

News Update

Kuwait Petroleum to raise \$1 bln revolving loan – sources - Kuwait Petroleum Corp (KPC) is finalising a \$1 billion loan with a small group of international banks, three sources familiar with the deal said. The loan, a revolving credit facility, comes amid a slowdown in the regional loan market, as borrowers have increasingly raised financing through bonds to take advantage of lower rates. The state-owned oil company, which did not respond to a request for comment, plans to invest hundreds of billions of dollars by 2040 as it aims to boost its crude oil production capacity to 4.75 million barrels per day by that date. The new loan is likely to be finalised in September or October at the latest, one of the sources said.

Saudi Sovereign Wealth Fund Finalizes Terms on \$10 Billion Loan - Saudi Arabia's sovereign wealth fund finalized the terms of a \$10 billion loan it's seeking to raise from a group of banks, according to people familiar with the matter. The Public Investment Fund will pay 30 basis points over the London Interbank Offered Rate for the bridge loan – less than half the rate of its first borrowing, the people said, asking not to be identified because the information is private. The financing will have a one-year tenor with an option to extend by an additional 12 months, they said.

Central Bank of Bahrain - CBB 12 Month Treasury Bills Issue No.60 oversubscribed - The Central Bank of Bahrain (CBB) announces that this month's BD 100 million issue of Government Treasury Bills has been oversubscribed by 218%. The bills, carrying a maturity of 12 months, are issued by the CBB, on behalf of the Kingdom of Bahrain. The issue date of the bills is 29th August, 2019 and the maturity date is 27th August, 2020. The weighted average rate of interest is 2.95% compared to 3.12%, for the previous issue on 25th July, 2019.

Kuwait's Warba Bank Hires Standard Chartered for Islamic Bond - Kuwait's Warba Bank hired lenders including Standard Chartered Plc to sell dollar-denominated Islamic bonds. The Shariah-compliant lender is also working with Emirates NBD PJSC and BNP Paribas SA on the benchmark-sized sale, said the people, asking not to be identified because the information isn't public. More banks could be added as joint lead arrangers and bookrunners, they said. Warba Bank is rated Baa2 by Moody's Investors Service Inc. and A+ by Fitch Ratings Inc. It last sold Islamic bonds in 2017 when it raised \$250 million. The bank has a \$2 billion sukuk program and will use the proceeds for general corporate purposes.

Jordan Sells 25 Million Dinars 184-day Bills and 25 Million Dinars 92-day Bills - Jordan sold 25 million dinars (\$35 million) of bills due Feb 27, 2020 on Aug 26. Investors offered to buy twice the amount of securities that the government sold. The bills were sold at a price of 98.101, have a yield of 3.84 percent and settled Aug 27. Jordan sold 25 million dinars (\$35 million) of bills due Nov 27 on Aug 26. Investors offered to buy 1.04 times the amount of securities sold. The bills were sold at a price of 99.026, have a yield of 3.902 percent and settled Aug 27.

GCC Bonds & Sukuk: Best and worst Performers (28 August 2019)

Best daily Performers	Daily change	Worst daily Performers	Daily change
Saudi Electricity 43	0.98%	QNB 20	-0.11%
Saudi Electricity Sukuk 44	0.88%	QIB 23	-0.05%
Shelf Drill 25	0.58%	Ezdan Sukuk 21	-0.05%
Best YTD Performers	YTD change	Worst YTD Performers	YTD change
KSA Govt. 46	26.59%	Etihad Airways 20	-28.42%
Qatar Govt. 46	23.90%	Etihad Airways 21	-21.55%
Saudi Electricity 43	22.06%	Ras Gas 19	-2.05%

Source: Bloomberg

Bonds & Sukuk Indices (28 August 2019)

Index Name	Price	1D Chng	YTD	Yield
S&P MENA Bond and Sukuk Index	137.290	0.46%	13.78%	2.81%
S&P MENA Bond Index	140.050	0.52%	14.96%	2.82%
S&P MENA Sukuk Index	129.200	0.27%	9.86%	2.77%
Bloomberg Global Developed Sovereign Bond Index	122.108	0.17%	5.27%	0.44%
Bloomberg USD Emerging Market Composite Bond Index	237.341	0.20%	13.18%	
Dow Jones Sukuk Index	106.669	0.23%	7.75%	

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	28/08/2019	31/12/2018	28/08/2019	31/12/2018	28/08/2019	31/12/2018
SAIBOR	2.4343	1.8988	2.4271	2.0875	2.4243	2.2863
KIBOR	2.8125	1.8750	3.0000	2.0625	3.2500	2.3750
BHIBOR	2.5500	2.4500	3.1667	2.9000	3.2833	3.2750
QATAR	2.7535	2.7342	2.8887	2.8868	3.1236	3.0468
AEIBOR	2.4319	1.8310	2.4328	2.0513	2.4438	2.5648
EURIBOR	-0.4180	-0.3290	-0.4150	-0.2710	-0.3640	-0.1860
LIBOR	2.1444	1.6858	2.0801	1.8336	2.0285	2.1022

U.S. Treasuries

	Current Yield (%)	1D Chng
1-Year	1.72	-0.033
2-Year	1.52	-0.004
5-Year	1.39	-0.066
7-Year	1.44	-0.086
10-Year	1.48	-0.109
30-Year	1.95	-0.055

USD Swap rates

	Rates (%)	1D Chng (%)
2-Y	1.513	0.01%
5-Y	1.336	0.01%
10-Y	1.395	0.01%
30-Y	1.567	0.01%

German Bund

	Current Yield (%)	1D Chng (Bps)
2-Y	-0.65	0.630
5-Y	-0.92	0.055
10-Y	-0.82	0.070
30-Y	-0.22	-0.003

UK Gilts

	Current Yield (%)	1D Chng (Bps)
2-Y	0.38	0.389
5-Y	0.33	0.011
10-Y	0.50	0.023
30-Y	1.04	0.001

Currencies

	USD	1-Day Δ	YTD (%)
KWD	0.3041	0.0000	-0.096%
SAR	3.7507	0.0001	0.029%
BHD	0.3771	0.0000	-0.021%
QAR	3.6622	0.0001	-0.180%
OMR	0.3850	0.0000	0.000%
AED	3.6730	0.0000	-0.008%
EGP	16.615	0.0040	8.185%
EUR	1.1089	(0.0001)	-3.296%

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	47.170	-26.26	
Kuwait	46.960	-24.41	
Dubai	125.680	1.13	
Bahrain	247.020	-11.76	
Qatar	48.230	-39.36	
KSA	68.540	-33.08	
Egypt	284.090	-23.72	
Lebanon	1196.640	64.55	
Turkey	426.185	18.46	
Iraq	340.310	-23.74	
Morocco	102.850	2.02	
China	47.488	-28.13	
France	19.680	-44.44	
Germany	9.260	-25.54	
Japan	21.827	-10.02	
UK	31.830	-14.41	
US	12.170	-32.02	