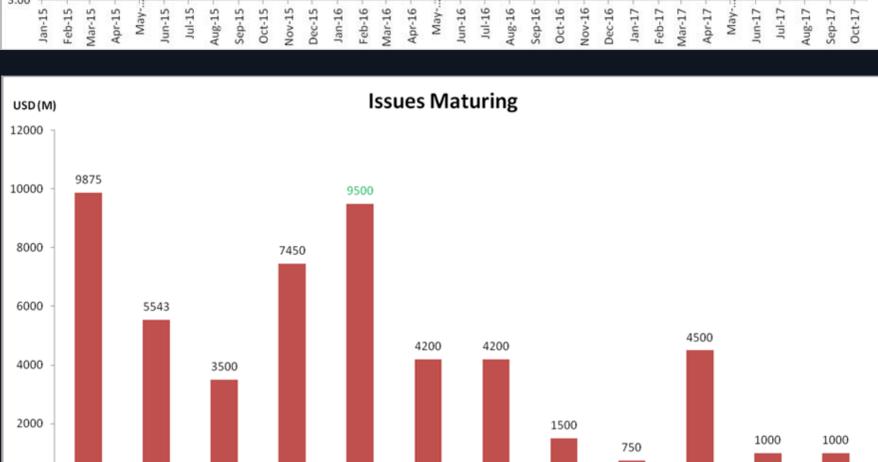
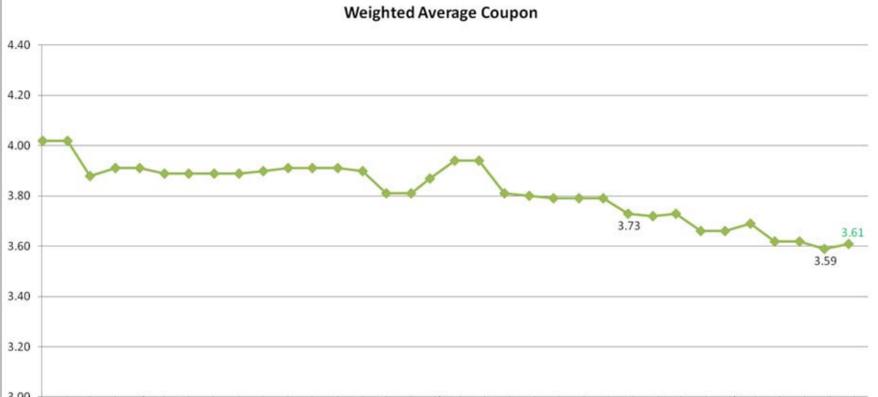
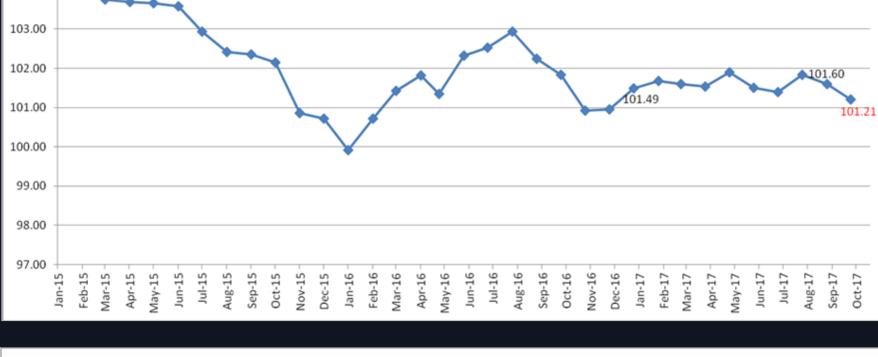


