



Fixed Income Weekly Report

06 February 2018

Fixed Income - Market news*

Yellen says prices 'high' for stocks, commercial real estate

Outgoing Federal Reserve Chair Janet Yellen said US stocks and commercial real estate prices are elevated but stopped short of saying those markets are in a bubble. "Well, I don't want to say too high. But I do want to say high," Yellen said on CBS's "Sunday Morning" in an interview recorded Friday as she prepared to leave the central bank. "Price-earnings ratios are near the high end of their historical ranges." Commercial real estate prices are now "quite high relative to rents," Yellen said. "Now, is that a bubble or is it too high? And there it's very hard to tell. But it is a source of some concern that asset valuations are so high." The financial system is now "much better capitalized" and the banking system "more resilient" than they were entering the global financial crisis a decade ago, Yellen said. "What we look at is, if stock prices or asset prices more generally were to fall, what would that mean for the economy as a whole?" Yellen said. "And I think our overall judgment is that, if there were to be a decline in asset valuations, it would not damage unduly the core of our financial system."

Oil prices move lower as US rig count rises

Oil's rally is unraveling on fears over a rise in US production after crude's best January in more than a decade. Baker Hughes data showed American explorers last week raised the number of rigs drilling for crude to the highest in almost six months. Crude has remained above USD60 a barrel this year, extending a rally driven by the extension of an output deal until the end of 2018 by the Organization of Petroleum Exporting Countries and its allies. While oil's best start to the year since 2006 was also helped by falling US inventories and a weaker greenback, Citigroup Inc. says the market is underestimating US output growth as a bigger surge is forecast along with an increase capital spending. US drillers last week added 6 rigs to raise the number of machines drilling for crude to 765, the highest since August 11, Baker Hughes data showed on Friday. That may lead to a further increase in US crude production, which breached 10 million barrels a day to the highest level in more than four decades in November.

Egypt foreign reserves at record before bond sale

Egypt's foreign-currency reserves climbed to a record in January just as the government prepares to raise as much as USD5 billion from an international bond sale. Reserves rose USD1.2 billion, the most since July, to USD38.2 billion, central bank data showed on Sunday. Foreign currency inflows to the central bank and other financial institutions increased by USD1.5 billion to USD5.6 billion, Central Bank Governor Tarek Amer said in a text message, without elaborating. Egypt repaid USD290 million of a USD350 million installment to Paris Club members in January, he said. The increase may aid Egypt's efforts to tap global debt markets this month as policy makers seek to reduce borrowing costs. The surge in reserves since November 2016 was coupled with growth in Egypt's external debt, as the country borrowed from international bond markets, friendly nations and international financial institutions. Officials have pointed to the rebound in tourism revenue, remittances from Egyptians abroad and a decline in the trade deficit to signal that economic reforms are bearing fruit.

Fixed Income - Jordan Eurobonds

Issuer Name	Country of Risk	Maturity	Remaining Duration	CRNCY	CPN	Yield to Maturity	Price	Moody Rating	SP Rating	Next CPN Payment
KINGDOM OF JORDAN	JORDAN	1/31/2027	8.989	USD	5.750	5.67	100.54	B1	B+	7/31/2018
KINGDOM OF JORDAN	JORDAN	1/29/2026	7.984	USD	6.125	5.59	103.44	B1	B+	7/29/2018
JORDAN GOVT BOND	JORDAN	2/21/2021	3.044	USD	3.242	5.00	95.09	NA	NA	2/21/2018
JORDAN GOVT BOND	JORDAN	3/13/2022	4.099	USD	4.000	5.30	95.25	NA	NA	3/13/2018



Fixed Income - MENA Market (Governmental Bonds/Sukuk)

Issuer Name	Country of Risk	Maturity	Remaining Duration	CRNCY	CPN	Yield to Maturity	Price	Moody Rating	SP Rating	Next CPN Payment
ABU DHABI GOVT INT'L	UAE	4/8/2019	1.167	USD	6.75	2.30	105.09	AA	AA	4/8/2018
DUBAI DOF SUKUK LTD	UAE	1/30/2023	4.984	USD	3.875	3.36	102.33	NA	NA	7/30/2018
SHARJAH SUKUK 2 LTD	UAE	1/27/2021	2.975	USD	3.839	2.96	102.47	NA	BBB+	7/27/2018
DUBAI DOF SUKUK LTD	UAE	5/2/2022	4.236	USD	6.45	3.24	112.59	NA	NA	5/2/2018
RAK CAPITAL	UAE	3/31/2025	7.151	USD	3.094	3.42	97.93	A	NA	3/31/2018
SHARJAH SUKUK LTD	UAE	9/17/2024	6.616	USD	3.764	3.37	102.30	NA	BBB+	3/17/2018
RAK CAPITAL	UAE	10/21/2018	0.704	USD	3.297	2.23	100.74	A	A	4/21/2018
ABU DHABI GOVT INT'L	UAE	10/11/2027	9.682	USD	3.125	3.72	95.21	AA	AA	4/11/2018
ABU DHABI GOVT INT'L	UAE	10/11/2022	4.679	USD	2.5	3.16	97.17	AA	AA	4/11/2018
DUBAI DOF WAKALA SUKUK 1	UAE	3/20/2025	7.121	USD	3.89	4.13	98.55	NA	NA	3/23/2018
ABU DHABI GOVT INT'L	UAE	5/3/2026	8.241	USD	3.125	3.54	97.09	AA	AA	5/3/2018
DUBAI GOVT INT'L BONDS	UAE	10/5/2020	2.663	USD	7.75	2.89	112.35	NA	NA	4/4/2018
ABU DHABI GOVT INT'L	UAE	5/3/2021	3.238	USD	2.125	2.95	97.46	AA	AA	5/3/2018
KINGDOM OF BAHRAIN	BAHRAIN	3/31/2020	2.148	USD	5.5	4.41	102.21	BB+	B+	3/31/2018
CBB INTERNATIONAL SUKUK	BAHRAIN	11/22/2018	0.792	USD	6.273	3.15	102.41	NA	B+	5/22/2018
KINGDOM OF BAHRAIN	BAHRAIN	7/5/2022	4.411	USD	6.125	5.23	103.47	BB+	B+	7/5/2018
KINGDOM OF BAHRAIN	BAHRAIN	8/1/2023	5.485	USD	6.125	5.28	103.96	BB+	B+	8/1/2018
KINGDOM OF BAHRAIN	BAHRAIN	1/26/2026	7.975	USD	7	6.34	104.09	BB+	B+	7/26/2018
KINGDOM OF BAHRAIN	BAHRAIN	1/26/2021	2.973	USD	5.875	4.73	103.13	BB+	B+	7/26/2018
KINGDOM OF BAHRAIN	BAHRAIN	10/12/2028	10.688	USD	7	6.84	101.15	BB+	B+	4/12/2018
CBB INTERNATIONAL SUKUK	BAHRAIN	2/12/2024	6.019	USD	5.624	5.14	102.50	BB+	B+	2/12/2018
CBB INTERNATIONAL SUKUK	BAHRAIN	3/20/2025	7.121	USD	5.25	5.26	99.93	BB+	B+	3/20/2018
KUWAIT INTL BOND	KUWAIT	3/20/2027	9.121	USD	3.5	3.63	98.96	AA	AA	3/20/2018
KUWAIT INTL BOND	KUWAIT	3/20/2022	4.118	USD	2.75	3.13	98.55	AA	AA	3/20/2018

