

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.

Ministry of Finance Announces the Third Issuance of US Dollar Denominated Sukuk for Saudi Arabia - The issuance was 5 times oversubscribed, with total orders amounting to more than USD 13 billion, reflecting the strength and robustness of the Saudi economy. Priced at the lowest yield issued by the Kingdom for 10 year securities, the level of investor demand demonstrates that the Kingdom represents the region's safe haven for fixed income investors. The Kingdom will issue a total of USD 2.5 billion Sukuk maturing October 2029 with settlement on or around 29th October. J.P. Morgan, Standard Chartered and Bank Al Jazira Capital were appointed by the Debt Management Office as dealers for this issuance. The issuance will be listed on the London Stock Exchange.

Mubadala-owned investment company hires banks for dollar bonds - Mamoura Diversified Global Holding, an investment company indirectly owned by the government of Abu Dhabi through state fund Mubadala, has hired banks to arrange dollar bonds. Citi, Deutsche Bank, First Abu Dhabi Bank, HSBC, JPMorgan and SMBC Nikko have been hired to arrange fixed income investor meetings in London and the United States ahead of the potential issue, which would be split into tranches of 5, 10 and 30 years. Mamoura, which was formerly known as Mubadala Development Company, will start meeting investors on Oct. 25 and a deal might follow, subject to market conditions, the document said.

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 (27 October 2019)

Sovereigns	Yield (%)	Price Change (YTD %)	Sovereigns	Yield (%)	Price Change (YTD %)
Kuwait 22	2.03	3.12	Bahrain 24	3.75	7.53
Kuwait 27	2.29	8.13	Bahrain 29	4.98	15.20
Abu Dhabi 27	2.44	9.19	Bahrain 47	6.23	19.93
Abu Dhabi 47	3.28	19.60	Qatar 24	2.17	4.68
Dubai 23	2.45	4.26	Qatar 28	2.53	9.81
Dubai 29	3.15	9.63	Qatar 49	3.55	22.43
Oman 25	4.38	12.72	KSA 25	2.49	8.11
Oman 29	5.90	0.41	KSA 29	2.91	11.92
Oman 48	7.23	13.22	KSA 49	3.94	22.01

Source: Bloomberg

Bonds & Sukuk Indices (27 October 2019)

Index Name	Yield %	Duration	1D Chng (%)	YTD Chng (%)
S&P MENA Bond and Sukuk Index	3.02	7.31	-0.07	12.85
Bloomberg Global Developed Sovereign Bond Index		NA	-0.14	12.37
Bloomberg USD Emerging Market Composite Bond Index	4.97	6.25	-0.03	11.17
Dow Jones Sukuk Index	1.40	7.30	-0.18	6.38

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	27/10/2019	31/12/2018	27/10/2019	31/12/2018	27/10/2019	31/12/2018
SAIBOR	2.2886	1.8988	2.2986	2.0875	2.3100	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	2.6000	2.7342	2.7410	2.8868	3.0111	3.0468
AEIBOR	2.2663	1.8310	2.2925	2.0513	2.3889	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)		USD	1-Day Δ (Bps)	YTD (%)
1-Year	1.59	0.00	KWD	0.3038	0.0001	-0.07%
2-Year	1.62	-0.08	SAR	3.7505	0.0000	0.03%
5-Year	1.62	-0.17	BHD	0.3770	0.0000	-0.01%
7-Year	1.71	-0.19	QAR	3.6628	-0.0008	-0.21%
10-Year	1.79	-0.24	OMR	0.3850	0.0000	0.00%
30-Year	2.29	-0.52	AED	3.6730	0.0000	-0.01%

Currencies

USD Swap Rates

	Yield	1-Day Δ		Yield	1-Day Δ		Yield	1-Day Δ
2-Y	1.651	0.04%		0.52	-0.04%		-0.44	0.05%
5-Y	1.592	0.03%		0.48	0.10%		-0.68	0.01%
10-Y	1.712	0.02%		0.68	0.05%		-0.50	0.09%
30-Y	1.905	0.02%		1.17	-0.04%		0.14	0.19%

UK Gilts

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	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	43.80
Kuwait	44.91
Dubai	114.18
Bahrain	206.46
Qatar	44.14
KSA	67.81
Egypt	295.19
Lebanon	1304.74
Turkey	335.34
Iraq	317.72
Morocco	106.37
China	37.88
France	17.33
Germany	8.36
Japan	21.09
UK	28.06
US	12.42