

16 May 2012

Treasury / Sukuk Update

Major Indices

International Indices

Yesterday closing			%
DJ Ind avg	12,623.00	1.58	↓
Nasdaq	2,893.76	1.40	↓
FTSE 100	5,437.62	1.67	↓
Nikkei 225	8900.74	1.60	↓

GCC Market

Yesterday closing			%
Abu Dhabi	2,473.32	0.31	↓
Dubai	1,489.36	2.46	↓
Saudi Arabia	7,104.24	1.62	↓
Qatar	8,491.32	1.32	↓

CDS

Sovereigns

5yr Dubai	371	381
5yr Abu Dhabi	120	130
5yr Qatar	122	132
5yr Saudi	118	128
5yr Bahrain	360	370

Major Currencies

Indicative rates

	Against USD	Against AED
EUR	1.2763	4.6878
GBP	1.6014	5.8819
JPY	79.87	0.045987
CHF	0.9396	3.9091
AUD	0.9959	3.6579
CAD	1.0045	3.6384
Oil -WTI	93.99	

Overview

GCC credit is opening 5-15 bps weaker this morning

- Low beta names are about 5 bps wider
- Dubai Sovereigns are 10-15 bps wider
- Driven by weaker global risk assets on Eurozone break-up fears
- Sovx is 8 bps wider (after widening 10 bps yesterday)
- GCC paper widened 5-10 bps yesterday

Banque Saudi Fransi priced \$750MM BSFR17 at MS+185

- It's trading 30 to 40 cents over the issue price this morning
- The book was larger than \$4B in orders highlighting the scarcity value of Saudi Financial Sukuk

We remain defensive on our positioning

- Given the macro risks, poor seasonals,
- And given the huge pipeline of GCC credit issuance ahead

However we still believe that Dubai will outperform

- As DIFC and Jafza get repaid
- We continue to recommend the 9 month Tamweel \$13 (BBB+) now at 4.6% YTM.
- We continue to like switching out of Emaar16 into Nakheel 16 (see previous comments)

