

Bahrain sells \$2bn in a 2-tranche bond and Sukuk deal - Bahrain sold \$2bn of bonds in a two-part deal on Tuesday. The sovereign priced a long 7-year Sukuk, due on 30 March 2027, at a yield of 4.5% versus initial price thoughts of between 4.875% and 5%. The conventional bond, due on 30 September 2031, was priced at a yield of 5.625% versus indicative price range of 5.875% to 6%. Both tranches were priced at par and came significantly inside their initial guidance. Bahrain's debt sale is the first since it secured a \$10bn bailout package from its neighbours in October to help stabilise the nation's fragile finances. It delayed an offering earlier this year. BNP Paribas SA, Citigroup Inc., Gulf International Bank BSC, JPMorgan Chase & Co., National Bank of Bahrain BSC and Standard Chartered Plc managed the offering. Bahrain is rated B2/Stable by Moody's, B+/Stable by S&P and BB-/Stable by Fitch.

Dubai's DP World raises \$1bn in a 2-tranche bond and Sukuk deal - DP World, one of the world's largest port operators, raised \$1bn bonds on Tuesday in a 2-tranche bond and Sukuk offering. The company priced a \$500m long 10-year Sukuk, due on 30 January 2030, at par offering a yield of 3.75%. The 144A/RegS senior unsecured Sukuk was priced 25 basis points inside its initial guidance of 4.00% area. The \$500m 30-year conventional tranche was also priced at par offering yield of 4.70%, 15 basis points inside its initial guidance of 4.85%. When the deal was launched, combined orderbooks were in excess of \$2.9bn. DP World is rated Baa1/Stable by Moody's and BBB+/Stable by Fitch.

UAE's National Bank of Fujairah prices a \$350m AT1 NCS perpetual bond at 5.875%: National Bank of Fujairah raised \$350m in its debut bond deal on Tuesday as the UAE bank priced an Additional Tier 1 5-year non-callable perpetual bond at a yield of 5.875%. Initial price thoughts for the RegS perpetual note was announced earlier on Tuesday at low to mid 6%. The bond was priced at par indicating a margin of 430.1 basis points over the benchmark US Treasury. The first call date was set at 1 October 2024. Orderbooks were more than \$1.6bn when the deal was launched. NBF is rated Baa1/Stable by Moody's and BBB+/Stable by S&P.

Egypt's central bank seen making second straight interest rate cut - Egypt's central bank is likely to cut its key interest rates by 50 to 150 basis points on Thursday, a Reuters poll showed, as inflation continues to retreat and after the U.S. Federal Reserve cut rates again last week. All 11 economists polled by Reuters predicted a cut. Five said the Central Bank of Egypt would clip rates by 100 basis points (bps), three predicted 150 bps and another three 50 bps. "We foresee the current strong disinflation trajectory lasting until November and to register its lowest reading in October," said Mona Bedir, senior economist at Egyptian investment bank Prime Holding, who predicted a 100-bps cut

GCC Bonds & Sukuk: Best and worst Performers (25 September 2019)

Best daily Performers	Daily change	Worst daily Performers	Daily change
Qatar Gas 33	1.61%	Sharjah Govt 25	-0.42%
Emirates REIT 22	0.79%	Abu Dhabi Com bank 24	-0.19%
Ezdan 21	0.54%	DAE Funding 24	-0.16%
Best YTD Performers	YTD change	Worst YTD Performers	YTD change
KSA Govt 50	25.55%	Etihad Airways 21	-17.71%
DP World 48	24.98%	Ras Gas 19	-2.29%
KSA Govt 49	24.80%	Commercial Bank Qatar 19	-1.82%

Source: Bloomberg

Bonds & Sukuk Indices (25 September 2019)

Index Name	Price	1D Chng	YTD	Yield
S&P MENA Bond and Sukuk Index	136.250	-0.05%	12.92%	2.84%
S&P MENA Bond Index	138.760	-0.08%	13.91%	2.88%
S&P MENA Sukuk Index	128.940	0.08%	9.64%	2.74%
Bloomberg Global Developed Sovereign Bond Index	121.083	0.23%	4.38%	0.47%
Bloomberg USD Emerging Market Composite Bond Index	238.659	-0.02%	13.81%	
Dow Jones Sukuk Index	106.306	0.06%	7.38%	

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	25/09/2019	31/12/2018	25/09/2019	31/12w/2018	25/09/2019	31/12/2018
SAIBOR	2.3629	1.8988	2.3686	2.0875	2.3671	2.2863
KIBOR	2.8750	1.8750	3.0625	2.0625	3.3125	2.3750
BHIBOR	2.3700	2.4500	3.1167	2.9000	3.2167	3.2750
QATAR	2.5689	2.7342	2.7110	2.8868	3.0316	3.0468
AEIBOR	2.4313	1.8310	2.4268	2.0513	2.4575	2.5648
EURIBOR	-0.4000	-0.3290	-0.3630	-0.2710	-0.3020	-0.1860
LIBOR	2.1063	1.6858	2.0585	1.8336	2.0334	2.1022

U.S. Treasuries

	Current Yield (%)	1D Chng
1-Year	1.78	-0.011
2-Year	1.62	-0.010
5-Year	1.53	-0.023
7-Year	1.59	-0.023
10-Year	1.65	-0.055
30-Year	2.10	0.008

USD Swap rates

	Rates (%)	1D Chng (%)
2-Y	1.617	0.02%
5-Y	1.468	0.01%
10-Y	1.524	0.01%
30-Y	1.675	0.01%

German Bund

	Current Yield (%)	1D Chng (Bps)
2-Y	-0.57	0.288
5-Y	-0.79	0.246
10-Y	-0.72	0.521
30-Y	-0.16	0.944

UK Gilts

	Current Yield (%)	1D Chng (Bps)
2-Y	0.45	0.486
5-Y	0.38	0.085
10-Y	0.53	-0.030
30-Y	0.95	0.020

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	44.640	-29.63
Kuwait	53.270	-14.82
Dubai	122.940	0.77
Bahrain	228.270	-18.19
Qatar	48.170	-39.42
KSA	70.200	-31.50
Egypt	269.380	-27.44
Lebanon	1131.12	53.69
Turkey	378.552	5.18
Iraq	305.980	-30.37
Morocco	89.810	-9.78
China	44.441	-32.60
France	18.800	-46.32
Germany	9.890	-20.85
Japan	21.737	-10.02
UK	10.025	-33.48
US	12.210	-32.18