

Abu Dhabi sells \$10bn in a 3-tranche bond deal - The Emirate of Abu Dhabi, rated Aa2 by Moody's, AA by S&P and AA by Fitch (all stable outlook), sold \$10bn of bonds in a 3-tranche deal, the emirates' first international debt offering in two years. In a single-day deal announcement, Abu Dhabi priced a \$3bn 5-year bond at a spread of 65 basis points over benchmark US treasury. The sovereign also priced a \$3bn 10-year bond at T+85bps and a 30-year \$4bn bond at T+110bps. The three 144A/Reg S senior unsecured bonds were priced 15 basis points inside their respective initial price thoughts. The 5-year bond was priced at a reoffer price of 99.496, offering yield of 2.232%, while the coupon was set at 2.125%. The reoffer price for the 10-year note was 99.491 that offered yield of 2.558% with a coupon rate of 2.50%. For the 30-year bond the reoffer price and coupon were 97.635 and 3.125% respectively, providing investors yield of 3.249%. Orderbooks for the deal was more than \$24bn, including \$1.35bn of joint lead managers' interest, that made the deal close to 2.5 times oversubscribed.

Moody's says Saudi GDP to grow 0.3% in 2019 amid output cut - Rating agency Moody's has cut its forecast for Saudi economic growth in 2019 to 0.3% from its previous projection of 1.5% as it expects lower oil output from the kingdom for the rest of the year, a senior analyst said on Monday. "We have revised down growth forecast for Saudi Arabia," said Alexander Perjessy senior analyst at the rating agency said at a news conference. Apart from the disruption from the attack on Saudi oil facilities earlier this month, he said: "Saudi Arabia will continue its over compliance with the OPEC quota."

IMF raises Turkey growth forecast but warns of fragilities - The IMF sharply increased its forecast for Turkey's economic growth this year but warned the prospects of a sustainable recovery from last year's currency crisis have dimmed. In a concluding statement on Monday published after an annual visit by IMF staff, the fund revised its forecast for full-year GDP growth in 2019 from negative 2.5% to positive 0.25%. "Growth has rebounded, aided by policy stimulus and favourable market conditions, following the sharp lira depreciation and associated recession in late-2018," it said. "The lira has recovered and the current account has seen a remarkable adjustment." The report however warned that "the current calm appears fragile," citing concerns about bad debts in the corporate sector, low foreign currency reserves and the country's heavy reliance on foreign financing as well as a growing fiscal deficit.

Bank of Sharjah issues \$600 million bonds - Bank of Sharjah on Sunday announced the issuance of a \$600 million funding transaction through the issue of fixed rate senior unsecured bonds. The bonds, carrying a coupon rate of 4%, and listed on the Irish Stock Exchange, mature on 18 September, 2024, and were issued at a spread of 250 basis points over mid swaps.

GCC Bonds & Sukuk: Best and worst Performers (24 September 2019)

Best daily Performers	Daily change	Worst daily Performers	Daily change
KSA Govt 46	1.33%	Qatar Gas 33	-0.19%
KSA Govt 50	1.31%	Bahrain Govt 24	-0.11%
Aramco 49	1.27%	Warba Bank Perp	-0.08%
Best YTD Performers	YTD change	Worst YTD Performers	YTD change
KSA Govt 50	25.89%	Etihad Airways 21	-18.94%
Abu Dhabi Govt 47	25.68%	Commercial Bank Qatar 19	-1.79%
DP World 48	25.40%	Dubai Govt 20	-1.63%

Source: Bloomberg

Bonds & Sukuk Indices (24 September 2019)

Index Name	Price	1D Chng	YTD	Yield
S&P MENA Bond and Sukuk Index	136.310	0.13%	12.97%	2.84%
S&P MENA Bond Index	138.870	0.16%	14.00%	2.88%
S&P MENA Sukuk Index	128.830	0.00%	9.55%	2.74%
Bloomberg Global Developed Sovereign Bond Index	120.804	0.28%	4.14%	0.50%
Bloomberg USD Emerging Market Composite Bond Index	238.705	0.15%	13.83%	
Dow Jones Sukuk Index	106.246	0.06%	7.32%	

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	24/09/2019	31/12/2018	24/09/2019	31/12/2018	24/09/2019	31/12/2018
SAIBOR	2.3614	1.8988	2.3671	2.0875	2.3686	2.2863
KIBOR	2.8750	1.8750	3.0625	2.0625	3.3125	2.3750
BHIBOR	2.3700	2.4500	3.1167	2.9000	3.2167	3.2750
QATAR	2.5689	2.7342	2.7110	2.8868	3.0316	3.0468
AEIBOR	2.3874	1.8310	2.4542	2.0513	2.4737	2.5648
EURIBOR	-0.3930	-0.3290	-0.3580	-0.2710	-0.2980	-0.1860
LIBOR	2.1346	1.6858	2.0704	1.8336	2.0650	2.1022

U.S. Treasuries

	Current Yield (%)	1D Chng
1-Year	1.79	-0.019
2-Year	1.68	0.012
5-Year	1.59	0.074
7-Year	1.65	0.117
10-Year	1.71	0.195
30-Year	2.14	0.641

USD Swap rates

	Rates (%)	1D Chng (%)
2-Y	1.671	0.00%
5-Y	1.529	-0.02%
10-Y	1.586	-0.02%
30-Y	1.722	-0.03%

German Bund

	Current Yield (%)	1D Chng (Bps)
2-Y	-0.57	0.753
5-Y	-0.78	-0.529
10-Y	-0.70	-0.381
30-Y	-0.12	0.053

UK Gilts

	Current Yield (%)	1D Chng (Bps)
2-Y	0.48	0.166
5-Y	0.41	-0.730
10-Y	0.55	-0.279
30-Y	0.97	-0.118

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	44.640 -29.63
Kuwait	53.270 -14.82
Dubai	122.940 0.77
Bahrain	228.270 -18.19
Qatar	48.170 -39.42
KSA	70.200 -31.50
Egypt	269.380 -27.44
Lebanon	1131.12 53.69
Turkey	378.552 5.18
Iraq	305.980 -30.37
Morocco	89.810 -9.78
China	44.441 -32.60
France	18.800 -46.32
Germany	9.890 -20.85
Japan	21.737 -10.02
UK	10.025 -33.48
US	12.210 -32.18