

News Update – 18 November 2019

Boubyan Bank obtains CBK final approval to Issue Sukuk – Kuwait's Boubyan Bank has obtained the final approval from the Central Bank of Kuwait for its Sukuk-issuance program of up to USD 1 billion or the equivalent thereof in other currencies, and for offering the first issuance thereof which shall not exceed USD 500 million or the equivalent of the same in other currencies. The issuance is expected to have a positive impact on the liquidity position and on diversifying the sources of long-term funding while enhancing the regulatory ratios associated with CBK's instructions.

Dubai Islamic Bank successfully closes landmark USD 750 – Dubai Islamic Bank PJSC ("DIB"), rated A3 by Moody's and A by Fitch (both stable), successfully closed a USD 750 million 5-year Sukuk with a profit rate of 2.950% per annum, which is equivalent to 140bps over the 5-year Mid Swap Rate. The transaction is DIB's second foray into the international capital markets in 2019, the first being a USD 750mn Additional Tier 1 Sukuk priced earlier this year. The Sukuk's profit rate of 2.95% is the tightest achieved by an FI Sukuk in 2019.

Advanced Petrochemical fully redeems SAR 1 bln sukuk – Advanced Petrochemical Company has fully redeemed SAR 1 billion sukuk on November 17, 2019, the company said in a bourse statement. The sukuk have a par value at redemption of SAR 1 million, the statement added. The instruments were issued on November 17, 2014 and the last day of trading in the market was November 17, 2019. The financial impact of this transaction will appear in the results of Q4 2019, the statement added.

UAE Cabinet approves federal law concerning insolvency of natural persons – The UAE Cabinet has approved a federal law to regulate cases of insolvency of natural persons, aimed at enhancing the competitiveness of the UAE by ensuring the ease of doing business, creating favourable conditions for individuals facing financial difficulties and protecting those who are unable to pay their debts from going bankrupt. The new law is part of the government's efforts to ensure convenience for citizens and residents, and respond to their needs. The law will support individuals who are facing existing or anticipated financial difficulties, rendering them unable to settle their debts. The law will help them reschedule their debts and provide them with the opportunity to be granted new concessional loans.

Saudi Aramco sets the IPO price range between 30 and 32 riyals per share – Saudi Aramco on Sunday announced the offer price range for its Initial Public Offering (IPO), as well as the commencement of the institutional book-building period and the retail offering period, Saudi state news agency SPA reported. Individual investors will subscribe based on a price of SAR 32, which is the top end of the price range. The base offer size will be 1.5% of the company's outstanding shares.

GCC Sovereign Yields (18 November 2019)

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.43	9.12	KSA	2025	2.53	7.85
Abu Dhabi	2047	3.34	18.21	KSA	2029	2.97	11.36
Bahrain	2024	3.69	7.78	KSA	2049	3.93	22.07
Bahrain	2029	4.83	16.48	Oman	2025	4.36	12.76
Bahrain	2047	6.11	21.81	Oman	2029	5.78	1.32
Dubai	2023	2.55	3.91	Oman	2048	7.07	15.61
Dubai	2029	3.21	9.06	Qatar	2024	2.22	4.44
Kuwait	2022	2.01	3.16	Qatar	2028	2.59	9.24
Kuwait	2027	2.38	7.44	Qatar	2049	3.58	21.77

Source: Bloomberg

Bonds and Sukuk Indices (18 November 2019)

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.30	7.33	-0.01	12.97
S&P MENA Bond and Sukuk Index	3.04	NA	-0.02	12.40
Bloomberg Emerging Markets USD Index	5.01	6.28	-0.02	11.14
Bloomberg Global Aggregate Index	1.43	7.27	0.10	6.07

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	18/11/2019	31/12/2018	18/11/2019	31/12/2018	18/11/2019	31/12/2018
KIBOR	2.7500	2.3125	2.9375	2.5625	3.1875	2.8125
SAIBOR	2.2286	2.9750	2.2500	3.1150	2.2957	3.3413
BHIBOR	2.4000	3.5500	2.8367	4.0833	2.9167	4.7000
QATAR	2.3000	2.9056	2.4000	3.0889	2.6833	3.3028
AEIBOR	2.1191	2.8375	2.1810	3.1849	2.2501	3.5737
EURIBOR	-0.4040	-0.3090	-0.3330	-0.2370	-0.2690	-0.1170
LIBOR	1.9026	2.8076	1.9185	2.8756	1.9610	3.0054

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.7351	-0.16	-37.1
2-Year	1.6245	-0.71	-38.9
5-Year	1.5993	-0.79	-37.8
7-Year	1.6429	-0.71	-37.4
10-Year	1.7295	-0.69	-36.1
30-Year	1.9126	-0.19	-32.6

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3042	0.0099	-0.06
SAR	3.7503	0.0000	0.03
BHD	0.3771	0.0000	-0.03
QAR	3.6650	-0.0109	-0.24
OMR	0.3850	0.0026	0.01
AED	3.6729	0.0000	0.00

US Treasuries

	Yield %	1D Δ (%)
2-Year	1.60	0.01
5-Year	1.64	0.04
10-Year	1.82	0.07
30-Year	2.30	0.09

UK Gilts

	Yield %	1D Δ (%)
2-Year	0.54	-0.05
5-Year	0.51	-0.08
10-Year	0.73	-0.19
30-Year	1.26	-0.67

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.41	0.00
5-Year	-0.67	-0.03
10-Year	-0.48	-0.14
30-Year	0.16	-0.86

	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	Caa2	CCC	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 Δ (%)
Abu Dhabi	40.560		-36.60
Kuwait	39.900		-35.15
Dubai	114.210		-6.54
Bahrain	201.380		-27.42
Qatar	40.800		-48.09
KSA	64.370		-36.71
Egypt	294.520		-21.01
Lebanon	1846.140		147.12
Turkey	306.649		-14.68
Iraq	338.030		-24.09
Morocco	84.950		-14.18
China	37.588		-43.14
France	17.960		-49.53
Germany	7.700		-36.04
Japan	21.156		-10.02
UK	28.06		-23.32
US	12.42		-31.31