

Fitch downgrades Saudi Arabia's on rising geopolitical risk - Rating agency Fitch downgraded Saudi Arabia's credit rating to A from A+ on Monday citing rising geopolitical and military tensions in the Gulf and a deterioration of the kingdom's fiscal position. The downgrade – which places Saudi Arabia one notch above the assessment of peer rating agency S&P Global – is a blow to the largest Arab economy just as it is gearing up for a potential international sale of U.S. dollar denominated Islamic bonds

Saudi Aramco fully restores oil output as it recovers from attacks - Saudi Aramco is producing more than 9.9 million barrels a day of crude as it fully recovers from the worst ever attacks on its energy infrastructure. Output reached that level on Sept. 25 and is a "little bit" higher now, Ibrahim Al-Buainain, chief executive officer of state-owned Aramco's energy trading unit, said at Fujairah in the United Arab Emirates. Saudi Arabia has also restored some spare capacity following the Sept. 14 attacks, he said.

Moody's says outlook for Oman's banking system remains negative - Rating agency Moody's warned on Monday that problem loans in Oman are set to rise to as much as 3.7% of gross loans in 2019-20, from 2.8% in June 2019, with the stressed construction sector heightening risk. "The challenging environment for businesses and households will lead to increased problem loans," the rating agency said in a report. "Our negative outlook for the sector also takes account of the government's declining capacity to support the country's banks in case of need." Problem loans are set to rise to 3.2%-3.7% of gross loans in 2019-20, it said, adding that the outlook for the Omani banking system remains negative

Dubai Aerospace signs new US\$300 million 7-year unsecured term loan - Dubai Aerospace Enterprise, DAE, today announced that it had signed a US\$300 million seven-year unsecured term loan with a group of six banks. Abu Dhabi Commercial Bank served as initial mandated lead arranger, bookrunner and underwriter. The loan will be used to repay secured debt and support the future financing needs of the business. Firoz Tarapore, Chief Executive Officer of DAE, said, "We are pleased to enter into this loan led and arranged by Abu Dhabi Commercial Bank.

Fitch Affirms Burgan Bank K.P.S.C. at 'A+'; Outlook Stable - Fitch Ratings has affirmed Burgan Bank K.P.S.C.'s (BB) Long-Term Issuer Default Rating (IDR) at 'A+' with a Stable Outlook. Fitch has also affirmed the bank's Viability Rating (VR) at 'bb'. BB continues to benefit from a fairly stable operating environment in Kuwait despite the economic impact of low 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.

GCC Bonds & Sukuk: Best and worst Performers (01 October 2019)

Best daily Performers	Daily change	Worst daily Performers	Daily change
Ezdan Sukuk 22	0.58%	Qatar Gas 33	-1.37%
Ooredoo 43	0.30%	Investment Corp Dubai 27	-0.44%
Damac 23	0.23%	Emirates REIT 22	-0.40%
Best YTD Performers	YTD change	Worst YTD Performers	YTD change
KSA Govt 50	26.01%	Etihad Airways 21	-23.23%
KSA Govt 49	25.24%	Ras Gas 19	-2.23%
KSA Govt 47	24.34%	Commercial Bank Qatar 19	-1.85%

Source: Bloomberg

Bonds & Sukuk Indices (01 October 2019)

Index Name	Price	1D Chng	YTD	Yield
S&P MENA Bond and Sukuk Index	135.960	0.00%	12.68%	2.84%
S&P MENA Bond Index	138.460	0.01%	13.66%	2.88%
S&P MENA Sukuk Index	128.730	-0.02%	9.46%	2.74%
Bloomberg Global Developed Sovereign Bond Index	120.439	-0.11%	3.83%	0.48%
Bloomberg USD Emerging Market Composite Bond Index	237.821	-0.07%	13.41%	
Dow Jones Sukuk Index	105.997	-0.08%	7.07%	

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	01/10/2019	31/12/2018	01/10/2019	31/12/2018	01/10/2019	31/12/2018
SAIBOR	2.3557	1.8988	2.3600	2.0875	2.3614	2.2863
KIBOR	2.8750	1.8750	3.0625	2.0625	3.3125	2.3750
BHIBOR	2.3700	2.4500	3.1333	2.9000	3.2500	3.2750
QATAR	2.5600	2.7342	2.7100	2.8868	3.0300	3.0468
AEIBOR	2.3800	1.8310	2.4100	2.0513	2.3985	2.5648
EURIBOR	-0.4120	-0.3290	-0.3770	-0.2710	-0.3250	-0.1860
LIBOR	2.0986	1.6858	2.0630	1.8336	2.0433	2.1022

U.S. Treasuries

	Current Yield (%)	1D Chng
1-Year	1.74	-0.019
2-Year	1.64	-0.023
5-Year	1.57	-0.121
7-Year	1.65	-0.211
10-Year	1.70	-0.344
30-Year	2.16	-1.055

USD Swap rates

	Rates (%)	1D Chng (%)
2-Y	1.654	0.02%
5-Y	1.531	0.03%
10-Y	1.605	0.04%
30-Y	1.762	0.05%

German Bund

	Current Yield (%)	1D Chng (Bps)
2-Y	-0.56	0.774
5-Y	-0.81	0.049
10-Y	-0.69	0.058
30-Y	-0.10	0.048

UK Gilts

	Current Yield (%)	1D Chng (Bps)
2-Y	0.36	0.480
5-Y	0.28	0.017
10-Y	0.49	-0.017
30-Y	0.97	-0.028

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	52.420 -19.00
Kuwait	50.910 -18.41
Dubai	124.030 1.61
Bahrain	224.380 -19.52
Qatar	52.420 -34.01
KSA	74.230 -27.35
Egypt	281.160 -24.43
Lebanon	1177.990 59.73
Turkey	355.975 -0.99
Iraq	322.340 -27.16
Morocco	84.970 -14.17
China	46.919 -28.70
France	18.420 -48.50
Germany	9.230 -26.19
Japan	22.483 -10.02
UK	10.025 -33.48
US	12.210 -32.18