

News Update – 29 October 2019

**Kuwait C.Bank issues 200m bonds** - The Central Bank of Kuwait (CBK) has earmarked the latest bonds and related tawarruq issue at a value of KWD 200 million (\$660.11 million), according to the official statement. The issue has a three-month maturity period, with a 3% yield, the CBK said. The CBK's latest issuance has the same maturity date and yield, as the one announced last Tuesday, which was worth KWD 240 million.

**Central Bank of Bahrain - CBB Treasury Bills Oversubscribed** – This week's BD 70 million issue of Government Treasury Bills has been oversubscribed by 160%. The bills, carrying a maturity of 91 days, are issued by the CBB, on behalf of the Government of the Kingdom of Bahrain. The issue date of the bills is 30th October 2019 and the maturity date is 29th January 2020. The weighted average rate of interest is 2.79% compared to 2.82% for the previous issue on 23rd October 2019. The approximate average price for the issue was 99.300% with the lowest accepted price being 99.292%.

**'DFM Sharia Index' launched** - Dubai Financial Market, DFM, today launched the Dubai Financial Market Sharia Index, DFMSI. According to a DFM statement, the index is the first index of its kind in the UAE. It highlights the DFM's efforts to attract more Islamic investments, and is seen as a step forward by providing market participants with a benchmark to measure the performance of Sharia-compliant listed securities and to take their investment decisions accordingly. The initial market capitalisation of the Sharia Index has been set as per stock prices on 31st December 2009 with 1,000 points as the base point of the Index. Currently, the DFM Sharia Index consists of 40 listed companies including 30 UAE companies and ten dually-listed companies and the weightage of any company is capped at ten percent.

**Kuwait's KIA says it has not been approached by Aramco for IPO** - The Kuwait Investment Authority (KIA) has not been approached by Saudi oil giant Aramco for its initial public offering, KIA's managing director, Farouk Bastaki, said on Tuesday. "KIA has not been approached by Aramco or its advisers for the IPO, and KIA will look at the IPO like any other investment," Bastaki told reporters on the sidelines of an investment conference in Riyadh.

**Lebanon's eurobonds drop after central bank chief says solution needed to avert collapse** - Lebanon's eurobonds sharpened their sell-off on Monday after Central Bank Governor Riad Salameh said a political solution was needed to the country's crisis in days to regain confidence and avoid a future economic collapse. Speaking to Reuters, Salameh also said the local currency peg to the U.S. dollar will be maintained and it was up to the government to decide whether Lebanon will seek assistance from the IMF or other international financial institutions.

#### GCC Bonds & Sukuk: Best and worst Performers (29 October 2019)

Sovereigns	Yield (%)	Price Change (YTD %)	Sovereigns	Yield (%)	Price Change (YTD %)
Kuwait 22	2.05	3.08	Bahrain 24	3.75	7.54
Kuwait 27	2.32	7.90	Bahrain 29	4.98	15.23
Abu Dhabi 27	2.47	8.92	Bahrain 47	6.22	19.98
Abu Dhabi 47	3.31	18.88	Qatar 24	2.21	4.53
Dubai 23	2.46	4.22	Qatar 28	2.57	9.45
Dubai 29	3.16	9.60	Qatar 49	3.61	21.28
Oman 25	4.40	12.59	KSA 25	2.52	7.92
Oman 29	5.90	0.42	KSA 29	2.93	11.73
Oman 48	7.23	13.33	KSA 49	3.96	21.47

Source: Bloomberg

#### Bonds & Sukuk Indices (29 October 2019)

Index Name	Yield %	Duration	1D Chng (%)	YTD Chng (%)
S&P MENA Bond and Sukuk Index	3.30	7.31	-0.14	12.69
Bloomberg Global Developed Sovereign Bond Index		NA	-0.08	12.28
Bloomberg USD Emerging Market Composite Bond Index	4.99	6.25	-0.10	11.05
Dow Jones Sukuk Index	1.42	7.30	-0.27	6.09

#### Interbank Rates (%)

	3 Months		6 Months		12 Months	
	29/10/2019	31/12/2018	29/10/2019	31/12/2018	29/10/2019	31/12/2018
SAIBOR	2.2814	1.8988	2.2871	2.0875	2.3014	2.2863
KIBOR	2.8125	1.8750	3.0625	2.0625	3.2500	2.3750
BHIBOR	2.3700	2.4500	3.0000	2.9000	3.1333	3.2750
QATAR	2.6397	2.7342	2.8047	2.8868	3.1154	3.0468
AEIBOR	2.2638	1.8310	2.3867	2.0513	2.3039	2.5648
EURIBOR	-0.4130	-0.3290	-0.3500	-0.2710	-0.2930	-0.1860
LIBOR	1.9281	1.6858	1.9333	1.8336	1.9558	2.1022

#### US Treasuries

	Yield	1-Day Δ (Bps)	Currencies	USD	1-Day Δ (Bps)	YTD (%)
1-Year	1.59	-0.01	KWD	0.3039	0.0001	-0.09%
2-Year	1.66	-0.03	SAR	3.7505	0.0000	0.03%
5-Year	1.68	-0.07	BHD	0.3770	0.0000	-0.01%
7-Year	1.76	-0.09	QAR	3.6636	0.0004	-0.22%
10-Year	1.85	-0.10	OMR	0.3850	0.0000	0.00%
30-Year	2.35	-0.24	AED	3.6730	0.0000	-0.01%

#### USD Swap Rates

	Yield	1-Day Δ	UK Guilts	Yield	1-Day Δ	German Bunds	Yield	1-Day Δ
2-Y	1.684	0.01%		0.54	0.80%		-0.48	-2.39%
5-Y	1.648	0.02%		0.51	-0.01%		-0.67	-0.14%
10-Y	1.774	0.01%		0.72	0.01%		-0.47	-0.11%
30-Y	1.966	0.01%		1.23	0.03%		0.17	0.07%

	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	Caa1	B-	CCC
Turkey	B1	B+	BB-
Tunisia	B2	NR	B+
Morocco	Ba1	BBB-	BBB-
Jordan	B1	B+	BB-
China	A1	A+	A+
UK	Aa2	AA	AA
USA	Aaa	AA+	AAA
USD 5-Year CDS			YTD (%)
Abu Dhabi	43.500		-32.29
Kuwait	43.890		-29.08
Dubai	113.510		-7.02
Bahrain	201.350		-27.43
Qatar	43.520		-44.81
KSA	67.910		-33.69
Egypt	295.260		-20.82
Lebanon	1305.02		73.24
Turkey	326.520		-9.01
Iraq	316.550		-28.30
Morocco	106.370		5.19
China	37.603		-42.67
France	17.310		-50.99
Germany	8.080		-35.89
Japan	21.14		-10.02
UK	28.06		-23.32
US	12.42		-31.31