

Bahrain gears up for first dollar bond since Gulf bailout - Bahrain has mandated banks for a dual-tranche dollar-denominated bond issue, which would be its first since it obtained a \$10 billion bailout from its Gulf allies last year to avert a credit crunch. The small Gulf kingdom is looking to issue seven-year Islamic bonds and 12-year conventional bonds, according to a document seen by Reuters. It has mandated BNP Paribas, Citi, Gulf International Bank, JP Morgan, National Bank of Bahrain and Standard Chartered to organise investor meetings in Asia, the United States, the Middle East and Britain from Thursday.

DP World Makes Tender Offer for Convertible Bonds Due 2024 – DP World makes purchase offer to holders of its \$1 billion, 1.75% convertible bonds due 2024. It plans to purchase in cash through a reverse bookbuilding proces. The company has purchased bonds with an aggregate principal amount of \$152.8 million.

Qatar central bank cuts interest rates by 25 bps - Qatar's central bank said on Thursday it was cutting its key interest rates by 25 basis points, following the U.S. Federal Reserve decision to slash rates for the second time this year. The Gulf Arab state central bank cut the lending rate to 4.5%, the repo rate to 2.25% and the deposit rate to 2.25%.

Saudi Aramco says full oil production in Abqaiq will be back by end of September - Saudi Aramco will bring full oil production capacity at Abqaiq by the end of September, Khalid Buraik, the company's vice-president for southern area oil operations, said on Friday. Abqaiq, one of the world's largest petroleum processing facilities, sustained heavy damage from an attack by drones and missiles on Sept. 14.

Saudi Real Estate Refinance Co plans up to 1 bln riyal sukuk - Saudi Real Estate Refinance Co (SRC), the Saudi equivalent of U.S. mortgage finance business Fannie Mae, is planning an up to 1 billion riyal (\$267 million) sukuk this year and a potential U.S dollar debt issue next year, its CEO told Reuters. SRC, a subsidiary of Saudi Arabia's PIC sovereign wealth fund, aims to boost housing construction - a top priority of Saudi Arabian economic reforms - by injecting liquidity into the real estate market.

Lebanon to discuss Saudi financial support in new joint body - Heavily indebted Lebanon will discuss getting help from Saudi Arabia with its financial situation at a new bilateral council the two countries are setting up, the Lebanese prime minister said on Friday. Work was underway on the new council, and around 19 agreements had been prepared for it, Prime Minister Saad al-Hariri told reporters after a meeting with French President Emmanuel Macron in Paris. "There will also be talk regarding how the Kingdom of Saudi Arabia will help us regarding the financial situation we have," Hariri said.

GCC Bonds & Sukuk: Best and worst Performers (22 September 2019)

Best daily Performers	Daily change	Worst daily Performers	Daily change
Emirates REIT	0.32%	Dar Al Arkan 23	-0.38%
Qatar Gas 33	0.26%	Saudi Electricity 28	-0.36%
Ezdan Sukuk 22	0.15%	Sharjah Islamic Bank Perp	-0.33%
Best YTD Performers	YTD change	Worst YTD Performers	YTD change
DP World 48	25.74%	Etihad Airways 20	-23.82%
Abu Dhabi Govt 47	24.21%	Etihad Airways 21	-22.13%
KSA Govt 50	22.77%	Commercial Bank Qatar 19	-1.72%

Source: Bloomberg

Bonds & Sukuk Indices (22 September 2019)

Index Name	Price	1D Chng	YTD	Yield
S&P MENA Bond and Sukuk Index	136.140	0.20%	12.83%	2.84%
S&P MENA Bond Index	138.650	0.23%	13.82%	2.88%
S&P MENA Sukuk Index	128.830	0.06%	9.55%	2.74%
Bloomberg Global Developed Sovereign Bond Index	120.467	-0.03%	3.85%	0.59%
Bloomberg USD Emerging Market Composite Bond Index	238.356	0.17%	13.67%	
Dow Jones Sukuk Index	106.185	0.05%	7.26%	

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	22/09/2019	31/12/2018	22/09/2019	31/12w/2018	22/09/2019	31/12/2018
SAIBOR	2.3829	1.8988	2.3757	2.0875	2.3771	2.2863
KIBOR	2.8125	1.8750	3.0000	2.0625	3.2500	2.3750
BHIBOR	2.3700	2.4500	3.0833	2.9000	3.1833	3.2750
QATAR	2.7203	2.7342	2.7990	2.8868	2.9720	3.0468
AEIBOR	2.3531	1.8310	2.3251	2.0513	2.4946	2.5648
EURIBOR	-0.3980	-0.3290	-0.3650	-0.2710	-0.3040	-0.1860
LIBOR	2.1641	1.6858	2.0853	1.8336	2.0654	2.1022

U.S. Treasuries

	Current Yield (%)	1D Chng
1-Year	1.82	-0.061
2-Year	1.68	0.109
5-Year	1.60	0.285
7-Year	1.67	0.414
10-Year	1.72	0.578
30-Year	2.16	1.484

USD Swap rates

	Rates (%)	1D Chng (%)
2-Y	1.682	-0.03%
5-Y	1.544	-0.04%
10-Y	1.608	-0.05%
30-Y	1.746	-0.06%

German Bund

	Current Yield (%)	1D Chng (Bps)
2-Y	-0.57	0.306
5-Y	-0.77	-0.825
10-Y	-0.63	-1.257
30-Y	0.00	-1.086

UK Gilts

	Current Yield (%)	1D Chng (Bps)
2-Y	0.51	0.430
5-Y	0.46	0.074
10-Y	0.64	-0.005
30-Y	1.06	-0.015

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	41.070
Kuwait	39.960
Dubai	115.370
Bahrain	224.570
Qatar	40.650
KSA	64.190
Egypt	254.370
Lebanon	1196.900
Turkey	374.772
Iraq	292.860
Morocco	85.970
China	37.766
France	18.020
Germany	9.170
Japan	20.910
UK	28.240
US	12.210