



# Daily Credit Note

Monday 13<sup>th</sup> February 2012

## News Headlines

- Dubai's developers, battered by three years of falling prices for homes and offices, are seeking refuge in retail assets as shopping tourism powers the economy.
- Kuwait Projects Co.'s bond yield fell to a six-month low on speculation the economy may outperform that of regional peers as a USD 111 billion investment plan drives non-oil industry growth.
- Egypt, downgraded by Standard and Poor's last week to five levels below investment grade after a slide in reserves, may need to pay higher yields than non-rated Dubai to attract investors to its first Islamic bond sale.
- US Treasuries halted an advance after the Greek government won approval from parliament for austerity measures to secure an international bailout, curbing demand for the relative safety of US debt.
- German leaders kept up pressure on Greece as the struggling euro member moved closer to approving an austerity package designed to stave off economic collapse.

## Rates

5 Yr SWAP	1.107
3M LIBOR	0.506
6M LIBOR	0.758

Source: Bloomberg

## Spot Forex - USD

JPY	77.616
EUR	1.3248
GBP	1.5786
CHF	0.9131
CAD	0.9994

Source: Bloomberg

## CDS Levels

	Bid	Ask
Abu Dhabi	127.80	134.20
Dubai	384.30	400.77
Bahrain	385.00	405.00
Saudi Arabia	127.00	136.62
Qatar	128.47	134.39

Source: Bloomberg

## Trading Colour

Last week began with a solid rally in the MENA credit space before new supply and a turn in sentiment saw things close softer by Friday afternoon. The big news of the week was the new DOLPHIN energy 2021s which launched on Tuesday with an initial yield of 5.75%, it tightened down to 5.5% by the time the book closed with USD 9 billion of orders for a USD 1 billion deal. Issued at par (100), allocations were very tight and at the break, the bond rallied to settle at 101.875 (5.25%), before being tapped for a further USD 300 million at 101.25 cash price (5.33%). It has since rallied again to the 102 mark this morning (5.24%), further illustrating the demand for this name. The new issue pipeline still has more to give and with the amount of available cash at the moment, we expect to see bonds perform well.

See our runs for daily indicative pricing.

Source: Bloomberg



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