

News Updates

Saudi Arabia completes portion of outstanding bonds valued at \$39.14bn – Saudi Arabia announced on Monday the completion of an early redemption of a portion of outstanding bonds maturing in August, September, November and December of this year with a total value of 34.26 billion riyals (\$9.14 billion). The kingdom has also issued new sukuk under its local sukuk programme, the finance ministry said in a statement. The new sukuk issuances comprise four tranches with a total value of 34.645 billion riyals. The first tranche with an amount of SAR 8.97 billion matures in 2024, the second tranche with an amount of SAR 6.025 billion matures in 2028, the third tranche with an amount of SAR 6.5 billion matures in 2032, and the fourth tranche with an amount of SAR 13.15 billion matures in 2035. (Source: Zawya)

Saudi Arabia posts \$29 bln deficit in Q2 as oil revenues slump – Saudi Arabia posted a deficit of 109.2 billion riyals (\$29.12 billion) in the second quarter this year as low oil prices impacted state coffers, according to a finance ministry quarterly budget performance report. The world’s largest oil exporter saw oil revenues decline by 45% year-on-year in the second quarter to \$25.5 billion while total revenues dropped 49% to nearly \$36 billion. Total expenditures in Q2 dropped annually by 17% to around \$65 billion, the document showed. (Source: Reuters)

ADNOC Considers Stake Sale in \$5 Billion of Properties – Abu Dhabi National Oil Co. is exploring the possibility of selling a stake in its real estate portfolio, the latest effort by the state-owned energy producer to raise funds and attract foreign investors. Initial estimates value the properties at about \$5 billion, according to people familiar with the matter, who asked not to be identified because talks are private. The plan is in its inception stage and could still change, they said. A potential deal could be structured along the same lines as the energy firm’s sale of a \$10.1 billion stake in its natural-gas pipelines last month, the people said. In that transaction, Adnoc sold a 49% holding in a new subsidiary housing the assets to a group of investors including Global Infrastructure Partners, Brookfield Asset Management Inc., Ontario Teachers’ Pension Plan and Singapore’s sovereign wealth fund. A sale of the assets will help bring cash into Abu Dhabi as the city grapples with this year’s 32% drop in oil prices and the economic fallout of lockdowns to curb the spread of the coronavirus. (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	1.37	6.37	KSA	2025	1.40	3.20
Abu Dhabi	2047	2.65	9.81	KSA	2029	2.00	5.54
Bahrain	2024	3.95	-3.03	KSA	2049	3.22	10.84
Bahrain	2029	5.14	-5.15	Oman	2025	4.75	-3.48
Bahrain	2047	6.50	-8.35	Oman	2029	6.71	-9.36
Dubai	2023	1.64	1.04	Oman	2048	7.70	-11.81
Dubai	2029	2.88	1.01	Qatar	2024	0.97	3.41
Kuwait	2022	0.55	1.73	Qatar	2028	1.63	4.83
Kuwait	2027	1.34	5.24	Qatar	2049	2.78	12.65

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	C	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	2.73	7.32	0.25	5.68
S&P MENA Bond and Sukuk Index	2.17	NA	0.15	7.51
Bloomberg Emerging Markets USD Index	4.30	6.26	0.12	2.13
Bloomberg Global Aggregate Index	0.86	7.33	0.57	5.89

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	29/07/2020	31/12/2019	29/07/2020	31/12/2019	29/07/2020	31/12/2019
KIBOR	1.5625	2.7500	1.8125	2.9375	2.1250	3.1875
SAIBOR	0.9314	2.2314	0.9800	2.2557	1.0314	2.3071
BHIBOR	2.3000	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.1292	2.2500	1.2044	2.3500	1.3630	2.5333
AEIBOR	0.5663	2.2086	0.6950	2.1914	0.9917	2.2900
EURIBOR	-0.4570	-0.3830	-0.3750	-0.3240	-0.2880	-0.2490
LIBOR	0.2696	1.9084	0.3166	1.9121	0.4569	1.9963

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2443	0.03	-86.2
2-Year	0.2169	-0.30	-87.2
5-Year	0.3010	-2.09	-82.6
7-Year	0.4203	-2.87	-76.6
10-Year	0.5705	-3.61	-69.9
30-Year	0.8110	-3.74	-61.2

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3061	0.0000	-0.96
SAR	3.7516	-0.0027	0.02
BHD	0.3771	0.0000	0.01
QAR	3.6419	-0.0027	0.00
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	0.14	0.02
5-Year	0.26	0.14
10-Year	0.58	0.38
30-Year	1.22	1.13

UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.10	-0.02
5-Year	-0.13	-0.03
10-Year	0.11	0.00
30-Year	0.62	0.14

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.70	0.02
5-Year	-0.72	0.09
10-Year	-0.57	0.14
30-Year	-0.10	0.52

Source: Bloomberg