

Abu Dhabi plans first dollar bond issue in two years - Abu Dhabi plans to issue U.S. dollar-denominated bonds this year, three sources familiar with the matter said, its first since 2017, as the oil-rich emirate seeks to take advantage of low rates to offset the impact of falling oil prices. The government has updated its bond programme documentation and plans to raise the financing before the end of the year, said one of the sources, adding that a bond deal of at least \$1 billion was likely. Abu Dhabi's Department of Finance did not immediately respond to a request for comment. Governments in the Gulf Cooperation Council region have borrowed billions of dollars globally over the past few years to refill state coffers hit by lower oil prices.

Warba Bank Obtains CMA Approval For Sukuk Issuance – Warba Bank obtained Capital Markets Authority (CMA) approval for issuance of sukuk not exceeding \$500 million.

Saudi banks' investments in government bonds grow 25% in July: SAMA - Saudi banks increased their government bond holdings by 25.08%, or SAR 71.88 billion, year-on-year in July. Saudi banks' holdings of government bonds jumped to SAR 358.53 billion in July, compared to SAR 286.65 billion in the corresponding month a year earlier, according to recent data released by the Saudi Arabian Monetary Authority (SAMA). Moreover, the kingdom plans to issue bonds worth SAR 118 billion during full-year 2019 in a bid to finance the budget deficit.

Egypt's growth will outperform B-rated peers, debt affordability remains weak: Moody's - Moody's said in its annual credit analysis report on Egypt that the country's economy ranks in the 70th percentile among all the sovereigns Moody's rate by GDP size, and fifth among B-rated peers, and that its GDP growth rate of 5.6% in the fiscal year (FY) 2019, reflect a ramp-up in natural gas production and a continued recovery in the tourism sector, "we expect further convergence to 6% by 2021." However, the credit rating agency explained that Egypt's current credit rating (B2 stable) reflects its weak, though gradually improving, government finances and its very large government financing needs of about 30-40% of GDP annually.

US Dollar rebounds on trade as US, China restart negotiations - The US dollar rebounded this week on hopes that the United States and China are returning to the negotiating table to resolve their tariff dispute. US President Trump spoke to Beijing saying "this is the first time I've seen them where they really do want to make a deal, and I think it's a positive step". It followed comments from Chinese vice Premier Liu He who spoke with a conciliatory tone by stating that "China resolutely opposes the escalation of the trade war. An escalation of the trade war is not good for China, it's not good for the US, and it's also not good for the interests of the people across the world."

GCC Bonds & Sukuk: Best and worst Performers (02 September 2019)

Best daily Performers	Daily change	Worst daily Performers	Daily change
Abu Dhabi Govt 47	1.38%	Oman Gas 22	-0.69%
Saudi Arabia Govt 49	1.34%	Etihad Airways 20	-0.32%
Saudi Arabia Govt 47	1.30%	Commercial Bank Qatar 19	-0.13%
Best YTD Performers	YTD change	Worst YTD Performers	YTD change
KSA Govt. 46	29.73%	Etihad Airways 20	-28.17%
KSA Govt. 49	29.47%	Etihad Airways 21	-22.40%
Abu Dhabi Govt 47	29.35%	Commercial Bank Qatar 19	-1.66%

Source: Bloomberg

Bonds & Sukuk Indices (02 September 2019)

Index Name	Price	1D Chng	YTD	Yield
S&P MENA Bond and Sukuk Index	137.820	-0.01%	14.22%	2.81%
S&P MENA Bond Index	140.680	-0.03%	15.48%	2.82%
S&P MENA Sukuk Index	129.380	0.03%	10.02%	2.77%
Bloomberg Global Developed Sovereign Bond Index	121.774	-0.06%	4.98%	0.40%
Bloomberg USD Emerging Market Composite Bond Index	238.904	0.23%	13.93%	
Dow Jones Sukuk Index	106.835	0.01%	7.92%	

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	02/09/2019	31/12/2018	02/09/2019	31/12/2018	02/09/2019	31/12/2018
SAIBOR	2.4143	1.8988	2.3971	2.0875	2.4000	2.2863
KIBOR	2.8125	1.8750	3.0000	2.0625	3.2500	2.3750
BHIBOR	2.5000	2.4500	3.1667	2.9000	3.2833	3.2750
QATAR	2.7294	2.7342	2.8453	2.8868	3.0308	3.0468
AEIBOR	2.3473	1.8310	2.3350	2.0513	2.5639	2.5648
EURIBOR	-0.4330	-0.3290	-0.4280	-0.2710	-0.3830	-0.1860
LIBOR	2.1376	1.6858	2.0365	1.8336	1.9740	2.1022

U.S. Treasuries

	Current Yield (%)	1D Chng
1-Year	1.76	-0.003
2-Year	1.50	0.006
5-Year	1.39	0.004
7-Year	1.45	0.008
10-Year	1.50	0.016
30-Year	1.96	0.023

USD Swap rates

	Rates (%)	1D Chng (%)
2-Y	1.514	0.00%
5-Y	1.318	-0.02%
10-Y	1.382	-0.01%
30-Y	1.544	-0.01%

German Bund

	Current Yield (%)	1D Chng (Bps)
2-Y	-0.66	1.409
5-Y	-0.96	3.489
10-Y	-0.83	-0.406
30-Y	-0.21	-5.122

UK Gilts

	Current Yield (%)	1D Chng (Bps)
2-Y	0.40	-4.253
5-Y	0.33	-4.624
10-Y	0.48	-3.726
30-Y	1.02	-2.564

Currencies

	USD	1-Day Δ	YTD (%)
KWD	0.3042	0.0001	-0.201%
SAR	3.7509	0.0003	0.019%
BHD	0.3771	0.0000	-0.021%
QAR	3.6640	0.0001	-0.227%
OMR	0.3850	0.0000	0.000%
AED	3.6731	0.0000	-0.008%
EGP	16.584	0.0120	8.257%
EUR	1.0990	0.0008	-4.160%

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	45.800	-28.15	
Kuwait	45.940	-25.96	
Dubai	124.030	-0.15	
Bahrain	247.030	-11.75	
Qatar	47.090	-40.71	
KSA	65.030	-36.40	
Egypt	273.120	-26.52	
Lebanon	1216.650	62.11	
Turkey	427.896	18.89	
Iraq	329.940	-25.78	
Morocco	93.370	-6.56	
China	45.452	-30.91	
France	19.690	-45.16	
Germany	9.470	-24.17	
Japan	21.296	-10.02	
UK	31.640	-15.31	
US	12.080	-32.43	