrated utility in the emirate of Abu Dhabi. (Source: Bloomberg)

Dubai's GDP declines by 3.5% in Q1 2020; real estate, finance retain growth – Dubai's real Gross Domestic Product (GDP) showed a 3.5 percent decline year-on-year in the first quarter of 2020 mainly due to the impact of COVID-19 on the emirate's tourism and business sectors, latest data from Dubai Statistics Centre (DSC) revealed. The emirate's GDP registered a growth of 2.2 percent in 2019. Real estate, finance, manufacturing and the government sector in Dubai retained their growth in Q1 2020. Real estate activity registered a growth of 3.7 percent in Q1 2020 compared to Q1 2019, contributing 8 percent to the overall economy. The finance and insurance sector recorded a slight growth of 0.3 percent and contributed 11.6 percent to Dubai's overall economy in Q1 2020. (Source: Zawya)

Jordan Returns to Bond Market With 'Cheap' Two-Part Deal – Jordan returned to international debt markets for the first time in almost three years as the coronavirus pandemic batters its finances. The Middle Eastern country sold benchmark-sized dollar-denominated debt maturing in five and 10 years on Tuesday, according people familiar with the matter. The government was met with great success, with the offering six times oversubscribed, according to the Finance Ministry. Jordan offered a yield of 5.85% on \$1.25 billion in securities due July 2030, down from the initial price talk of 6.375%. That compares with a yield of 5.58% on Bahrain's 10-year debt that was issued in May. Jordan sold \$500 million in 2025 notes at a yield of around 4.95%, lower than an initial price talk of 5.375%. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.58	4.96	KSA	2025	1.45	3.19
Abu Dhabi	2047	2.87	5.54	KSA	2029	2.17	4.31
Bahrain	2024	4.08	-3.28	KSA	2049	3.55	4.90
Bahrain	2029	5.31	-6.12	Oman	2025	5.11	-4.99
Bahrain	2047	6.53	-8.53	Oman	2029	6.90	-10.61
Dubai	2023	1.63	1.27	Oman	2048	7.84	-13.38
Dubai	2029	3.04	-0.29	Qatar	2024	1.16	2.86
Kuwait	2022	0.57	1.76	Qatar	2028	1.83	3.67
Kuwait	2027	1.51	4.30	Qatar	2049	3.05	7.43

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.04	7.32	-0.02	2.47
S&P MENA Bond and Sukuk Index	2.48	NA	-0.12	4.20
Bloomberg Emerging Markets USD Index	4.66	6.26	0.04	-0.43
Bloomberg Global Aggregate Index	0.95	7.33	-0.02	2.98

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	02/07/2020	31/12/2019	02/07/2020	31/12/2019	02/07/2020	31/12/2019
KIBOR	1.6250	2.7500	1.8750	2.9375	2.1250	3.1875
SAIBOR	0.9857	2.2314	1.0443	2.2557	1.0943	2.3071
BHIBOR	2.2500	2.6667	2.4333	2.7000	2.5667	2.8333
QATAR	1.1578	2.2500	1.2263	2.3500	1.3385	2.5333
AEIBOR	0.7215	2.2086	0.9557	2.1914	1.3795	2.2900
EURIBOR	-0.4130	-0.3830	-0.2870	-0.3240	-0.2050	-0.2490
LIBOR	0.2961	1.9084	0.3669	1.9121	0.5559	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2683	0.38	-84.8
2-Year	0.2285	0.34	-86.5
5-Year	0.3406	1.44	-80.3
7-Year	0.4828	1.56	-73.1
10-Year	0.6555	1.65	-65.4
30-Year	0.9448	2.41	-54.8

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3079	0.0000	-1.54
SAR	3.7518	-0.0027	0.01
BHD	0.3771	0.0000	0.00
QAR	3.6421	0.0110	0.01
OMR	0.3850	0.0000	0.00
AED	3.6731	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.16	-0.01
5-Year	0.30	-0.07
10-Year	0.67	-0.13
30-Year	1.43	-0.34

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.08	-0.04
5-Year	-0.03	-0.16
10-Year	0.21	-0.52
30-Year	0.67	-0.94

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.69	-0.04
5-Year	-0.66	-0.24
10-Year	-0.47	-0.58
30-Year	0.05	-1.57

Source: Bloomberg

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

	2-Jul 2020	31-Dec 2019
Kuwait	71.550	36.700
KSA	92.820	56.915
Abu Dhabi	66.540	36.090
Dubai	182.240	91.005
Qatar	65.220	36.705
Bahrain	338.980	175.995
Oman	487.930	234.400
Iraq	776.060	383.680
Egypt	465.850	277.420
Morocco	138.920	91.435
Turkey	472.570	282.130
US	11.690	10.810
UK	26.650	16.210
China	48.580	31.205
Japan	15.970	21.042
Germany	13.760	7.080
France	20.860	16.130