

## News Updates

**Abu Dhabi to raise \$3bn with April bonds re-opening** – Oil-rich Abu Dhabi issued in April \$7 billion in bonds due in 2025, 2030 and 2050, just after a jumbo \$10 billion bond sale by Qatar. Considered among the best credits in the region, Abu Dhabi, the capital of the United Arab Emirates, received around \$45 billion in orders for the April deal. It has now gone back to the markets with a bond tap, where an existing transaction is reopened for subscription using the same documentation as before. It is set to raise \$3 billion more, according to a document issued by one of the banks leading the deal and seen by Reuters. The deal has attracted around \$20 billion in orders. The emirate sold \$1 billion in each tranche. It is offering 135 basis points over U.S. Treasuries for the bonds due in 2025, 150 bps over the same benchmark for the tranche due in 2030, and 3.25% for the notes due in 2050, according to the document. "As expected, the pricing is in line with the earlier tranche," a Dubai-based fixed income strategist said. "The interesting point to note is there is no skew in demand towards the 30-year bonds, unlike in April, when investors clearly preferred the long end. We believe high dollar price might one of the reasons for this," he said.

**Record Decline in EM Holdings of U.S. Treasuries** – Reserve selling reached record levels across emerging markets in March, yet the pace appears to be moderating as central bank stimulus improves financial conditions. Foreign treasury holdings are down sharply this year, as the increase in market volatility because of Covid-19 pushes U.S. yields to fresh lows. Emerging market central banks unloaded a record \$150 billion of U.S. treasury securities in March, as the surge in currency volatility drove foreign capital offshore. Saudi Arabia, Brazil and India accounted for nearly half of all U.S. treasuries sold by EM economies in March, prompting the U.S. Federal Reserve to roll out short-term currency-swap lines that allow foreign central banks to raise dollars without liquidating securities via the secondary market.

**Saudi Tadawul approves listing \$1.54bn government debt** – The Saudi Stock Exchange (Tadawul) has approved the listing of debt instruments from a class already listed, as requested by the Ministry of Finance. The value of the new debt instruments, issued by the Saudi government, amounts to a total of SAR 5.755 billion. This includes a SAR 3.8 increase in the issuance of 5 October 2019, and SAR 1.95 billion addition to the 10 October 2019 issuance. The listing of the government debt instruments reissue shall commence starting from Tuesday, 19 May 2020.

**Dubai's inflation rate declines 3.34% in April 2020** – Dubai's inflation rate continued to fall for the seventeenth month in a row to register a 3.34% year-on-year (YoY) decline in April amid the coronavirus (COVID-19) pandemic. The Consumer Price Index (CPI) decreased to 103.93 points in April 2020, compared to 107.5 points in the same month of 2019, according to the latest data by Dubai Statistics Centre. In December 2018, Dubai's inflation rate began to decrease for the first time in four years.

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.93	2.65	KSA	2025	2.10	0.31
Abu Dhabi	2047	3.21	-0.59	KSA	2029	2.60	1.16
Bahrain	2024	5.18	-6.67	KSA	2049	3.97	-2.34
Bahrain	2029	6.50	-13.59	Oman	2025	5.94	-8.59
Bahrain	2047	7.45	-18.30	Oman	2029	7.96	-16.97
Dubai	2023	1.98	0.55	Oman	2048	8.67	-21.22
Dubai	2029	3.48	-3.43	Qatar	2024	1.61	1.49
Kuwait	2022	1.18	0.94	Qatar	2028	2.30	0.52
Kuwait	2027	1.82	2.54	Qatar	2049	3.48	-0.15

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	3.64	7.32	0.69	-1.58
S&P MENA Bond and Sukuk Index	2.89	NA	0.58	0.82
Bloomberg Emerging Markets USD Index	5.42	6.26	0.63	-5.00
Bloomberg Global Aggregate Index	1.09	7.33	-0.02	0.70

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	20/05/2020	31/12/2019	20/05/2020	31/12/2019	20/05/2020	31/12/2019
KIBOR	1.6875	2.7500	1.9375	2.9375	2.1875	3.1875
SAIBOR	1.0971	2.2314	1.1629	2.2557	1.1914	2.3071
BHIBOR	2.3000	2.6667	2.3833	2.7000	2.5917	2.8333
QATAR	1.1887	2.2500	1.2464	2.3500	1.3798	2.5333
AEIBOR	0.8931	2.2086	1.0775	2.1914	1.2361	2.2900
EURIBOR	-0.2760	-0.3830	-0.1370	-0.3240	-0.0840	-0.2490
LIBOR	0.3766	1.9084	0.6281	1.9121	0.7183	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.3005	-1.47	-83.0
2-Year	0.2591	-1.13	-84.7
5-Year	0.3755	-2.95	-78.3
7-Year	0.5146	-2.95	-71.4
10-Year	0.6811	-2.69	-64.1
30-Year	0.9505	-1.20	-54.6

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3089	0.0810	-1.86
SAR	3.7585	0.0053	-0.14
BHD	0.3778	0.0000	-0.13
QAR	3.6420	0.0055	0.01
OMR	0.3850	0.0000	0.01
AED	3.6731	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.17	0.02
5-Year	0.34	0.16
10-Year	0.70	0.26
30-Year	1.43	0.26

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.03	0.06
5-Year	0.05	0.12
10-Year	0.24	0.13
30-Year	0.64	0.37

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.67	-0.03
5-Year	-0.68	-0.07
10-Year	-0.50	-0.02
30-Year	-0.05	0.62

USD 5Yr CDS	20-May 2020	31-Dec 2019
Kuwait	93.710	36.700
KSA	137.630	56.915
Abu Dhabi	92.870	36.090
Dubai	221.040	91.005
Qatar	93.390	36.705
Bahrain	441.120	175.995
Oman	658.130	234.400
Iraq	1122.110	383.680
Egypt	591.190	277.420
Morocco	153.000	91.435
Turkey	574.570	282.130
US	13.780	10.810
UK	29.730	16.210
China	47.500	31.205
Japan	25.400	21.042
Germany	19.750	7.080
France	36.870	16.130

Source: Bloomberg