

Fed lowers benchmark rate by 25bps in its second straight rate cut - Federal Reserve policy makers lowered their main interest rate for a second time this year while splitting over the need for further easing, caught between uncertainty over trade and global growth and a domestic economy that's holding up well. The benchmark rate was lowered by a quarter percentage point to a range of 1.75% to 2% "in light of the implications of global developments for the economic outlook as well as muted inflation pressures," the Federal Open Market Committee said in a statement on Wednesday. The Fed Board also took a separate step to calm this week's strains in money markets and avert harm to the economy, lowering the interest rate on excess reserves by 30 basis points to 1.8%.

UAE, Saudi Arabia cut rates by 25bps after Fed; Kuwait & Bahrain holds rates - The central banks of UAE and Saudi Arabia lowered their key rate by 25bps following a similar decision by the Fed on Wednesday. Kuwait's central bank left its discount rate unchanged at 3%, and said that the decision was to "improve the growth-enabling environment" and "ensure the continued attractiveness of the national currency" for savings, according to a statement. Bahrain's central bank said in a statement on Thursday that it made no change in interest rate policy.

Dubai's Emaar says final terms signed for \$500m sukuk issuance - Emaar Properties said on Tuesday it has signed final terms related to the issuance of a \$500 million Islamic bond, also known as sukuk. Emaar said in a statement on Dubai Financial Market that the issuance is part of its \$2 billion debt raising programme. The announcement of the 10-year sukuk with an annual return of 3.875 percent follows meetings with investors in Asia and London from September 6.

Saudi Arabia likely to tap international debt market before year-end - In an interview with Saudi television channel Al-Arabiya, Saudi Arabia's Finance Minister Mohammed Al-Jadaan said he sees a potential bond issuance before the end of the year and expects the kingdom's 2019 budget deficit to be "close to forecasts." Asked about any increase in military outlays following the attacks, Al-Jadaan said the kingdom would "continue spending as we need on our defense and our protection."

Saudi finmin says Riyadh in talks with Lebanon about financial aid - Saudi Arabia is in discussions with the Lebanese government about providing financial support, Saudi Finance Minister Mohammed Al-Jadaan said on Wednesday. "We continue to believe and put our money and commitment in Lebanon, we'll continue to support Lebanon and we are working with its government," Al-Jadaan said in an interview with Reuters. A Lebanese official source told Reuters that Prime Minister Saad al-Hariri "has been talking to the Kingdom at a high level about support" and would stop in Riyadh on his way to France where he is due to meet President Emmanuel Macron on Friday.

GCC Bonds & Sukuk: Best and worst Performers (19 September 2019)

Best daily Performers	Daily change	Worst daily Performers	Daily change
Emirates REIT	0.32%	Dar Al Arkan 23	-0.38%
Qatar Gas 33	0.26%	Saudi Electricity 28	-0.36%
Ezdan Sukuk 22	0.15%	Sharjah Islamic Bank Perp	-0.33%
Best YTD Performers	YTD change	Worst YTD Performers	YTD change
DP World 48	25.74%	Etihad Airways 20	-23.82%
Abu Dhabi Govt 47	24.21%	Etihad Airways 21	-22.13%
KSA Govt 50	22.77%	Commercial Bank Qatar 19	-1.72%

Source: Bloomberg

Bonds & Sukuk Indices (19 September 2019)

Index Name	Price	1D Chng	YTD	Yield
S&P MENA Bond and Sukuk Index	135.880	0.11%	12.61%	2.84%
S&P MENA Bond Index	138.310	0.14%	13.54%	2.88%
S&P MENA Sukuk Index	128.860	0.01%	9.57%	2.74%
Bloomberg Global Developed Sovereign Bond Index	120.418	0.17%	3.81%	0.59%
Bloomberg USD Emerging Market Composite Bond Index	237.647	0.20%	13.33%	
Dow Jones Sukuk Index	106.211	0.07%	7.29%	

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	19/09/2019	31/12/2018	19/09/2019	31/12/2018	19/09/2019	31/12/2018
SAIBOR	2.3829	1.8988	2.3757	2.0875	2.3771	2.2863
KIBOR	2.8125	1.8750	3.0000	2.0625	3.2500	2.3750
BHIBOR	2.3700	2.4500	3.0833	2.9000	3.1833	3.2750
QATAR	2.7203	2.7342	2.7990	2.8868	2.9720	3.0468
AEIBOR	2.3531	1.8310	2.3251	2.0513	2.4946	2.5648
EURIBOR	-0.3980	-0.3290	-0.3650	-0.2710	-0.3040	-0.1860
LIBOR	2.1641	1.6858	2.0853	1.8336	2.0654	2.1022

U.S. Treasuries

	Current Yield (%)	1D Chng
1-Year	1.84	-0.020
2-Year	1.76	0.016
5-Year	1.66	0.070
7-Year	1.74	0.102
10-Year	1.78	0.141
30-Year	2.23	0.367

USD Swap rates

	Rates (%)	1D Chng (%)
2-Y	1.724	0.00%
5-Y	1.589	-0.01%
10-Y	1.653	-0.02%
30-Y	1.798	-0.01%

German Bund

	Current Yield (%)	1D Chng (Bps)
2-Y	-0.57	0.306
5-Y	-0.77	-0.825
10-Y	-0.63	-1.257
30-Y	0.00	-1.086

UK Gilts

	Current Yield (%)	1D Chng (Bps)
2-Y	0.51	0.430
5-Y	0.46	0.074
10-Y	0.64	-0.005
30-Y	1.06	-0.015

Currencies

	USD	1-Day Δ	YTD (%)
KWD	0.3040	(0.0002)	-0.105%
SAR	3.7511	(0.0001)	0.013%
BHD	0.3770	(0.0000)	-0.005%
QAR	3.6597	(0.0009)	-0.107%
OMR	0.3855	0.0000	-0.003%
AED	3.6731	0.0000	-0.008%
EGP	16.339	(0.0560)	9.985%
EUR	1.1072	(0.0002)	1.1044

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	41.070	-35.80	
Kuwait	39.960	-35.06	
Dubai	115.370	-5.19	
Bahrain	224.570	-19.47	
Qatar	40.650	-48.51	
KSA	64.190	-37.23	
Egypt	254.370	-31.31	
Lebanon	1196.900	61.58	
Turkey	374.772	4.14	
Iraq	292.860	-33.05	
Morocco	85.970	-13.26	
China	37.766	-42.64	
France	18.020	-48.73	
Germany	9.170	-26.08	
Japan	20.910	-10.02	
UK	28.240	-23.27	
US	12.210	-32.18	