

## MENA DAILY UPDATE

## Market Developments

- MENA credit markets saw mixed price movements in yesterday's session while US Treasuries yields rose from all-time lows as global oil and stock markets rebounded on optimism that governments would take steps to reboot economies impacted by spread of coronavirus.
- In Abu Dhabi, ADGB'29 traded up by 0.25 pt. Prices of Mubadala'24, ADNOC'29, Etisalat'24, Taqa'26, and Al Hilal'23 declined by up to 0.66 pt. Prices of ADIB perpetual bonds, FGB'24 and ADCB'23 rose by up to 0.42 pt. In Qatar, Qatar'24 closed up by 0.38 pt. Prices of Qtel'25 and Commercial Bank of Qatar'23 retreated by up to 0.09 pt. Prices of QIB'24 and QNB'24 edged up by up to 0.18 pt. In KSA, KSA'25 and'30 increased by up to 0.38 pt. Prices of Aramco'24 and SABIC'28 fell by up to 1.01 pt. SECO'24 closed up by 0.14 pt.
- In Bahrain, prices of Bahrain'23 and'29 fell by up to 0.75 pt. Bahrain'25 closed up by 0.25 pt. Bahrain and Dubai's five-year CDS spreads rose by 65 bps and 46 bps respectively. In Oman, prices of Oman'23 and'29 declined by up to 0.63 pt. In Egypt, prices of Egypt'23 to'30 rose by up to 0.50 pt.

## Data Release

- Egypt's annual urban consumer inflation fell to 5.3% in February 2020 from 7.2% in January 2020, the official statistics agency CAPMAS said.
- The Egyptian production index of manufacturing and extractive industries, excluding crude oil and petroleum products, slid by 0.6% to 132.8 points in December 2019, compared to 133.6 points in November 2019. The index of ready-made garments rose by 9.6% to 334.5 points last December from 305.2 points a month earlier, the Central Agency for Public Mobilization and Statistics said.
- Tunisia has cut its economic growth forecast for this year to 1.0% from the 2.7% envisaged in the 2020 budget, as per the country's Prime Minister.
- According to CI Ratings, Egypt's real output is expected to grow by 5.9% in FY20 compared to 5.6% in FY19, supported by higher net exports and recovering domestic demand, in addition to the implementation of further fiscal and economic reforms as part of the Extended Fund Facility (EFF) program agreed with the IMF.

## MENA 5Y CDS SPREADS V/S INTERNATIONAL BENCHMARKS

in basis points	10-Mar-20	09-Mar-20	31-Dec-19	Daily Change	Year-to-date Change
Abu Dhabi	84	85	36	-1	48
Dubai	173	127	91	46	82
Kuwait	49	49	36	0	13
Qatar	94	98	37	-4	57
Saudi Arabia	151	155	57	-4	94
Bahrain	313	248	176	65	137
Morocco	102	103	92	-1	10
Egypt	342	329	277	13	65
Lebanon	18,391	18,391	2,419	0	15,972
Iraq	470	470	387	0	83
Middle East	2,017	2,006	361	11	1,656
Emerging Markets	241	250	148	-9	93
Global	521	499	173	22	348

Sources: Bloomberg, Bank Audi's Group Research Department

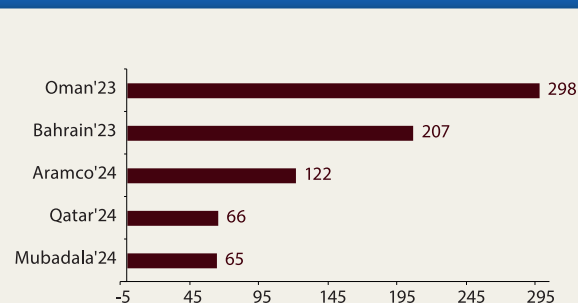
## New Issues/Ratings

- Moody's downgraded the long-term local and foreign currency deposit ratings of five Omani banks, following the rating agency's downgrade of the government of Oman's issuer rating to "Ba2" with a "stable" outlook. The five banks are: Bank Muscat, Bank Dhofar, National Bank of Oman (NBO), Sohar International bank and Oman Arab Bank (OAB). The rating action reflects, to differing degrees, a combination of (i) the Omani government's weakened fiscal capacity to support the country's banks in case of need, as indicated by the downgrade of the sovereign rating, and (ii) the weakening standalone credit profiles of some banks, the ratings agency said in a note.
- ACWA Power Investment & Management One Ltd. (APMI One) announced that Fitch Ratings assigned the US\$ 814 million 5.95% p.a. senior secured bonds due in 2039 (ACWA 39) a "BBB-" rating with a "stable" outlook. The bond, issued in May 2017 by ACWA Power's wholly owned DIFC-incorporated subsidiary, APMI One, is secured by cash flows and other security from a diversified cross-section of eight ACWA Power projects in Saudi Arabia as well as from NOMAC.

## In the News

- Increased female participation is likely to turbocharge economic growth in the GCC as job opportunities in the Middle East are set to double with the Fourth Industrial Revolution, according to a report released by global consulting firm McKinsey & Company. The share of women in professional and technical jobs is set to more than double by 2030 through digitization, online platforms, and entrepreneurship.
- Dubai-based alternative investment manager Rasmala Investment Bank has acquired a research and development facility in the US for US\$ 61 million.
- Bahrain-based Kingdom Group signed a major deal to supply building materials for the construction of the 41-storey Spiral Orchid Residence in Water Garden City in Seef District with the contractor Orchid Building Contracting. As per the 18-month contract valued at BHD 2.5 million (US\$ 6.6 million), a number of companies under the umbrella of the Kingdom Group will supply a range of materials that they produce as a package.

## REGIONAL BONDS YTD Z-SPREAD VARIATION (IN BPS)



Sources: Bloomberg, Bank Audi's Group Research Department

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