

Fitch Affirms National Bank Of Kuwait At 'AA-'; Outlook Stable - Fitch Ratings has affirmed National Bank of Kuwait's (NBK) and NBK (International)'s (NBKI) Long-Term Issuer Default Rating (IDR) at 'AA-' with a Stable Outlook. Fitch has also affirmed NBK's Viability Rating (VR) at 'a-'. NBK continues to benefit from a fairly stable operating environment in Kuwait despite the economic impact of lower oil prices. The bank is exposed to slower economic growth, but Fitch believes that the government's continuing capital spending plans will partially offset the pressures.

Fitch Affirms Kuwait Finance House At 'A+'; Outlook Stable - Fitch Ratings has affirmed Kuwait Finance House's (KFH) Long-Term Issuer Default Rating (IDR) at 'A+' with a Stable Outlook. Fitch has also affirmed the bank's Viability Rating (VR) at 'bb+' and assigned KFH's trust certificate issuance programme final long- and short-term ratings of 'A+' and 'F1', respectively.

Saudi Arabia mulls dollar denominated Sukuk issuance - In December 2018, the Kingdom said that it plans to raise about \$32 billion from local- and foreign-currency debt this year to help fund its budget deficit. Saudi Arabia is considering selling a dollar-denominated Islamic bond as early as next month as the Kingdom seeks to take advantage of lower borrowing costs, reported Bloomberg. The government is said to be close to hire banks for the possible Sukuk sale. The Islamic bond sale would come just weeks after attacks on the Kingdom's oil facilities slashed Saudi Aramco's crude output by half, however, the finance minister said that the strikes had zero impact on the country's revenue.

Moody's assigns Aa2 rating to Abu Dhabi's \$10 bln three-tranche bond - Moody's Investors Service (Moody's) on Tuesday assigned a Aa2 senior unsecured rating to the \$10 billion, three tranche bond issued by the Government of Abu Dhabi (Aa2 stable) on September 23, said a statement. "The Aa2 rating is at the same level as the long-term issuer rating of the Government of Abu Dhabi, which is supported by Abu Dhabi's "Very High" economic strength derived from an exceptionally high GDP per capita, very large hydrocarbon reserves, and superior infrastructure," Moody's noted.

Moody's Places Lebanon's Caa1 Rating Under Review For Downgrade - Credit ratings agency Moody's put Lebanon's Caa1 rating under review for downgrade on Tuesday, saying this reflected recent significant tightening in external financial conditions and a reversal in bank deposit inflows. "Anticipated external financial assistance has not yet been forthcoming and capital market access at sustainable rates remains elusive," Moody's investors service said. Lebanon has a \$1.5 billion Eurobond maturity in November. Its currency has been pegged to the U.S. dollar at its current level for more than two decades.

GCC Bonds & Sukuk: Best and worst Performers (02 October 2019)

Best daily Performers	Daily change	Worst daily Performers	Daily change
Emirates REIT Sukuk 22	1.09%	Nakilat 33	-1.82%
DAE 22	0.36%	ADCB 24	-0.37%
Ahli United Bank Perp.	0.33%	Ezdan Sukuk 21	-0.34%
Best YTD Performers	YTD change	Worst YTD Performers	YTD change
KSA Govt 50	26.37%	Etihad Airways 21	-23.23%
KSA Govt 49	25.42%	Etihad Airways 20	-23.24%
KSA Govt 47	24.59%	Ras Gas 19	-2.18%

Source: Bloomberg

Bonds & Sukuk Indices (02 October 2019)

Index Name	Price	1D Chng	YTD	Yield
S&P MENA Bond and Sukuk Index	135.810	-0.11%	12.56%	2.90%
S&P MENA Bond Index	138.270	-0.13%	13.50%	2.92%
S&P MENA Sukuk Index	128.680	-0.04%	9.42%	2.80%
Bloomberg Global Developed Sovereign Bond Index	120.482	0.04%	3.87%	0.48%
Bloomberg USD Emerging Market Composite Bond Index	237.666	-0.07%	13.34%	
Dow Jones Sukuk Index	105.940	-0.05%	7.01%	

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	02/10/2019	31/12/2018	02/10/2019	31/12/2018	02/10/2019	31/12/2018
SAIBOR	2.3529	1.8988	2.3571	2.0875	2.3586	2.2863
KIBOR	2.8750	1.8750	3.0625	2.0625	3.2500	2.3750
BHIBOR	2.3700	2.4500	3.1333	2.9000	3.2500	3.2750
QATAR	2.5567	2.7342	2.7100	2.8868	3.0300	3.0468
AEIBOR	2.4257	1.8310	2.3773	2.0513	2.4696	2.5648
EURIBOR	-0.4180	-0.3290	-0.3860	-0.2710	-0.3300	-0.1860
LIBOR	2.0851	1.6858	2.0556	1.8336	2.0321	2.1022

U.S. Treasuries

	Current Yield (%)	1D Chng
1-Year	1.69	-0.020
2-Year	1.55	-0.010
5-Year	1.51	-0.090
7-Year	1.60	-0.156
10-Year	1.66	-0.203
30-Year	2.12	-0.695

USD Swap rates

	Rates (%)	1D Chng (%)
2-Y	1.590	0.02%
5-Y	1.477	0.02%
10-Y	1.566	0.02%
30-Y	1.730	0.03%

German Bund

	Current Yield (%)	1D Chng (Bps)
2-Y	-0.57	0.774
5-Y	-0.81	0.091
10-Y	-0.69	0.023
30-Y	-0.09	0.006

UK Gilts

	Current Yield (%)	1D Chng (Bps)
2-Y	0.34	0.441
5-Y	0.25	0.030
10-Y	0.47	-0.008
30-Y	0.95	0.030

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	52.140 -19.39
Kuwait	49.910 -19.93
Dubai	124.530 2.00
Bahrain	221.190 -20.62
Qatar	52.180 -34.28
KSA	74.220 -27.32
Egypt	290.120 -22.14
Lebanon	1217.640 64.79
Turkey	361.835 0.69
Iraq	323.420 -26.95
Morocco	84.970 -14.17
China	48.055 -27.36
France	18.610 -47.92
Germany	9.210 -26.91
Japan	22.483 -10.02
UK	10.025 -33.48
US	12.210 -32.18