

## News Updates

**IMF revises down economic forecasts for most Gulf countries** – The International Monetary Fund (IMF) revised down on Tuesday its 2020 real gross domestic product (GDP) projections for most Gulf countries, as it warned the economic outlook was worsening for many emerging markets amid the coronavirus crisis. The IMF forecast a 2020 global contraction of 4.4% in its latest World Economic Outlook, an improvement over a 5.2% contraction predicted in June, but said it was still the worst economic crisis since the 1930s Great Depression. Countries in the oil-rich Gulf are suffering the double shock of the coronavirus crisis, which is dampening demand in the non-oil economy, and low oil prices, which have been hurting revenue this year. The IMF revised down its previous forecasts for all Gulf countries except Saudi Arabia, which is now expected to contract 5.4% this year, against a previous 6.8% contraction estimate. The United Arab Emirates - the Gulf's second largest economy - could shrink by 6.6% this year, the IMF said, against a previous forecast of a 3.5% contraction. The biggest revisions were for Oman and Kuwait, which are expected to shrink by 10% and 8.1%, respectively. In April, the IMF had predicted a contraction of 2.8% in Oman and 1.1% in Kuwait. *(Source: Reuters)*

**UAE says OPEC+ plans to ease oil cuts from January as agreed** – The energy minister from the United Arab Emirates (UAE) said on Tuesday that OPEC+ oil producers will stick to their plans to taper oil production cuts from January. OPEC+ - producers from the Organization of the Petroleum Exporting Countries (OPEC) and others including Russia - have been reducing output since January 2017 in a bid to balance the market, support prices and reduce inventories. They are currently curbing production by 7.7 million barrels per day, down from 9.7 million bpd. OPEC+ is due to taper their production cuts by 2 million bpd in January. *(Source: Reuters)*

**IMF cuts its global economic forecasts for 2021 and warns of 'long, uneven' recovery** – A strong comeback in 2021 is needed to help the global economy heal from the coronavirus pandemic. But the International Monetary Fund is downgrading its forecasts for next year, and warning of a long, slow recovery that will stoke poverty and damage growth. The IMF predicted on Tuesday that the world economy will shrink by 4.4% in 2020, a less severe contraction than it forecast in June. The improvement is driven by a stronger than expected bounce in the United States and Europe after lockdowns lifted, as well as China's return to growth. However, the organization downgraded its outlook for 2021. The IMF now sees a 5.2% increase in global output next year, down from 5.4% in its previous report. Last month, the Organization for Economic Cooperation and Development also lowered its forecast for 2021. *(Source: CNN)*

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.91	4.94	KSA	2025	1.21	6.83
Abu Dhabi	2030	1.62	9.36	KSA	2030	2.02	11.09
Abu Dhabi	2050	2.68	20.63	KSA	2050	3.22	10.62
Bahrain	2026	4.01	-3.75	Oman	2025	5.00	-4.37
Bahrain	2030	5.43	11.64	Oman	2029	6.37	-7.20
Bahrain	2047	6.50	-8.42	Oman	2048	7.57	-10.49
Dubai	2029	2.50	3.44	Qatar	2025	0.95	6.84
Kuwait	2022	0.26	1.55	Qatar	2030	1.67	12.50
Kuwait	2027	1.19	5.80	Qatar	2050	2.78	23.67

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.59	8.08	0.26	6.92
S&P MENA Bond and Sukuk Index	2.08	NA	0.09	8.33
Bloomberg Emerging Markets USD Index	3.92	6.80	0.21	3.15
Bloomberg Global Aggregate Index	0.89	7.42	-0.05	6.13

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	14/10/2020	31/12/2019	14/10/2020	31/12/2019	14/10/2020	31/12/2019
KIBOR	1.5625	2.7500	1.8125	2.9375	2.1250	3.1875
SAIBOR	0.8588	2.2314	0.9088	2.2557	0.9750	2.3071
BHIBOR	2.2500	2.6667	2.5333	2.7000	2.6833	2.8333
QATAR	1.1455	2.2500	1.2099	2.3500	1.3300	2.5333
AEIBOR	0.3200	2.2086	0.7492	2.1914	0.7926	2.2900
EURIBOR	-0.5110	-0.3830	-0.4850	-0.3240	-0.4680	-0.2490
LIBOR	<b>0.2289</b>	<b>1.9084</b>	<b>0.2429</b>	<b>1.9121</b>	<b>0.3476</b>	<b>1.9963</b>

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.2164	-0.19	-87.8
2-Year	0.2318	-0.11	-86.3
5-Year	0.3842	0.06	-77.8
7-Year	0.5454	0.14	-69.7
10-Year	0.7650	0.14	-59.6
30-Year	1.1810	0.07	-43.5

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3060	-0.0817	-0.95
SAR	3.7512	-0.0027	0.01
BHD	0.3771	-0.0053	-0.01
QAR	3.6420	0.0000	0.01
OMR	0.3850	0.0000	0.00
AED	3.6730	0.0000	0.00

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.14	0.01
5-Year	0.31	0.00
10-Year	0.73	-0.01
30-Year	1.51	-0.02

## UK Gilts

	Yield %	1D Δ (%)
2-Year	-0.06	0.03
5-Year	-0.05	0.08
10-Year	0.24	0.39
30-Year	0.80	1.30

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.75	0.00
5-Year	-0.78	0.00
10-Year	-0.62	0.00
30-Year	-0.14	0.00

Source: Bloomberg

	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	BB-	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-	BBB-
US	Aaa	AA+u	AAA
UK	Aa2	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	14-Oct 2020	31-Dec 2019
Kuwait	47.16	36.700
KSA	68.91	56.915
Abu Dhabi	38.23	36.090
Dubai	134.14	91.005
Qatar	37.21	36.705
Bahrain	327.75	175.995
Oman	448.24	234.400
Iraq	612.95	383.680
Egypt	418.02	277.420
Morocco	113.23	91.435
Turkey	510.07	282.130
US	13.81	10.810
UK	17.90	16.210
China	37.53	31.205
Japan	15.74	21.042
Germany	9.68	7.080
France	16.20	16.130