The Central Bank of Egypt revealed that the international reserves of foreign exchange in its possession absorb the shock of the international markets, after it recorded about $40 billion at the end of last March.

The Central Bank of Egypt used about $5.4 billion of the proceeds of foreign exchange reserves during the month of March, to cover the needs of the Egyptian market of foreign exchange and cover the decline of foreign investments and international portfolios, as well as to ensure the import of strategic goods, in addition to paying international obligations related to the external debt of the state.

According to the Egyptian Central Bank, the record increase in foreign exchange reserves achieved over the past three years and reaching more than $45 billion for the first time in the history of Egypt was one of the foundations of the stability of the Egyptian economy and its ability to withstand the biggest shocks suffered by the largest global economies.

Despite the change in the reserves that occurred during the month of March, the Egyptian Central Bank expected that the existing reserve would suffice to cover the country’s imports for a period of 8 months, bypassing the international rates that are not more than 3 months only in some countries.

Source (Al-Arabiya.net website, Edited)
Fitch Grants Kuwait an AA Credit Rating

The credit rating agency, Fitch, has awarded the State of Kuwait a sovereign credit rating of AA with a stable outlook. According to the agency, the exceptional financial and external conditions of Kuwait represent the strengths of its sovereign credit rating, which is increasingly matched by institutional deficits and the slowness in addressing the challenges of financing the public budget resulting from heavy dependence on oil.

The agency estimated the net foreign sovereign assets managed by the General Investment Authority at about $529 billion dollars, representing 472% of the gross domestic product, which is the highest among the countries classified by the agency. Indicating that this value includes the net assets of the Future Generations Reserve Fund, estimated at $489 billion, and the value of this fund is constantly increasing as a result of the continuous annual transfers of about 10% of the total public revenue of the state.

It also expected the public budget to record a fiscal deficit of about 20% of GDP, about 3.7 billion Kuwaiti dinars (9.21 billion dollars) during the current fiscal year, reflecting the basic assumptions of the agency that Brent crude would reach about 35 and 45 dollars per barrel in 2020 and 2021, respectively.

Source (Al-Arabiya.net website, Edited)

"Moody's": The Plan of UAE Central Bank Supports the Liquidity of Banks

The International Rating Agency (Moody's) expected the new plan announced by the UAE Central Bank in the face of the consequences of the emerging crisis of the outbreak of the Corona virus, which amounts to 256 billion dirhams (70 billion dollars, or 17% of the country's GDP), to support the Emirates banks liquidity, as well as reducing the negative impact of the crisis on the quality of banking assets, and mitigating the corona's economic repercussions.

The agency indicated that the easing of financial restrictions on banks from preventive capital and mandatory reserves over the next few months will enhance the liquidity position of banks. Revealing that facilitating these standards and liquidity reserves on

the other hand can limit the strength of banks in the long run, and the introduction of transitional accounting standards at the level of calculating credit losses will delay the deduction of provisions necessary to absorb future credit losses.

The agency said that the UAE banks enjoy huge financial implications, including the capitalization levels, which are estimated at an average of 14.9% of the tangible assets at the sector level, and that they have levels of health coverage on non-performing loans of up to 92 percent.

Source (Al-Khaleej Newspaper-UAE, Edited)
The Moroccan Government Resorts to Rising the Ceiling of External Debt

The Moroccan government decided to exceed the external debt ceiling specified in the Finance Law for 2020 of 31 billion dirhams (about 3 billion dollars), due to the Corona virus (Covid-19) and its economic implications for the Kingdom.

The government explained that this project aims to authorize the government to bypass the ceiling of external financing specified under Article 43 of the Finance Law for the year 2020, in order to be able to provide for its needs of hard currency, especially by resorting to international markets for borrowing in light of the impact of a group of sectors such as the tourism sector and foreign direct investment and the exporting sectors, in addition to remittances from Moroccans living abroad.

The government tends to direct public spending towards priorities at the health, social, and economic levels, and to set priorities at the level of commitment to future expenditures for the state and public institutions.

To reduce the repercussions of the negative effects of the global Covid-19 pandemic, Morocco has taken a number of measures, including helping small and medium-sized companies and supporting poor groups by disbursing them.

The Moroccan Finance Minister Mohamed Benchaaboun called on “accelerate the performance of contracting dues, especially those that are micro, small and medium sized, so that they can fulfill their financial obligations and maintain jobs, and thus reduce the social repercussions of this crisis.”

Source (New Arab newspaper, Edited)