

Pearl Petroleum hires banks for debut dollar bond - Pearl Petroleum, a consortium majority-owned by Abu Dhabi-listed Dana Gas and its affiliate Crescent Petroleum, has mandated three banks for a debut U.S. dollar-denominated bond issue, a document issued by one of the banks showed. BofA Merrill Lynch and Morgan Stanley have been hired as joint global coordinators and joint bookrunners with SHUAA Capital as "co-manager" for the deal planned after investor meetings in London, U.S., UAE, Singapore and Hong Kong starting on Oct. 14. Pearl Petroleum is a hydrocarbon producer operating in the Kurdistan Region of Iraq, where it fuels around 75% of power generation. Fitch said in a note on Friday that the proposed bonds will have an amount of \$350 million. The rating agency has given the company a B-(minus) rating with a stable outlook, citing "satisfactory liquidity backed by cash held mainly in UAE banks".

Moody's upgrades APICORP's credit rating to Aa2 - Moody's Investors Service has upgraded the credit rating of Arab Petroleum Investments Corporation (APICORP) from 'Aa3' to 'Aa2' with 'stable' outlook, a statement said on Saturday. This upgrade was 'driven by the Corporation's progress in sustaining and further improving its financial performance and resilience', APICORP said in the statement, adding that its short-term issuer rating was also affirmed at Prime-1. "The key drivers for the upgrade include the steady improvement that APICORP has made in its liquidity and funding profile by diversifying its funding sources. This has allowed APICORP to significantly reduce its reliance on short-term wholesale deposits and eliminate short-term asset-liability mismatches," Moody's maintained.

Central Bank of Kuwait approves KFH-AUB merger - The consolidation will create the largest banking entity in Kuwait with assets of about \$94 billion and the sixth-largest bank in the Gulf region. The Central Bank of Kuwait has 'conditionally' approved the proposed merger between Kuwait Financial House (KFH) and Bahrain's Ahli United Bank (AUB). In a bourse filing, KFH stated that it has received the approval of CBK to acquire 100 per cent of the capital shares of AUB and such approval shall be conditional upon fulfilling certain requirements by the central bank

Turkey Wealth Fund Plans Debut Bond After Seeking Credit Rating - Turkey's sovereign wealth fund plans to tap international bond markets next year once the quality of its debt has been assessed by global ratings companies, according to three people with knowledge of the plan. The fund, formally known as Türkiye Varlık Fonu Yonetimi AS, will first complete its financial reports with the help of an international consultancy firm, said the people, who asked not to be identified because the details aren't public. The bond sale is targeted for the first half of 2020, they said. The plans come as the fund, which borrowed 1 billion euros (\$1.1 billion) from international lenders earlier this year, gets ready to boost investments aimed at spurring economic growth.

This report has been prepared and issued by Kuwait Financial Centre K.P.S.C. (Markaz), which is regulated by the Capital Markets Authority and the Central Bank of Kuwait. The report is owned by Markaz and is privileged and proprietary and is subject to copyrights. Sale of any copies of this report is strictly prohibited. A number of sources which include Bloomberg, Zawya, and daily newspapers were utilized in the creation of this report.

GCC Bonds & Sukuk: Best and worst Performers (13 October 2019)

Best daily Performers	Daily change	Worst daily Performers	Daily change
NMC Health 25	1.82%	Qatar Govt 49	-2.08%
Etihad Airways 20	1.18%	Qatar Govt 48	-1.74%
Emirates NBD 39	0.85%	Qatar Govt 28	-0.56%
Best YTD Performers	YTD change	Worst YTD Performers	YTD change
KSA Govt 49	24.38%	Etihad Airways 20	-25.91%
KSA Govt 47	23.62%	Etihad Airways 21	-17.26%
Abu Dhabi 47	22.98 %	Commercial Bank of Qatar 19	-1.96%

Source: Bloomberg

Bonds & Sukuk Indices (13 October 2019)

Index Name	Price	1D Chng	YTD	Yield
S&P MENA Bond and Sukuk Index	135.610	-0.15%	12.39%	2.87%
S&P MENA Bond Index	138.010	-0.21%	13.29%	2.89%
S&P MENA Sukuk Index	128.680	0.05%	9.42%	2.77%
Bloomberg Global Developed Sovereign Bond Index	120.807	-0.28%	4.15%	0.54%
Bloomberg USD Emerging Market Composite Bond Index	237.871	-0.13%	13.43%	
Dow Jones Sukuk Index	105.869	-0.01%	6.94%	

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	13/10/2019	31/12/2018	13/10/2019	31/12/2018	13/10/2019	31/12/2018
SAIBOR	2.3071	1.8988	2.3100	2.0875	2.3100	2.2863
KIBOR	2.8750	1.8750	3.0625	2.0625	3.3125	2.3750
BHIBOR	2.3700	2.4500	3.0667	2.9000	3.2167	3.2750
QATAR	2.6000	2.7342	2.7500	2.8868	3.0250	3.0468
AEIBOR	2.3110	1.8310	2.4396	2.0513	2.3080	2.5648
EURIBOR	-0.4180	-0.3290	-0.3580	-0.2710	-0.3030	-0.1860
LIBOR	2.0009	1.6858	1.9756	1.8336	1.9555	2.1022

U.S. Treasuries

	Current Yield (%)	1D Chng
1-Year	1.64	0.013
2-Year	1.59	-0.090
5-Year	1.55	-0.309
7-Year	1.64	-0.406
10-Year	1.73	-0.531
30-Year	2.19	-0.695

USD Swap rates

	Rates (%)	1D Chng (%)
2-Y	1.642	0.07%
5-Y	1.550	0.08%
10-Y	1.654	0.07%
30-Y	1.820	0.06%

German Bund

	Current Yield (%)	1D Chng (Bps)
2-Y	-0.49	-0.048
5-Y	-0.76	0.031
10-Y	-0.58	-0.025
30-Y	0.07	0.000

UK Gilts

	Current Yield (%)	1D Chng (Bps)
2-Y	0.55	0.034
5-Y	0.50	0.048
10-Y	0.70	0.039
30-Y	1.17	0.026

Currencies

	USD	1-Day Δ	YTD (%)
KWD	0.3040	(0.0001)	-0.122%
SAR	3.7513	(0.0001)	0.011%
BHD	0.3771	(0.0000)	-0.019%
QAR	3.6621	0.0000	-0.186%
OMR	0.3855	0.0000	-0.003%
AED	3.6731	0.0000	-0.008%
EGP	16.312	0.0395	10.04%
EUR	1.1054	0.0037	-3.706%

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	51.340 -21.18
Kuwait	49.910 -19.93
Dubai	123.020 0.83
Bahrain	223.550 -19.81
Qatar	52.250 -34.38
KSA	77.670 -24.34
Egypt	295.420 -20.78
Lebanon	1151.500 56.09
Turkey	390.417 8.68
Iraq	332.300 -25.22
Morocco	96.540 -3.70
China	44.720 -31.90
France	18.610 -48.04
Germany	9.390 -27.60
Japan	22.483 -10.02
UK	10.025 -33.48
US	3.851 -32.18