

News Updates

National Bank of Kuwait \$300m 10NC5 Tier 2 Bond Priced at 2.5% – \$300m WNG 10NC5 Reg S (Nov. 24, 2030) at Par to Yield 2.5%. Guidance 2.5%-2.625%, priced in range, IPT 2.875%. Issuer was NBK Tier 2 Ltd. Guarantor was National Bank of Kuwait SAKP. Format of the issue is Reg S, resetting subordinated tier 2 note. Guarantor rating is A1 / A / AA- (Moody's / S&P / Fitch; all stable outlook). Issue rating is Baa1 (Moody's). The notes constitute direct, unconditional, subordinated and unsecured obligations of the issuer and rank pari passu and without preference among themselves. The payment obligations of the issuer under the notes will rank (a) junior to all senior obligations, (b) pari passu with all pari passu obligations, and (c) senior to all junior obligations. (Source: Bloomberg)

Kuwait Intl Bank Hires Advisers for \$ Reg S Sukuk – Kuwait International Bank KSCP (“KIB”) has mandated Citi and Standard Chartered Bank as JGCs and, together with Boubyan Bank, Emirates NBD Capital, First Abu Dhabi Bank, Kamco Invest and KFH Capital, as JLMs and JBRs, to arrange a global investor conference call on Wednesday Nov. 18, 2020, along with a series of fixed income investor calls. A Tier 2 10NC5 USD Reg S Sukuk offering, will follow, subject to market conditions. Expected issue rating: A- (Fitch). (Source: Bloomberg)

World's Biggest Oil Firm Saudi Aramco Sells \$8 Billion in Bonds – Saudi Aramco sold bonds on Tuesday to help fund a \$75 billion dividend, returning to the debt markets for the first time since April of last year. The state energy firm issued debt after slumping crude prices caused profit to fall by 45% in the third quarter. That's left it unable to generate enough cash to fund investor payouts, almost all of which go to the Saudi Arabian government, which needs the money to plug a widening budget deficit and prop up a slumping economy. Aramco, the world's biggest oil company, sold \$8 billion in tranches maturing in three, five, 10, 30 and 50 years, according to a person with knowledge of the matter. Earlier, the company re-launched the sale for a larger amount after an initial \$7.5 billion offering. Investor orders for the bonds were in excess of \$50 billion, according to people with knowledge of the matter. Benchmark Brent oil has dropped almost 35% this year to around \$44 a barrel, with the coronavirus pandemic and lockdowns sapping demand for energy. Despite that, yields in the developed world are so low that investors have rushed to buy highly rated emerging-market assets, including those of Aramco. The yield on the company's \$3 billion of bonds due in 2029 has dropped to 2.12% from 3.04% at the end of 2019. That's only slightly higher than the yield of Saudi government bonds with a similar maturity. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.82	5.28	KSA	2025	1.19	6.77
Abu Dhabi	2030	1.56	9.81	KSA	2030	2.03	10.93
Abu Dhabi	2050	2.69	20.28	KSA	2050	3.18	11.47
Bahrain	2026	3.49	-1.64	Oman	2025	4.88	-3.95
Bahrain	2030	4.94	15.44	Oman	2029	6.09	-5.46
Bahrain	2047	6.23	-5.32	Oman	2048	7.43	-8.95
Dubai	2029	2.53	3.14	Qatar	2025	0.95	6.63
Kuwait	2022	0.37	1.31	Qatar	2030	1.65	12.51
Kuwait	2027	1.14	5.83	Qatar	2050	2.75	24.31

Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	A1	AA-	AA
KSA	A1	A-u	A
UAE	Aa2	NR	NR
Abu Dhabi	Aa2	AA	AA
Qatar	Aa3	AA-	AA-
Bahrain	B2	B+	B+
Oman	Ba3	B+	BB-
Egypt	B2	B	B+
Lebanon	C	SD	RD
Jordan	B1	B+	BB-
Turkey	B2	B+u	BB-
Tunisia	B2	NR	B
Morocco	Ba1	BBB-	BB+
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	2.57	8.08	0.08	7.68
S&P MENA Bond and Sukuk Index	2.05	NA	-0.06	8.63
Bloomberg Emerging Markets USD Index	3.80	6.80	-0.01	4.38
Bloomberg Global Aggregate Index	0.89	7.42	0.31	7.19

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	18/11/2020	31/12/2019	18/11/2020	31/12/2019	18/11/2020	31/12/2019
KIBOR	1.4375	2.7500	1.6875	2.9375	2.0000	3.1875
SAIBOR	0.8363	2.2314	0.8863	2.2557	0.9550	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.0054	2.2500	1.0979	2.3500	1.3223	2.5333
AEIBOR	0.4373	2.2086	0.6810	2.1914	0.6572	2.2900
EURIBOR	-0.5220	-0.3830	-0.5050	-0.3240	-0.4760	-0.2490
LIBOR	0.2204	1.9084	0.2490	1.9121	0.3396	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2216	0.05	-87.5
2-Year	0.2594	0.01	-84.7
5-Year	0.4395	-0.36	-74.6
7-Year	0.6204	-0.47	-65.5
10-Year	0.8497	-0.68	-55.2
30-Year	1.2689	-0.97	-39.3

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3054	0.0327	-0.75
SAR	3.7505	0.0000	0.03
BHD	0.3771	0.0027	-0.01
QAR	3.6420	0.0192	0.02
OMR	0.3850	-0.0026	0.00
AED	3.6731	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.17	0.00
5-Year	0.37	0.03
10-Year	0.85	0.09
30-Year	1.60	0.27

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.05	0.01
5-Year	0.00	0.05
10-Year	0.32	0.29
30-Year	0.91	0.82

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.72	-0.01
5-Year	-0.76	0.03
10-Year	-0.63	0.16
30-Year	-0.16	0.69

Source: Bloomberg

USD 5Yr CDS

	18-Nov 2020	31-Dec 2019
Kuwait	40.18	36.700
KSA	68.11	56.915
Abu Dhabi	36.52	36.090
Dubai	112.09	91.005
Qatar	37.55	36.705
Bahrain	310.05	175.995
Oman	404.68	234.400
Iraq	582.90	383.680
Egypt	398.89	277.420
Morocco	107.12	91.435
Turkey	407.97	282.130
US	13.15	10.810
UK	17.63	16.210
China	31.83	31.205
Japan	14.68	21.042
Germany	9.36	7.080
France	16.15	16.130