Sources: NIB Sukuk Trading desk



EUR/USD and USD/JPY chart



Sukuk

Security Name	Ric	Maturity	Coupon	Coupon Frequency	Cur-ency	Bid Price	Offer Price	Offer YTM	Bid YTM	Ratings			Minimum Denomina-tion
										S&P	Fitch	Mdy	
Abu Dhabi Commercial Bank	ADCB	2016	4.071	Semi-Annual	USD	102.250	103.750	3.17	3.526	A	A+	A1	100,000
Abu Dhabi Islamic Bank	ADIB	2015	3.745	Semi-Annual	USD	100.625	102.125	3.09	3.551	N.A.	A+	A2	100,000
Abu Dhabi Islamic Bank	ADIB	2016	3.780	Semi-Annual	USD	101.500	103.000	3.06	3.419	N.A.	A+	A2	100,000
Al Dar Funding	ALDAR	2013	Ebor + 175	Quarterly	AED	99.00	100.750	2.58	4.226	B+	N.A.	B3	500,000
Central Bank of Bahrain	CBBISC	2014	6.247	Quarterly	USD	106.250	108.00	2.27	3.108	BBB	BBB	N.A.	100,000
Central Bank of Bahrain	CBBISC	2018	6.273	Semi-Annual	USD	105.750	107.75	4.86	5.219	BBB	BBB	N.A.	100,000
Dar al Arkan	DARARK	2012	Libor + 225	Quarterly	USD	96.750	98.750	10.85	24.336	N.A.	N.A.	N.A.	100,000
Dar al Arkan	DARARK	2015	10%	Semi-Annual	USD	99.500	101.500	10.09	10.951	B+	N/A	WR	100,000
DEWA	DEWAAE	2013	Ebor + 125	Semi-Annual	AED	99.500	100.800	2.21	3.436	N.A.	WD	Ba1	500,000
DP World	DPWDU	2017	6%	Semi-Annual	USD	105.750	107.750	4.53	4.962	NR	BBB	Baa3	100,000
Dubai Government	DUGB	2014	Ebor + 370	Quarterly	AED	102.500	104.750	3.24	4.177	N.A.	N.A.	N.A.	500,000
Dubai Government	DUGB	2014	6.396	Semi-Annual	USD	104.875	106.250	3.70	4.278	N.A.	N.A.	N.A.	100,000
Dubai Government	DUGB	2017	4.9	Semi-Annual	USD	100.00	101.375	4.58	4.899	N.A.	N.A.	N.A.	200,000
Dubai Government	DUGB	2022	6.45	Semi-Annual	USD	99.875	101.375	6.26	6.467	N.A.	N.A.	N.A.	200,000
Emirates Islamic Bank	EIBSUK	2012	0	Quarterly	USD	99.625	99.950	1.590	6.925	N.A.	N.A.	A3	100,000
Emirates Islamic Bank	EIBSUK	2017	4.718	Semi-Annual	USD	101.250	102.750	4.06	4.417	N.A.	A+	A3	200,000
EMAAR	EMAAR	2016	8½	Semi-Annual	USD	106.500	109.000	6.03	6.694	BB	N.A.	B1	100,000
Emirates Airlines	EMIRAT	2012	Libor + 75	Semi-Annual	USD	99.750	100.000	1.518	5.107	N.A.	N.A.	N.A.	100,000
First Gulf Bank	FGBUH	2016	3.797	Semi-Annual	USD	101.125	102.625	3.12	3.505	N.A.	A+	A2	200,000
First Gulf Bank	FGBUH	2017	4.046	Semi-Annual	USD	101.375	102.875	3.37	3.721	N.A.	A+	A2	100,000
General Electric	GE	2014	3%	Semi-Annual	USD	103.250	104.750	1.93	2.532	AA+	N.A.	A1	100,000
HSBC Bank Middle East	HSBC	2016	3.575	Semi-Annual	USD	102.000	103.300	2.70	3.044	N/A	AA-	A1	200,000
Islamic Development Bank	ISDB	2014	3.172	Semi-Annual	USD	103.500	105.250	0.88	1.628	AAA	AAA	Aaa	100,000
Islamic Development Bank	ISDB	2015	1.775	Semi-Annual	USD	100.000	102.000	1.17	1.775	AAA	AAA	Aaa	100,000
Islamic Development Bank	ISDB	2016	2.35	Semi-Annual	USD	101.500	103.500	1.44	1.959	AAA	AAA	Aaa	100,000
Jebel Ali Free Zone	JAFZSK	2012	Ebor + 120	Semi-Annual	AED	97.750	99.750	3.49	7.446	B	N.A.	B2	500,000
Govt of Malaysia	MALAYS	2015	3.928	Semi-Annual	USD	105.375	106.875	1.59	2.091	A-	N/A	A3	100,000
Govt of Malaysia	MALAYS	2016	2.991	Semi-Annual	USD	102.750	104.250	1.91	2.288	A-	N.A.	A3	250,000
Govt of Malaysia	MALAYS	2021	4.646	Semi-Annual	USD	109.500	111.500	3.18	3.424	A-	N.A.	A3	250,000
Petronas Gas	PETROL	2014	4%	Semi-Annual	USD	104.875	106.250	1.38	1.998	A-	A	A1	100,000
Qatar Islamic Bank	QIBC	2015	3.856	Semi-Annual	USD	102.750	104.250	2.53	2.993	N.A.	A	N.A.	100,000
Ras Al Khaima (Sovereign)	RAKS	2014	8	Semi-Annual	USD	110.750	112.500	2.07	2.852	A	A	N.A.	100,000
Ras Al Khaima (Sovereign)	RAKS	2016	5.2392	Semi-Annual	USD	107.500	109.500	2.52	3.070	A	A	N.A.	100,000
Sharjah Islamic Bank	SIB	2016	4.715	Semi-Annual	USD	103.750	105.750	3.17	3.700	BBB	BBB	N/A	200,000
Tamweel	TAMWEE	2013	4.31	Quarterly	USD	99.125	100.625	3.36	5.643	N.A.	BBB	N.A.	100,000
Tamweel	TAMWEE	2013	0	Quarterly	AED	95.750	99.750	4.00	7.551	N.A.	BBB	N.A.	500,000
Tamweel	TAMWEE	2017	5.154	Semi-Annual	USD	101.000	102.750	4.49	4.910	N.A.	A	Baa1	200,000
Tourist Development of Abu Dhabi	TDICUH	2014	4.949	Semi-Annual	USD	105.875	107.375	1.81	2.430	AA	AA	A1	100,000
Nakheel	NAKHL	2016	10	Semi-Annual	AED	88.750	92.750	12.23	13.563	N.A.	N.A.	N.A.	500,000
KT Sukuk Varlik Kiralama	KFINKW	2016	5%	Semi-Annual	USD	102.375	104.250	4.80	5.267	N.A.	BBB-	N.A.	100,000
MAF Sukuk	MAFUAE	2017	5.85	Semi-Annual	USD	104.250	105.750	4.48	4.829	BBB	BBB	N.A.	200,000
Saudi Electricity Global	SECO	2017	2.665	Semi-Annual	USD	100.125	101.625	2.31	2.637	AA-	AA-	A1	200,000
Saudi Electricity Global	SECO	2022	4.211	Semi-Annual	USD	100.875	102.500	3.90	4.102	AA-	AA-	A1	200,000
BSF SUKUK LIMITED	BSFR	2017	2.947	Semi-Annual	USD	99.950	101.150	2.70	2.958	Aa3e	Ae	N.A.	200,000

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