

News Update – 19 November 2019

**Dubai Islamic Bank closes landmark \$750 million Sukuk** – Dubai Islamic Bank PJSC, DIB, successfully closed a US\$750 million 5-year Sukuk with a profit rate of 2.950 percent per annum, which is equivalent to 140bps over the 5-year Mid Swap Rate. The transaction is DIB's second foray into the international capital markets in 2019, the first being a \$750mn Additional Tier 1 Sukuk priced earlier this year. The Sukuk's profit rate of 2.95 percent is the tightest achieved by an FI Sukuk in 2019. DIB is rated A3 by Moody's and A by Fitch (both stable). The Sukuk was issued as a drawdown under DIB's USD 7.5 billion Trust Certificate Issuance Programme which is listed on Euronext Dublin and NASDAQ Dubai.

**Fitch Affirms Doha Bank at 'A'; Outlook Stable** – Fitch Ratings has affirmed Doha Bank Q.P.S.C.'s (DB) Long-Term Issuer Default Rating (IDR) at 'A' with a Stable Outlook. At the same time, the agency has affirmed DB's Viability Rating (VR) at 'bb+'. DB's IDRs, Support Rating (SR) and Support Rating Floor (SRF) reflect Fitch's expectation of an extremely high probability of support from the Qatari authorities for domestic banks in case of need. This reflects the strong ability of Qatar to support its banks, as indicated by its rating (AA-/Stable), combined with Fitch's belief of a strong willingness to support the banking sector, including DB.

**Saudi Minister of Justice approves new bankruptcy case rules** – Justice Minister and President of the Supreme Judicial Council Dr. Walid bin Mohammed Al-Samaani has approved new rules regulating bankruptcy cases' procedures in commercial courts. They include 24 articles regulating the procedures for reviewing requests under the bankruptcy system and its executive rules in commercial courts. Some of the most important rules which will be enacted after being published in the official gazette are: charting the course of bankruptcy cases from presenting the application until adjudicating it, and determining the case's timeframe while taking into account the nature of bankruptcy cases.

**Egypt sells \$1.56 bln one-year dollar T-bills** – Egypt sold \$1.56 billion in one-year dollar-denominated treasury bills on Monday with a weighted average yield of 3.587%, the central bank said. This month, the bank sold 695 million euros worth of one-year euro-denominated treasury bills at an average yield of 1.434%.

**Powell Meets With Trump, A Frequent Critic, To Discuss Economy** – Federal Reserve Chairman Jerome Powell met with President Trump, who has criticized the central bank dozens of times this year, at the White House on Monday to discuss an economy hindered by faltering global growth prospects. On Monday, Mr. Powell told Mr. Trump that the central bank's rate-setting decisions are "based solely on careful, objective and nonpolitical analysis," according to the Fed's summary of the meeting. "He didn't discuss his expectations for monetary policy, except to stress that the path of policy will depend entirely on incoming information that bears on the outlook for the economy," the Fed said in a statement disclosing the meeting on Monday morning.

## GCC Sovereign Yields (19 November 2019)

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.45	9.05	KSA	2025	2.53	7.85
Abu Dhabi	2047	3.33	18.50	KSA	2029	2.97	11.36
Bahrain	2024	3.65	7.89	KSA	2049	3.93	22.07
Bahrain	2029	4.84	16.36	Oman	2025	4.36	12.76
Bahrain	2047	6.11	21.70	Oman	2029	5.78	1.32
Dubai	2023	2.54	3.91	Oman	2048	7.07	15.61
Dubai	2029	3.22	9.03	Qatar	2024	2.22	4.44
Kuwait	2022	2.01	3.15	Qatar	2028	2.59	9.24
Kuwait	2027	2.38	7.38	Qatar	2049	3.58	21.77

Source: Bloomberg

## Bonds and Sukuk Indices (19 November 2019)

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.29	7.33	0.09	13.07
S&P MENA Bond and Sukuk Index	3.04	NA	-0.01	12.39
Bloomberg Emerging Markets USD Index	5.04	6.28	-0.07	11.06
Bloomberg Global Aggregate Index	1.42	7.27	0.21	6.29

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	19/11/2019	31/12/2018	19/11/2019	31/12/2018	19/11/2019	31/12/2018
KIBOR	2.7500	2.3125	2.9375	2.5625	3.1875	2.8125
SAIBOR	2.2286	2.9750	2.2500	3.1150	2.2957	3.3413
BHIBOR	2.4000	3.5500	2.8367	4.0833	2.9167	4.7000
QATAR	2.3000	2.9056	2.4000	3.0889	2.7750	3.3028
AEIBOR	2.1003	2.8375	2.2604	3.1849	2.2376	3.5737
EURIBOR	-0.4040	-0.3090	-0.3330	-0.2370	-0.2690	-0.1170
LIBOR	1.9026	2.8076	1.9185	2.8756	1.9610	3.0054

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	1.7230	-0.05	-37.5
2-Year	1.6090	0.13	-39.4
5-Year	1.5805	-0.58	-38.5
7-Year	1.6229	-0.54	-38.1
10-Year	1.7089	-0.47	-36.9
30-Year	1.8980	-0.30	-33.1

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3037	0.0296	-0.03
SAR	3.7503	0.0000	0.03
BHD	0.3771	-0.0027	-0.03
QAR	3.6650	-0.0191	-0.26
OMR	0.3850	-0.0623	0.01
AED	3.6730	0.0000	-0.01

## US Treasuries

	Yield %	1D Δ (%)
2-Year	1.60	0.00
5-Year	1.63	0.04
10-Year	1.81	0.07
30-Year	2.29	0.17

## UK Gilt

	Yield %	1D Δ (%)
2-Year	0.57	-0.06
5-Year	0.54	-0.12
10-Year	0.75	-0.20
30-Year	1.28	-0.46

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.40	0.00
5-Year	-0.66	-0.02
10-Year	-0.48	-0.01
30-Year	0.16	-0.02

	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	Caa2	CCC	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 Δ (%)
Abu Dhabi	39.920		-37.78
Kuwait	39.900		-35.15
Dubai	113.140		-7.37
Bahrain	201.380		-27.42
Qatar	40.250		-48.92
KSA	64.490		-36.72
Egypt	294.500		-21.02
Lebanon	1847.790		147.35
Turkey	303.206		-15.47
Iraq	330.970		-25.47
Morocco	81.930		-16.91
China	37.998		-42.49
France	17.570		-42.49
Germany	7.780		-35.17
Japan	21.156		-10.02
UK	28.06		-23.32
US	12.42		-31.31