

Kuwait's KIPCO mandates banks for a 7- to 10-year US\$ benchmark bond deal - Kuwait Projects Company K.S.C.P., rated Baa3/BBB- by Moody's/S&P, has mandated HSBC and J.P. Morgan as Global Coordinators, and Bank ABC, First Abu Dhabi Bank, HSBC, J.P. Morgan and KAMCO Investment Company as Joint Lead Managers and Joint Bookrunners, to arrange a series of fixed income investor meetings in Asia, Dubai, and London, commencing on October 17th 2019. A 7- to 10-year benchmark Regulation S fixed rate USD-denominated bond under Kuwait Projects Co SPC Limited's U.S.\$3,000,000,000 Euro Medium Term Note Programme guaranteed by KIPCO will follow.

UAE's Sharjah emirate hires banks for dollar Islamic bonds - The emirate of Sharjah has hired banks ahead of a potential issue of 10-year US dollar-denominated sukuk, or Islamic bonds, Reuters reported Tuesday. Sharjah, the third-largest constituent of the United Arab Emirates, has hired HSBC to coordinate the potential deal. Other banks involved in the deal are Dubai Islamic Bank, Emirates NBD Capital, Sharjah Islamic Bank and Standard Chartered, Reuters reported citing document from the banks. A call with global investors has been arranged on Tuesday.

Aldar Investments prices a \$500m 10-year Sukuk at MS+225bps: Aldar Investment Properties LLC, rated Baa1 by Moody's with a stable outlook, priced a \$500m 10-year Islamic bond or Sukuk on Tuesday at a spread of 225 basis points over benchmark mid swap rate, offering yield of 3.930%. Initial price thought for the Regulation S, senior unsecured Sukuk was announced earlier on Tuesday at MS+260bps area. The Sukuk, maturing on 22 October 2029, was priced at a cash price 99.549 and the periodic distribution rate was set at 3.875%. Orderbooks for the deal was in excess of \$3.1bn,. Aldar Investments is region's largest diversified real estate investment company, a wholly owned subsidiary of Aldar Properties PJSC, and 37.3% indirectly owned by Mubadala.

IMF cuts growth forecast for GCC economies - GCC economies are projected to slow down in 2019 in tandem with slower growth forecasts for most global economies according to the latest World Economic Outlook report from the International Monetary Fund. Growth in the Middle East and Central Asia region is expected to be 0.9% in 2019, 0.4ppt lower than in the April 2019 WEO, largely due to the downward forecast revision for Iran and Saudi Arabia. IMF expects Iran's economy to contract 9.5% this year after shrinking 4.8% in 2018. Most economies in the Gulf Cooperation Council are projected post slower real GDP growth compared to 2018. For Middle East oil exporters, the IMF predicts a contraction of 0.7% in their economies this year and a 2.3% growth in 2020.

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. This report can not be published.
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 (16 October 2019)

Best daily Performers	Daily change	Worst daily Performers	Daily change
Oman Electricity 25	0.17%	Noor Sukuk Perp.	-0.45%
ADCB 22	0.17%	Dubai Aerospace	-0.29%
Sharjah Govt. Sukuk 28	0.17%	Investment Corp. Dubai 27	-0.23%
Best YTD Performers	YTD change	Worst YTD Performers	YTD change
KSA Govt 50	23.20%	Etihad Airways 20	-25.91%
KSA Govt 49	22.54%	Etihad Airways 21	-17.25%
Qatar Govt 49	22.30%	Commercial Bank of Qatar 19	-1.87%

Source: Bloomberg

Bonds & Sukuk Indices (16 October 2019)

Index Name	Price	1D Chng	YTD	Yield
S&P MENA Bond and Sukuk Indexw	135.690	0.04%	12.46%	3.00%
S&P MENA Bond Index	138.140	0.07%	13.40%	3.05%
S&P MENA Sukuk Index	128.580	-0.05%	9.34%	2.82%
Bloomberg Global Developed Sovereign Bond Index	120.729	-0.09%	4.08%	0.55%
Bloomberg USD Emerging Market Composite Bond Index	238.193	0.14%	13.59%	
Dow Jones Sukuk Index	105.761	-0.05%	6.83%	

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	16/10/2019	31/12/2018	16/10/2019	31/12/2018	16/10/2019	31/12/2018
SAIBOR	2.3071	1.8988	2.3186	2.0875	2.3214	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	3.0375	3.0468
AEIBOR	2.3035	1.8310	2.3817	2.0513	2.2830	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	1.60	-0.030
2-Year	1.59	0.059
5-Year	1.56	0.160
7-Year	1.65	0.227
10-Year	1.74	0.266
30-Year	2.22	0.336

USD Swap rates

	Rates (%)	1D Chng (%)
2-Y	1.640	-0.03%
5-Y	1.562	-0.03%
10-Y	1.672	-0.03%
30-Y	1.847	-0.02%

German Bund

	Current Yield (%)	1D Chng (Bps)
2-Y	-0.50	0.849
5-Y	-0.73	0.047
10-Y	-0.55	0.038
30-Y	0.09	0.030

UK Gilts

	Current Yield (%)	1D Chng (Bps)
2-Y	0.53	0.491
5-Y	0.48	0.054
10-Y	0.69	0.031
30-Y	1.15	0.003

Currencies

	USD	1-Day Δ	YTD (%)
KWD	0.3040	0.0000	-0.089%
SAR	3.7517	0.0001	-0.003%
BHD	0.3770	0.0000	-0.016%
QAR	3.6628	(0.0003)	-0.197%
OMR	0.3855	0.0003	-0.003%
AED	3.6731	0.0000	-0.008%
EGP	16.245	(0.0162)	10.62%
EUR	1.1036	0.0003	-3.759%

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	51.840	-20.46
Kuwait	49.910	-19.94
Dubai	122.570	0.48
Bahrain	223.080	-19.97
Qatar	51.620	-35.30
KSA	77.650	-24.38
Egypt	294.420	-21.04
Lebanon	1157.000	56.80
Turkey	410.605	14.24
Iraq	334.250	-24.84
Morocco	93.520	-6.43
China	44.218	-33.09
France	18.690	-47.69
Germany	9.080	-26.55
Japan	22.483	-10.02
UK	10.025	-33.48
US	3.851	-32.18