Issuer Name	Country of Risk	Maturity	Remaining Duration	CRNCY	CPN	Yield to Maturity	Price	Moody Rating	SP Rating	Next CPN Payment
OMAN GOV INTERNTL BOND	OMAN	3/8/2022	4.08	USD	3.875	4.10	99.17	Baa2	BBB-	3/8/2018
OMAN GOV INTERNTL BOND	OMAN	3/8/2027	9.09	USD	5.375	5.37	100.01	Baa2	BBB-	3/8/2018
OMAN SOVEREIGN SUKUK	OMAN	6/1/2024	6.32	USD	4.397	4.54	99.20	Baa2	BBB-	6/1/2018
OMAN GOV INTERNTL BOND	OMAN	6/15/2021	3.36	USD	3.625	3.86	99.26	Baa2	BBB-	6/15/2018
OMAN GOV INTERNTL BOND	OMAN	6/15/2026	8.36	USD	4.75	5.14	97.39	Baa2	BBB-	6/15/2018
STATE OF QATAR	QATAR	4/9/2019	1.17	USD	6.55	2.48	104.66	Aa3	NA	4/9/2018
STATE OF QATAR	QATAR	1/20/2020	1.95	USD	5.25	2.88	104.47	Aa3	NA	7/20/2018
STATE OF QATAR	QATAR	1/20/2022	3.96	USD	4.5	3.42	103.95	Aa3	NA	7/20/2018
SOQ SUKUK A Q.S.C	QATAR	1/18/2023	4.95	USD	3.241	3.54	98.67	Aa3	NA	7/18/2018
STATE OF QATAR	QATAR	6/2/2021	3.32	USD	2.375	3.23	97.32	Aa3	AA-	6/2/2018
STATE OF QATAR	QATAR	6/2/2026	8.32	USD	3.25	3.92	95.30	Aa3	AA-	6/2/2018
SAUDI INTERNATIONAL BOND	SAUDI ARABIA	10/26/2021	3.72	USD	2.375	3.22	97.07	A1	A+	4/26/2018
SAUDI INTERNATIONAL BOND	SAUDI ARABIA	10/26/2026	8.72	USD	3.25	3.76	96.22	A1	A+	4/26/2018
KSA SUKUK LTD	SAUDI ARABIA	4/20/2022	4.20	USD	2.894	3.28	98.48	A1	A+	4/20/2018
KSA SUKUK LTD	SAUDI ARABIA	4/20/2027	9.21	USD	3.628	3.79	98.72	A1	A+	4/20/2018
SAUDI INTERNATIONAL BOND	SAUDI ARABIA	3/4/2023	5.07	USD	2.875	3.36	97.75	A1	A+	3/4/2018
SAUDI INTERNATIONAL BOND	SAUDI ARABIA	3/4/2028	10.08	USD	3.625	3.97	97.12	A1	A+	3/4/2018
HAZINE MUSTESARLIGI VARL	Turkey	10/10/2018	0.67	USD	4.557	2.94	101.07	Ba1	BB+	4/10/2018
REPUBLIC OF TURKEY	Turkey	11/7/2019	1.75	USD	7.5	3.42	106.85	Ba1	BB+	5/7/2018
REPUBLIC OF TURKEY	Turkey	2/5/2025	7.00	USD	7.375	5.01	113.83	Ba1	BB+	8/5/2018
REPUBLIC OF TURKEY	Turkey	3/25/2022	4.13	USD	5.125	4.23	103.35	Ba1	BB+	3/25/2018
REPUBLIC OF TURKEY	Turkey	3/25/2027	9.13	USD	6	5.44	103.96	Ba1	BB+	3/25/2018
REPUBLIC OF TURKEY	Turkey	6/5/2020	2.33	USD	7	3.78	107.09	Ba1	BB+	6/5/2018



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