

Kuwait's Warba Bank Hires Standard Chartered for Islamic Bond - Kuwait's Warba Bank hired lenders including Standard Chartered Plc to sell dollar-denominated Islamic bonds. The Shariah-compliant lender is also working with Emirates NBD PJSC and BNP Paribas SA on the benchmark-sized sale, said the people, asking not to be identified because the information isn't public. More banks could be added as joint lead arrangers and bookrunners, they said.

X-S&PGR Dwngrds Damac Real Estate Development To 'B+'; Outlook Negative – The global ratings agency expects Damac Real Estate Development Ltd.'s credit metrics will weaken over the next two years as residential real estate prices in Dubai decline and therefore lowered their ratings to 'B+' from 'BB-' on Damac and on its two sukuk trust certificates. The negative outlook reflects the view that Dubai's residential real estate market conditions will remain weak, and that this could lead to a significant reduction in Damac's new sales and margins.

Kuwait Petroleum to raise \$1 bln revolving loan – sources - Kuwait Petroleum Corp (KPC) is finalising a \$1 billion loan with a small group of international banks, three sources familiar with the deal said. The loan, a revolving credit facility, comes amid a slowdown in the regional loan market, as borrowers have increasingly raised financing through bonds to take advantage of lower rates. The state-owned oil company, which did not respond to a request for comment, plans to invest hundreds of billions of dollars by 2040 as it aims to boost its crude oil production capacity to 4.75 million barrels per day by that date.

Egypt repaid \$25bn of debt in two years: CBE - Egypt has repaid about \$25bn in debts and interest over the past two years from the end of March 2017 to the end of March 2019, the Central Bank of Egypt (CBE) announced on Wednesday. The CBE said in a recent report that these debts include \$21bn of interest on paid loans and \$5bn of debt services. It pointed out that during the first quarter of 2019, Egypt repaid \$3.04bn, including \$2.1bn of interest on paid loans and \$946.6m of interest on the debt. An official source at the CBE said earlier that Egypt has paid about \$36.7bn of debt since the revolution of 30 June 2013.

Global Sukuk issuance set to \$130 billion in 2019 - Governments across the core Islamic finance markets continue to adjust their funding mix, supporting long-term growth in Sukuk volumes. Global Sukuk issuance is set to rise six per cent to around \$130 billion this year, a fourth consecutive annual increase. The change in global Sukuk issuance reflects sovereigns across core Islamic finance markets' cultural attraction with Islamic finance and their governments' desire to promote Shari'ah-compliant banking. Increased activity in Saudi Arabia and Malaysia helped drive strong issuance of \$87 billion in the first six months and this has reduced funding needs.

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

Best daily Performers	Daily change	Worst daily Performers	Daily change
Saudi Electricity 43	0.98%	QNB 20	-0.11%
Saudi Electricity Sukuk 44	0.88%	QIB 23	-0.05%
Shelf Drill 25	0.58%	Ezdan Sukuk 21	-0.05%
Best YTD Performers	YTD change	Worst YTD Performers	YTD change
KSA Govt. 46	26.59%	Etihad Airways 20	-28.42%
Qatar Govt. 46	23.90%	Etihad Airways 21	-21.55%
Saudi Electricity 43	22.06%	Ras Gas 19	-2.05%

Source: Bloomberg

Bonds & Sukuk Indices (29 August 2019)

Index Name	Price	1D Chng	YTD	Yield
S&P MENA Bond and Sukuk Index	137.670	0.28%	14.10%	2.81%
S&P MENA Bond Index	140.520	0.33%	15.35%	2.82%
S&P MENA Sukuk Index	129.300	0.08%	9.95%	2.77%
Bloomberg Global Developed Sovereign Bond Index	122.140	0.03%	5.30%	0.38%
Bloomberg USD Emerging Market Composite Bond Index	237.939	0.25%	13.47%	
Dow Jones Sukuk Index	106.810	0.13%	7.89%	

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	29/08/2019	31/12/2018	29/08/2019	31/12/2018	29/08/2019	31/12/2018
SAIBOR	2.4214	1.8988	2.4086	2.0875	2.4057	2.2863
KIBOR	2.8125	1.8750	3.0000	2.0625	3.2500	2.3750
BHIBOR	2.5500	2.4500	3.1667	2.9000	3.2833	3.2750
QATAR	2.7307	2.7342	2.8577	2.8868	3.0747	3.0468
AEIBOR	2.4135	1.8310	2.4146	2.0513	2.4338	2.5648
EURIBOR	-0.4180	-0.3290	-0.4150	-0.2710	-0.3690	-0.1860
LIBOR	2.1174	1.6858	2.0375	1.8336	1.9494	2.1022

U.S. Treasuries

	Current Yield (%)	1D Chng
1-Year	1.72	-0.021
2-Year	1.49	0.025
5-Year	1.35	0.105
7-Year	1.41	0.156
10-Year	1.45	0.250
30-Year	1.93	1.070

USD Swap rates

	Rates (%)	1D Chng (%)
2-Y	1.482	-0.01%
5-Y	1.292	-0.02%
10-Y	1.356	-0.02%
30-Y	1.529	-0.04%

German Bund

	Current Yield (%)	1D Chng (Bps)
2-Y	-0.67	1.892
5-Y	-0.92	0.213
10-Y	-0.83	0.134
30-Y	-0.26	-0.001

UK Gilts

	Current Yield (%)	1D Chng (Bps)
2-Y	w	0.411
5-Y	0.29	0.020
10-Y	0.44	-0.010
30-Y	0.99	-0.039

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	47.170	-26.26
Kuwait	46.960	-24.41
Dubai	125.680	1.13
Bahrain	247.020	-11.76
Qatar	48.230	-39.36
KSA	68.540	-33.08
Egypt	284.090	-23.72
Lebanon	1196.640	64.55
Turkey	426.185	18.46
Iraq	340.310	-23.74
Morocco	102.850	2.02
China	47.488	-28.13
France	19.680	-44.44
Germany	9.260	-25.54
Japan	21.827	-10.02
UK	31.830	-14.41
US	12.170	-32.02