

**Saudi Arabia Comes Back to Bond Market With a \$2.5 Billion Sukuk** - Saudi Arabia is seeking to raise \$2.5 billion of Islamic bonds as the world's biggest oil exporter takes advantage of borrowing costs that are around the lowest in four years. The kingdom's government set initial price guidance for a 10-year sukuk at between 145 basis points and 150 basis points over the benchmark midswap rate, according to a person familiar with the deal who asked not to be identified because the information is private. Saudi Arabia's \$4 billion of securities due in April 2029 closed at a spread of 125 basis points on Monday, according to data compiled by Bloomberg. Saudi Arabia's average dollar yields have fallen almost 1.3 percentage points this year to 3.22%, according to Bloomberg Barclays indexes.

**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.

**GCC banks to maintain stable credit fundamentals in 2020** - GCC banks are expected to maintain stable financial profiles in 2020, barring any major increase in geopolitical risk or a sharp fall in oil prices, according to global credit rating agency Standard & Poor's. S&P continues to exclude a full-scale military intervention in the region or a disruption in oil production or supply. "In our view, GCC banks will successfully navigate a less-than-favourable macroeconomic environment in 2020 supported by their solid financial profiles," said Mohammad Damak, Senior Director & Global Head of Islamic Finance, Financial Services Research, S&P Global Ratings.

**Egypt's Carbon Holdings Said to Plan \$250 Million Private Sukuk** - Egypt's Carbon Holdings Ltd. aims to raise up to \$250 million from a sale of Islamic bonds, people with knowledge of the plan said, in what would be the first sukuk offering by a company in the North African nation. The petrochemicals firm is in the process of obtaining approvals and gauging demand for the privately placed high-yield sukuk, said the people, asking not to be identified because the information isn't public. Paris-based Natixis SA is among banks that will manage the offering, one of the people said.

**Morocco Plans International Bond Sale in November** - Country will raise either \$1 billion or 1 billion euros in the sale, with maturity still to be decided, head of Treasury at Finance Ministry, Fouzia Zaaboul, tells reporters in Rabat. With a global rates-easing cycle underway, "we have a window of opportunity in November," Finance Minister Mohamed Benchaaboun says.

### GCC Bonds & Sukuk: Best and worst Performers (23 October 2019)

Best daily Performers	Daily change	Worst daily Performers	Daily change
NMC Health 25	1.61%	Abu Dhabi Com Bank 22	-0.07%
Ezdan Sukuk 22	0.46%	Dar Al Arkan 23	-0.06%
Saudi Electricity 43	0.37%	Qatar Gas 33	-0.05%
Best YTD Performers	YTD change	Worst YTD Performers	YTD change
KSA Govt 50	22.95%	Etihad Airways 20	-27.17%
DP World 48	22.85%	Etihad Airways 21	-15.99%
KSA Govt 49	22.22%	Commercial Bank of Qatar 19	-2.08%

Source: Bloomberg

### Bonds & Sukuk Indices (23 October 2019)

Index Name	Price	1D Chng	YTD	Yield
S&P MENA Bond and Sukuk Indexw	135.460	0.07%	12.27%	3.00%
S&P MENA Bond Index	137.860	0.10%	13.17%	3.05%
S&P MENA Sukuk Index	128.520	-0.02%	9.29%	2.82%
Bloomberg Global Developed Sovereign Bond Index	121.055	0.01%	4.36%	0.57%
Bloomberg USD Emerging Market Composite Bond Index	239.075	0.19%	14.01%	
Dow Jones Sukuk Index	105.633	-0.02%	6.70%	

### Interbank Rates (%)

	3 Months		6 Months		12 Months	
	23/10/2019	31/12/2018	23/10/2019	31/12/2018	23/10/2019	31/12/2018
SAIBOR	2.2957	1.8988	2.3057	2.0875	2.3186	2.2863
KIBOR	2.8750	1.8750	3.0625	2.0625	3.3125	2.3750
BHIBOR	2.3700	2.4500	3.0000	2.9000	3.1333	3.2750
QATAR	2.5938	2.7342	2.7419	2.8868	3.0325	3.0468
AEIBOR	2.1475	1.8310	2.4363	2.0513	2.3226	2.5648
EURIBOR	-0.4080	-0.3290	-0.3490	-0.2710	-0.2940	-0.1860
<b>LIBOR</b>	<b>1.9340</b>	<b>1.6858</b>	<b>1.9343</b>	<b>1.8336</b>	<b>1.9606</b>	<b>2.1022</b>

### U.S. Treasuries

	Current Yield (%)	1D Chng
1-Year	1.56	-0.019
2-Year	1.58	0.035
5-Year	1.57	0.066
7-Year	1.66	0.055
10-Year	1.75	0.094
30-Year	2.25	0.125

### USD Swap rates

	Rates (%)	1D Chng (%)
2-Y	1.606	-0.01%
5-Y	1.559	-0.01%
10-Y	1.686	-0.01%
30-Y	1.885	0.00%

### German Bund

	Current Yield (%)	1D Chng (Bps)
2-Y	-0.45	0.911
5-Y	-0.69	0.064
10-Y	-0.51	0.029
30-Y	0.13	0.028

### UK Gilts

	Current Yield (%)	1D Chng (Bps)
2-Y	0.52	0.431
5-Y	0.50	0.012
10-Y	0.71	-0.005
30-Y	1.23	0.009

### Sovereign Ratings

	Moody's	S&P	Fitch
<b>Abu Dhabi</b>	Aa2	AA	AA
<b>Bahrain</b>	B2	B+	BB-
<b>Kuwait</b>	Aa2	AA	AA
<b>Oman</b>	Ba1	BB	BB+
<b>Qatar</b>	Aa3	AA-	AA-
<b>KSA</b>	A1	A-	A
<b>UAE</b>	Aa2	NR	NR
<b>Egypt</b>	B2	B	B+
<b>Lebanon</b>	Caa1	B-	CCC
<b>Turkey</b>	B1	B+	BB-
<b>Tunisia</b>	B2	NR	B+
<b>Morocco</b>	Ba1	BBB-	BBB-
<b>Jordan</b>	B1	B+	BB-
<b>China</b>	A1	A+	A+
<b>UK</b>	Aa2	AA	AA
<b>USA</b>	Aaa	AA+	AAA

### USD 5-Year CDS

	YTD (%)
<b>Abu Dhabi</b>	44.940 -30.70
<b>Kuwait</b>	45.910 -26.01
<b>Dubai</b>	115.120 -2.08
<b>Bahrain</b>	206.400 -25.69
<b>Qatar</b>	44.950 -43.45
<b>KSA</b>	69.470 -32.32
<b>Egypt</b>	297.290 -20.30
<b>Lebanon</b>	1262.390 67.60
<b>Turkey</b>	385.371 7.36
<b>Iraq</b>	331.410 -25.39
<b>Morocco</b>	103.670 -2.75
<b>China</b>	39.326 -40.22
<b>France</b>	17.920 -49.34
<b>Germany</b>	9.210 -27.60
<b>Japan</b>	22.483 -10.02
<b>UK</b>	10.025 -33.48
<b>US</b>	3.851 -32.18