

Order book of \$3.6bn for KIPCO's seven-year \$500m bond issue -

The Kuwait Projects Company (Holding) – has announced that it has successfully completed the issuance of a seven-year \$500 million (KD 151 million) bond under its \$3 billion Euro Medium Term Note (EMTN) Program. The demand of \$3.6 billion on the order book was KIPCO's largest ever in international debt capital markets, representing a seven-fold oversubscription. The bond was issued at a fixed rate coupon of 4.229 percent, the company's lowest ever coupon rate. KIPCO was met with strong reception by investors during roadshow across Hong Kong, Singapore, the UAE and London. The transaction will extend KIPCO's debt maturity from 4.1 years to 4.7 years. The issue will also reduce the company's annual cost of funding by \$26 million once the July 2020 notes are repaid.

Saudi Offering Exceeds Expectations Despite Oil Attacks -

Saudi Arabia's US\$2.5-billion Islamic bond issued on Tuesday attracted orders worth more than US\$13 billion in the first international debt issue since the attacks on vital Saudi oil facilities in the middle of September. On Tuesday, Saudi Arabia sold US\$2.5 billion worth of Islamic bonds, or sukuk, returning to the bond market to take advantage of the low borrowing costs in hopes of replenishing its government coffers as persistently low oil prices depress revenues. The ten-year bond was priced at 127 basis points over the benchmark midswaps, down from a guidance of 145-150 basis points over the midswap rate, due to the strong demand, Bloomberg reports.

Dubai's Averda hires banks to arrange \$325 mln bond -

Dubai-based Averda International, one of the largest waste management firms in the Middle East and North Africa, has hired banks to arrange a \$325 million bond, a document by one of the banks leading the deal showed on Wednesday. Barclays, Citi and HSBC have been hired as coordinators for the deal and they are joint bookrunners along with Banca IMI, Bank ABC, Emirates NBD Capital and First Abu Dhabi Bank.

UAE's Majid Al Futtaim to raise \$600 mln with green dollar sukuk

Majid Al Futtaim, a UAE-based developer and shopping mall operator, is set to raise \$600 million by selling "green" sukuk, or Islamic bonds, a document issued by one of the banks leading the sale showed on Wednesday. The bonds, due in February 2030, offer 225 basis points over mid-swaps, down from an initial price guidance of around 250 basis points over. The offering has received orders in excess of \$2.3 billion, including interest from the joint lead managers, the document said. The bonds will be used to finance or refinance renewable energy projects or projects related to energy efficiency.

GCC Bonds & Sukuk: Best and worst Performers (24 October 2019)

Sovereigns	Yield (%)	Price Change (YTD %)	Sovereigns	Yield (%)	Price Change (YTD %)
Kuwait 22	2.02	3.14	Bahrain 24	3.82	7.24
Kuwait 27	2.28	8.20	Bahrain 29	5.07	14.41
Abu Dhabi 27	2.43	9.28	Bahrain 47	6.28	19.04
Abu Dhabi 47	3.29	19.50	Qatar 24	2.16	4.75
Dubai 23	2.45	4.27	Qatar 28	2.52	9.87
Dubai 29	3.16	9.58	Qatar 49	3.55	22.49
Oman 25	4.38	12.72	KSA 25	2.50	8.07
Oman 29	5.98	-0.17	KSA 29	2.91	11.93
Oman 48	7.30	12.38	KSA 49	3.93	22.19

Source: Bloomberg

Bonds & Sukuk Indices (24 October 2019)

Index Name	Yield %	Duration	1D Chng (%)	YTD Chng (%)
S&P MENA Bond and Sukuk Index	3.28	7.31	0.10	12.86
Bloomberg Global Developed Sovereign Bond Index		NA	0.16	12.44
Bloomberg USD Emerging Market Composite Bond Index	4.97	6.25	0.04	11.14
Dow Jones Sukuk Index	1.38	7.30	0.02	6.54

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	24/10/2019	31/12/2018	24/10/2019	31/12/2018	24/10/2019	31/12/2018
SAIBOR	2.2957	1.8988	2.3057	2.0875	2.3171	2.2863
KIBOR	2.8750	1.8750	3.0625	2.0625	3.3125	2.3750
BHIBOR	2.3700	2.4500	3.0000	2.9000	3.1333	3.2750
QATAR	2.5990	2.7342	2.7320	2.8868	3.0221	3.0468
AEIBOR	2.2920	1.8310	2.4487	2.0513	2.3064	2.5648
EURIBOR	-0.4040	-0.3290	-0.3480	-0.2710	-0.2840	-0.1860
LIBOR	2.2957	1.8988	2.3057	2.0875	2.3171	2.2863

US Treasuries

	Yield	1-Day Δ (Bps)		USD	1-Day Δ (Bps)	YTD (%)
1-Year	1.56	-0.02	KWD	0.3037	-0.0001	-0.01%
2-Year	1.57	0.02	SAR	3.7507	0.0001	0.02%
5-Year	1.58	0.05	BHD	0.3770	0.0000	-0.01%
7-Year	1.67	0.07	QAR	3.6645	0.0008	-0.24%
10-Year	1.75	0.10	OMR	0.3850	0.0002	0.00%
30-Year	2.24	0.30	AED	3.6730	0.0001	-0.01%

Currencies

USD Swap Rates

	Yield	1-Day Δ		Yield	1-Day Δ		Yield	1-Day Δ
2-Y	1.616	-0.01%		-0.50	-6.52%		0.53	0.85%
5-Y	1.567	-0.01%		-0.69	-0.23%		0.48	0.14%
10-Y	1.683	-0.01%		-0.53	-0.29%		0.69	-0.03%
30-Y	1.867	-0.01%		0.08	-0.14%		1.19	0.04%

UK Guilts

German Bunds

Sovereign Ratings

	Moody's	S&P	Fitch
Abu Dhabi	Aa2	AA	AA
Bahrain	B2	B+	BB-
Kuwait	Aa2	AA	AA
Oman	Ba1	BB	BB+
Qatar	Aa3	AA-	AA-
KSA	A1	A-	A+
UAE	Aa2	NR	NR
Egypt	B2	B-	B+
Lebanon	B3	B-	B
Turkey	Baa3	BB+	BBB-
Tunisia	Ba3	NR	B+
Morocco	Ba1	BBB-	BBB-
Jordan	B1	B+	BB-
China	Aa3	AA-	A+
UK	Aa2	AA	AA
USA	Aaa	AA+	AAA
USD 5-Year CDS			YTD (%)
Abu Dhabi	44.65		-31.19
Kuwait	44.92		-27.52
Dubai	116.27		-4.89
Bahrain	206.45		-25.67
Qatar	44.98		-43.37
KSA	69.04		-32.61
Egypt	295.54		-20.75
Lebanon	1282.18		70.26
Turkey	362.01		0.64
Iraq	319.87		-27.65
Morocco	105.36		-4.28
China	39.33		-40.46
France	17.95		-49.49
Germany	9.26		-27.38
Japan	20.91		-10.02
UK	28.06		-23.32
US	12.42		-31.31