

Saudi developer Dar Al Arkan sells a \$600m in Islamic bonds- Saudi Arabian real estate developer Dar Al Arkan priced a \$600m long 5-year sukuk, or Islamic bond on Wednesday offering yield of 7%. Initial price guidance was issued at 7.25% to 7.375% earlier on Wednesday. The senior unsecured paper, due in February 2025, was priced at an issue price of 98.841 cents on a dollar and the profit rate was set at 6.75%. According to Reuters the deal attracted orders of more than \$1.6bn. AlKhair Capital, Deutsche Bank, Dubai Islamic Bank, Emirates NBD Capital, Goldman Sachs International, Nomura, Noor Bank, Standard Chartered Bank and Warba Bank arranged the deal.

Dubai utility DEWA plans to go debt-free by repaying \$5.7bn in bonds with own funds - Dubai Electricity and Water Authority plans to use its own cash to repay outstanding bonds and become debt-free, Chief Executive Officer Saeed Mohammed Al Tayer said Wednesday in an interview. To reorganise its finances, DEWA plans to make a single payment to repay \$5.5bn to \$5.7bn in bonds maturing next October. "This will be the last bond, our debt will be zero," Al Tayer said. "We don't intend to take out loans" because DEWA will build new facilities as independent power projects in which private developers will pay the up-front costs.

Saudi Arabia's Gulf International Bank Plans \$500 Million Bond - Gulf International Bank BSC plans to raise about \$500 million from the sale of dollar-denominated bonds, according to people with knowledge of the plan. The Riyadh-based lender that's owned by Saudi Arabia's sovereign wealth fund is seeking to sell five-year securities, said the people, asking not to be identified because the information is private.

Fed minutes show debate emerges on when to halt rate cuts- Federal Reserve officials began debating how far their current interest-rate cutting campaign should extend, even as they agreed to lower rates in response to growing risks to the US economy, the minutes of the Sept. 17-18 Federal Open Market Committee meeting, released on Wednesday, showed. "Participants generally judged that downside risks to the outlook for economic activity had increased somewhat since their July meeting, particularly those stemming from trade policy uncertainty and conditions abroad," the minutes said. In discussing policy beyond the September session, however, several officials made a push for the FOMC's statement to signal the limits of the policy easing that Chairman Jerome Powell characterised in July as a "mid-cycle adjustment."

Trump says there is a 'really good chance' of US-China trade deal - Donald Trump said there was a very good chance that the United States and China will reach a trade agreement. Speaking to reporters a day before high-level trade talks resume in Washington, Trump said: "If we can make a deal, we're going to make a deal, there's a really good chance." "In my opinion China wants to make a deal more than I do," he said.

GCC Bonds & Sukuk: Best and worst Performers (10 October 2019)

Best daily Performers	Daily change	Worst daily Performers	Daily change
Ezdan Sukuk 22	0.51%	Meeras Sukuk 22	-0.26%
Etihad Airways 20	0.25%	Mubadala 41	-0.26%
Sharjah Govt 25	0.22%	Ooredoo 25	-0.17%
Best YTD Performers	YTD change	Worst YTD Performers	YTD change
KSA Govt 50	26.66%	Etihad Airways 20	-25.91%
KSA Govt 49	26.12%	Etihad Airways 21	-17.51%
Qatar Govt 49	25.37%	Commercial Bank of Qatar 19	-1.99%

Source: Bloomberg

Bonds & Sukuk Indices (10 October 2019)

Index Name	Price	1D Chng	YTD	Yield
S&P MENA Bond and Sukuk Index	136.170	-0.11%	12.85%	2.87%
S&P MENA Bond Index	138.750	-0.11%	13.90%	2.89%
S&P MENA Sukuk Index	128.650	-0.11%	9.40%	2.77%
Bloomberg Global Developed Sovereign Bond Index	121.159	-0.19%	4.45%	0.43%
Bloomberg USD Emerging Market Composite Bond Index	238.495	-0.12%	13.73%	
Dow Jones Sukuk Index	105.988	-0.11%	7.06%	

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	10/10/2019	31/12/2018	10/10/2019	31/12/2018	10/10/2019	31/12/2018
SAIBOR	2.3143	1.8988	2.3157	2.0875	2.3143	2.2863
KIBOR	2.8750	1.8750	3.0625	2.0625	3.3125	2.3750
BHIBOR	2.3700	2.4500	3.1333	2.9000	3.2500	3.2750
QATAR	2.6375	2.7342	2.8000	2.8868	3.1125	3.0468
AEIBOR	2.2600	1.8310	2.4350	2.0513	2.3105	2.5648
EURIBOR	-0.4170	-0.3290	-0.3870	-0.2710	-0.3300	-0.1860
LIBOR	2.0095	1.6858	1.9634	1.8336	1.8885	2.1022

U.S. Treasuries

	Current Yield (%)	1D Chng
1-Year	1.57	-0.023
2-Year	1.45	0.025
5-Year	1.39	0.059
7-Year	1.48	0.094
10-Year	1.58	0.070
30-Year	2.08	0.125

USD Swap rates

	Rates (%)	1D Chng (%)
2-Y	1.491	-0.01%
5-Y	1.380	-0.01%
10-Y	1.493	0.00%
30-Y	1.686	0.00%

German Bund

	Current Yield (%)	1D Chng (Bps)
2-Y	-0.53	2.479
5-Y	-0.81	0.239
10-Y	-0.68	0.113
30-Y	-0.06	0.005

UK Gilts

	Current Yield (%)	1D Chng (Bps)
2-Y	0.36	0.487
5-Y	0.26	0.013
10-Y	0.46	-0.023
30-Y	0.97	-0.029

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 (%)

	5-Year CDS	YTD (%)
Abu Dhabi	51.820	-20.13
Kuwait	50.910	-18.41
Dubai	125.180	2.50
Bahrain	224.980	-19.32
Qatar	52.250	-34.38
KSA	74.250	-27.62
Egypt	292.200	-21.60
Lebanon	1211.22	63.76
Turkey	361.280	0.45
Iraq	329.550	-25.75
Morocco	85.900	-13.33
China	47.908	-27.36
France	18.660	-47.55
Germany	9.390	-26.05
Japan	22.483	-10.02
UK	10.025	-33.48
US	3.851	-32.18