

## News Updates

**Kuwait International Bank \$300m 10NC5 Bond Priced at 2.375% – \$300m 10NC5 Reg S (Nov. 30, 2030) priced at Par to Yield 2.375%. IPT was at 2.75% area. Issuer is KIB Sukuk Ltd. Guarantor is Kuwait International Bank KSCP. Format is Reg S CAT2, resetting subordinated tier 2 certificates due 2030. Subordination status of the certificates constitute relevant obligations of KIB under the transaction documents to which it is a party in respect of the certificates, will: (a) constitute tier 2 capital of KIB; (b) constitute direct, unsecured, conditional and subordinated obligations of KIB; (c) rank subordinate to all senior obligations; (d) rank pari passu with all other pari passu obligations; and (e) rank in priority to all junior obligations. The issue is expected to be rated A- by Fitch. JLMs include Boubyan Bank, Citigroup, Emirates NBD Capital, First Abu Dhabi Bank, Kamco Invest, KFH Capital and Standard Chartered Bank (B&D) (Source: Bloomberg)**

**Saudi Arabia Won't Tap Debt Market Again in 2020, Minister Says – Saudi Arabia has no plans to tap international debt markets again this year as the kingdom leans on domestic borrowing to cover its budget deficit, Finance Minister Mohammed Al-Jadaan said. “We went to the local market significantly this year, we are likely to go to the market next year,” Al-Jadaan said in an interview with Bloomberg TV on Friday. “There are no plans currently for an international issuance.” The world’s largest crude exporter is relying on more borrowing as it grapples with the impact of the twin economic shocks caused by oil market turmoil and the coronavirus pandemic. But the kingdom covered nearly its entire budget deficit with domestic borrowing in the third quarter, even as its fiscal gap widened 27% from a year earlier. (Source: Bloomberg)**

**Goldman Says Saudi Peg ‘Here to Stay,’ Though at Cost to Economy – Saudi Arabia is sacrificing non-oil economic growth with fiscal policies designed to ensure its currency peg’s stability during a period of low crude prices, according to Goldman Sachs Group Inc. “Maintaining the riyal peg at current levels remains a key policy priority for the Saudi authorities,” Farouk Soussa, a London-based analyst at Goldman, said in a report to clients. “In a low oil price environment, however, this means that fiscal policy will have to tighten, keeping the budget deficit in check in order to ensure that external balances remain consistent with peg stability.” Saudi Arabia tethers its currency to the dollar and tends to move in lockstep with the U.S. Federal Reserve. Although pressure intensified earlier this year with the collapse in crude prices, 12-month dollar-forwards for the Saudi riyal have since stabilized. (Source: Bloomberg)**

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.82	5.25	KSA	2025	1.14	7.01
Abu Dhabi	2030	1.55	9.91	KSA	2030	2.02	11.14
Abu Dhabi	2050	2.66	20.93	KSA	2050	3.16	11.91
Bahrain	2026	3.46	-1.65	Oman	2025	4.89	-3.94
Bahrain	2030	4.92	15.62	Oman	2029	6.11	-5.52
Bahrain	2047	6.26	-5.46	Oman	2048	7.42	-8.82
Dubai	2029	2.52	3.21	Qatar	2025	0.93	6.69
Kuwait	2022	0.31	1.33	Qatar	2030	1.65	12.45
Kuwait	2027	1.15	5.96	Qatar	2050	2.71	25.30

## 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	2.55	8.08	0.01	7.91
S&P MENA Bond and Sukuk Index	2.02	NA	0.04	9.08
Bloomberg Emerging Markets USD Index	3.75	6.80	0.15	4.71
Bloomberg Global Aggregate Index	0.87	7.42	0.21	7.45

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	22/11/2020	31/12/2019	22/11/2020	31/12/2019	22/11/2020	31/12/2019
KIBOR	1.3750	2.7500	1.6250	2.9375	1.9375	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	1.0203	2.2500	1.1074	2.3500	1.3336	2.5333
AEIBOR	0.4286	2.2086	0.5225	2.1914	0.8019	2.2900
EURIBOR	-0.5280	-0.3830	-0.5090	-0.3240	-0.4830	-0.2490
LIBOR	0.2049	1.9084	0.2488	1.9121	0.3365	1.9963

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2115	-0.14	-88.1
2-Year	0.2505	0.02	-85.2
5-Year	0.4401	0.21	-74.5
7-Year	0.6086	-0.26	-66.1
10-Year	0.8231	-0.86	-56.6
30-Year	1.2038	-2.75	-42.4

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3054	0.0000	-0.75
SAR	3.7503	0.0133	0.03
BHD	0.3771	0.0053	0.00
QAR	3.6413	-0.0027	0.01
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.16	0.01
5-Year	0.37	0.01
10-Year	0.82	0.05
30-Year	1.52	0.65

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.05	0.01
5-Year	-0.01	0.07
10-Year	0.30	0.22
30-Year	0.88	0.79

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.74	0.02
5-Year	-0.78	0.06
10-Year	-0.65	0.11
30-Year	-0.18	0.07

## USD 5Yr CDS

	22-Nov 2020	31-Dec 2019
Kuwait	40.18	36.700
KSA	68.17	56.915
Abu Dhabi	36.81	36.090
Dubai	113.06	91.005
Qatar	37.62	36.705
Bahrain	287.42	175.995
Oman	384.76	234.400
Iraq	582.89	383.680
Egypt	375.26	277.420
Morocco	95.95	91.435
Turkey	373.14	282.130
US	13.40	10.810
UK	17.68	16.210
China	32.12	31.205
Japan	15.16	21.042
Germany	9.47	7.080
France	15.65	16.130

Source: Bloomberg