

News Update – 3 December 2019

Islamic Development Bank Raises USD1.1 Billion in Debt Offering of 0.037% Sukuk

– Islamic Development Bank (IDB), a Saudi Arabia-based multilateral development finance institution that is focused on Islamic finance, has successfully priced its Green Sukuk. IDB raised EUR1 billion in 5-year Trust Certificates under its USD25 billion Trust Certificate Issuance Programme. The Sukuk was priced at par with a profit rate of 0.037%, to be payable on annual basis, making it the lowest ever profit rate for a Euro issuance by the Bank. The Joint Lead Managers and Joint Bookrunners for this issuance are Citi, First Abu Dhabi Bank, HSBC, Landesbank Baden-Wurtemberg, Natixis, Societe Generale, Warba Bank, and Standard Chartered Bank.

Alba Successfully Refinances its US\$1.5 Billion Syndicated Loan Facility with Lower Interest Margin

– Aluminium Bahrain B.S.C. (Alba), the world's largest smelter ex-China, is pleased to announce the successful refinancing of its US\$1.5 Billion Syndicated Loan Facility in connection to the Line 6 Expansion Project. The new senior-unsecured Syndicated Loan Facility of US\$1.5 Billion carries an interest margin of 300 basis points per annum over the London Interbank Offered Rate (LIBOR). This new facility has an 8-year tenor and the principal amount will be repaid in 16 semi-annual instalments and includes 6-month grace period. This facility comprises two tranches: a US Dollar-denominated senior unsecured conventional term-loan facility (the Conventional Facility) of US\$590.3 million and a US Dollar-denominated senior Shari'ah-compliant facility (the Islamic Facility) of US\$909.7 million.

Bahrain Bourse Lists 10 Treasury Bill Issues and Short-Term Islamic Lease (Ijarah) Sukuk worth BD646 Million

– Bahrain Bourse (BHB) announced on Sunday, 1st of December 2019 the listing of 10 issues in the Treasury Bills Market effective on Monday, 2nd of December 2019 worth a total of BD646 million (~ USD 1.7 bn), issued by the Central Bank of Bahrain with discount rates ranging between 2.57% and 2.82% for 3-12 months. With the listing of those issues, the total number of Treasury Bills and Short-Term Islamic Lease (Ijarah) Sukuk listed at Bahrain Bourse became 20 issues with a total value of BD1.43 billion.

Kuwait bourse IPO more than 8.5 times oversubscribed

– Kuwait Stock Exchange's initial public offering was more than 8.5 times covered, in the last stage of the company's privatisation process. The capital won't be increased and the excess funds will be returned to investors by Dec. 29, the Capital Markets Authority said in a statement.

GCC Sovereign Yields (3 December 2019)

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.42	9.27	KSA	2025	2.49	8.00
Abu Dhabi	2047	3.23	20.53	KSA	2029	2.92	11.71
Bahrain	2024	3.65	7.81	KSA	2049	3.90	22.70
Bahrain	2029	4.92	15.58	Oman	2025	4.37	12.68
Bahrain	2047	6.13	21.40	Oman	2029	5.88	0.58
Dubai	2023	2.47	4.09	Oman	2048	7.14	14.50
Dubai	2029	3.13	9.69	Qatar	2024	2.22	4.39
Kuwait	2022	1.98	3.19	Qatar	2028	2.54	9.52
Kuwait	2027	2.37	7.50	Qatar	2049	3.55	22.42

Source: Bloomberg

Bonds and Sukuk Indices (3 December 2019)

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.27	7.33	-0.20	13.39
S&P MENA Bond and Sukuk Index	3.00	NA	-0.24	12.86
Bloomberg Emerging Markets USD Index	5.06	6.28	-0.28	11.11
Bloomberg Global Aggregate Index	1.45	7.27	-0.18	6.02

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	03/12/2019	31/12/2018	03/12/2019	31/12/2018	03/12/2019	31/12/2018
KIBOR	2.7500	2.3125	2.9375	2.5625	3.1875	2.8125
SAIBOR	2.2371	2.9750	2.2529	3.1150	2.2971	3.3413
BHIBOR	2.3500	3.5500	2.8000	4.0833	2.9033	4.7000
QATAR	2.2958	2.9056	2.3958	3.0889	2.6760	3.3028
AEIBOR	2.0992	2.8375	2.1863	3.1849	2.2379	3.5737
EURIBOR	-0.4010	-0.3090	-0.3430	-0.2370	-0.2730	-0.1170
LIBOR	1.9055	2.8076	1.8969	2.8756	1.9521	3.0054

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.7510	0.85	-36.5
2-Year	1.6450	1.84	-38.1
5-Year	1.6312	2.10	-36.5
7-Year	1.6747	2.02	-36.2
10-Year	1.7620	1.86	-34.9
30-Year	1.9396	1.45	-31.7

Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3039	0.0922	-0.10
SAR	3.7504	-0.0027	0.04
BHD	0.3771	-0.0027	-0.02
QAR	3.6664	-0.0164	-0.29
OMR	0.3850	0.0000	-0.01
AED	3.6731	0.0000	-0.01

US Treasuries

	Yield %	1D Δ (%)
2-Year	1.62	-0.03
5-Year	1.66	-0.08
10-Year	1.84	-0.15
30-Year	2.28	-0.27

UK Gilt

	Yield %	1D Δ (%)
2-Year	0.53	-0.02
5-Year	0.54	-0.13
10-Year	0.74	-0.40
30-Year	1.24	-0.96

German Bunds

	Yield %	1D Δ (%)
2-Year	-1.23	-0.01
5-Year	-0.64	-0.08
10-Year	-0.42	-0.61
30-Year	0.21	-3.05

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 (%)

	YTD Δ (%)
Abu Dhabi	-38.51
Kuwait	-36.66
Dubai	-10.67
Bahrain	-30.93
Qatar	-48.85
KSA	-33.13
Egypt	-19.86
Lebanon	221.38
Turkey	-12.31
Iraq	-17.17
Morocco	-12.35
China	-41.91
France	-52.71
Germany	-36.08
Japan	-10.02
UK	-48.82
US	-31.77