MENA DAILY UPDATE

Market Developments

- MENA credit markets saw mostly negative price movements during yesterday's session, while US Treasuries yields tumbled to record lows as worries over the spreading coronavirus and oil price declines sparked a massive sell-off in equities.
- In Abu Dhabi, prices of ADGB'24 and '29 fell by up to 1.38 pt. Prices of Mubadala'24, ADNOC'29, Etisalat'24, ADIB perpetual bonds, Taqa'26, Al Hilal'23, FGB'24 and ADCB'23 declined by up to 1.34 pt. In Dubai, prices of DUGB'29, MAF'29, DP World'30, Emaar'26 and DIB perpetual bonds retreated by up to 3.84 pts. In Qatar, prices of Qatar'24 and '29 retreated by up to 1.75 pt. Prices of Qtel'25, QIB'24 and QNB'24 edged down by up to 0.76 pt. In KSA, KSA'25 and'30 fell by up to 4.63 pts. Prices of Aramco'24, STC'29 and SECO'24 fell by up to 1.89 pt.
- In Bahrain, prices of Bahrain'23 to '29 contracted by up to 5.63 pts. In Oman, prices of Oman'23 to '29 declined by up to 8.00 pts. In Iraq, prices of Iraq'23 and '28 fell by up to 7.50 pts. In Jordan, prices of Jordan'27 and '47 retreated by up to 4.96 pts. In Egypt, prices of Egypt'23 to '40 contracted by up to 5.75 pts yesterday.

New Issues/Ratings

- Fitch Ratings downgraded Lebanon's Long-Term Foreign-Currency (LTFC) Issuer Default Rating (IDR) to "C" from "CC". The downgrade follows the announcement by the government that it does not intend to pay the US$ 1.2 billion Eurobond maturing on 9 March. The grace period for paying the principal is seven days. Failure to make the payment during the grace period will put the sovereign into "Restricted Default" (RD) and the specific bond into "Default" (D). According to Fitch's ratings definition, "C" ratings are assigned to issuers with distressed obligations that have experienced ceased or interrupted payments, including situations where a grace period has been entered and/or the issuer has made a formal announcement of its intention to restructure debt.
- CI Ratings affirmed the Long-Term Foreign Currency Rating and Long-Term Local Currency Rating of Egypt at "B+". The sovereign's Short-Term Foreign Currency Rating and Short-Term Local Currency Rating have also been affirmed at "B".

Data Release

- Flydubai reported total annual revenues of US$ 1.6 billion in 2019 compared to US$ 1.7 billion in 2018, a fall of 2.6% compared to the previous year. The company reported profits of US$ 53.9 million, reversing the previous year's losses.
- Kuwaiti non-oil exports value shrank by 29.0% on an annual basis in February 2020, according to a statement by the Ministry of Commerce and Industry. The number of certificates of origin for Kuwaiti non-oil exports to Arab and foreign countries amounted to 1,136 at a value of KWD 12.64 million in February when compared to 1,116 at a value of KWD 17.86 million in the corresponding month in 2018. The number of certificates of origin for Kuwaiti non-oil goods to Arab States, excluding GCC countries, totaled 261 at a value of KWD 3.8 million, compared to a total of 65 at a value of KWD 2.6 million recorded to foreign countries.
- IT spending in the Middle East and North Africa would total US$ 160 billion in 2020, an increase of 2.4% from 2019, according to Gartner.

In the News

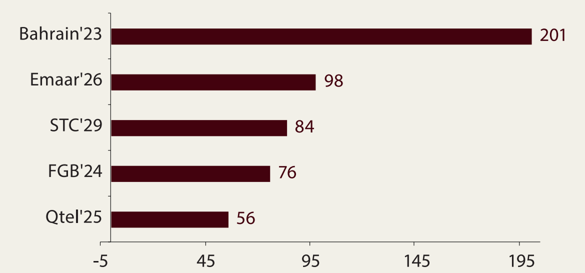
- Saudi Polymer Company signed a SR 3 billion (US$ 799.3 million) credit facility with Samba Financial Group and Riyad Bank. Saudi Polymer Company is a subsidiary of National Petrochemical Company (Petrochem). The credit facility is for refinancing an existing project financing loan, Petrochem said in a statement. The four-year credit facility is to be repaid in eight semi-annual scheduled installments starting on June 2020 and ending in December 2023.
- Al Ahly Sabbour Development signed a partnership agreement with the Egyptian Ministry of Housing's New Urban Communities Authority (NUCA) to build a residential project in 6th of October City. The project, which will cover an area of 144 feddans, has an investment cost of LE 5 billion, the company's Chairman said.
- Heliopolis Company for Housing and Development (HHD) announced the sale of three land plots in New Heliopolis City in a sealed-bid public auction for LE 122 million. A seven-feddan land in New Heliopolis City was sold for LE 109 million and two land plots in Sheraton were sold for LE 13 million, the company said in a statement.

MENA 5Y CDS SPREADS V/S INTERNATIONAL BENCHMARKS

in basis points	09-Mar-20	06-Mar-20	31-Dec-19	Daily Change	Year-to-date Change
Abu Dhabi	85	53	36	32	49
Dubai	127	129	91	-2	36
Kuwait	49	46	36	3	13
Qatar	98	60	37	38	61
Saudi Arabia	155	96	57	59	98
Bahrain	248	195	176	53	72
Morocco	103	101	92	2	11
Egypt	329	316	277	13	52
Lebanon	18,391	19,391	2,419	-1,000	15,972
Iraq	470	470	387	0	83
Middle East	2,006	2,086	361	-80	1,645
Emerging Markets	250	210	148	40	102
Global	499	437	173	62	326

Sources: Bloomberg, Bank Audi's Group Research Department

REGIONAL BONDS YTD Z-SPREAD VARIATION (IN BPS)



Sources: Bloomberg, Bank Audi's Group Research Department

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