LMC Monthly Sukuk Index

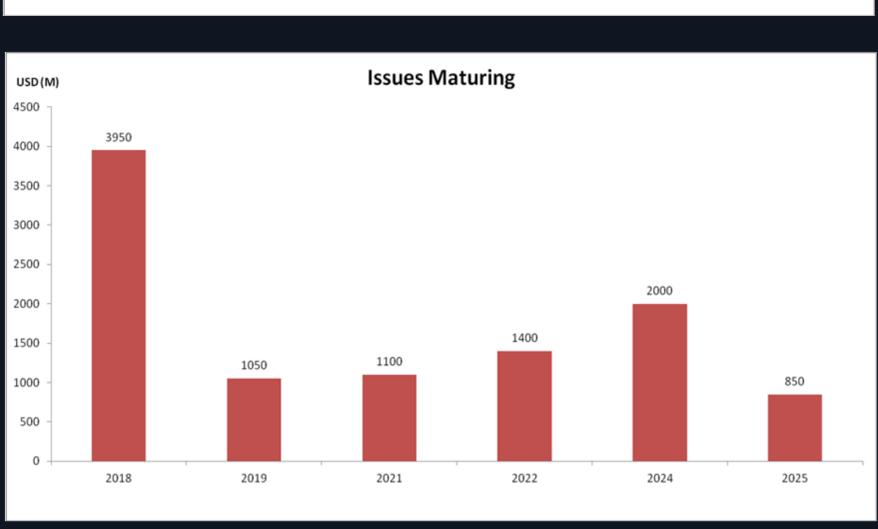
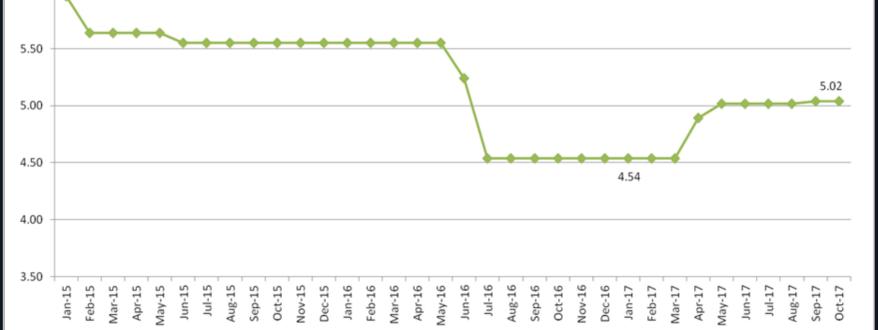
Dear All,

Please find below our monthly Sukuk Index that compiles data of local (GCC+Turkey) liquid Sukuk.

Below we illustrate the Investment grade's performance for the period October 2017 – November 2017:



Below we illustrate the Non-Investment grade's performance for the period October 2017– November 2017:



Index Update:

As illustrated above, both the investment grade and non-investment Sukuk underperformed this month, declining slightly by 0.27% and 0.35% respectively. Due to volatility in the US treasury market, GCC credit markets generally weakened on a cash price basis. Looking at the index's performance, the Non-investment grade names are rewarding around 143 bps higher than investment grades.

Market Update:

Federal Reserve officials see the economy expanding at a steady clip and indicate that an interest rate hike later this year is a near lock, despite some divisions over where inflation is headed. The markets are now pricing in an 85% implied probability of a December rate hike. Market attention is also centered on the announcement of the next Fed Chair and the adjustments in the "dots" /expectations thereafter... (CNBC)

In sukuk news, Qatar Islamic Bank has completed the repayment of (US\$750m) issued on 10th of October 2012 and due on 10th of October 2017, while Qatar International Islamic Bank had also successfully repaid its Sukuk-holders (US\$ 700m) on the 18th of October 2017. Arab Petroleum Investments Corporation (APICORP) has successfully priced a USD 500mn Sukuk due 2022 with a profit rate of 3.141% (MS+100bps). The Sukuk was allocated to the Middle East (41%), Europe (34%), Asia (24%) and offshore US (1%)...(SCB)

Brent crude price at USD 60/bbl levels is currently at its two year highs, on hopes of an extended output cut deal to fructify in the next OPEC meeting scheduled in November. Accordingly to recent media articles, Saudi Arabia is ready to support a further extension to the oil production cuts. Brent averaged at USD 57.3/bbl MTD October, (+3.2% MoM and +12% YoY). Based on Baker Hughes latest weekly rig count (27, October, 2017), US rig count was 909, down by 4 rigs week on week, while were higher by 352 rigs the same time last year. US production was 999, down by 9 rigs week (20, October, 2017), up 110k bpd from the previous week. WTI MTD October price averaged at USD 51.6/bbl, up 2.2% MoM and down 4.4% YoY... (SICO)

S&P revised SECO's outlook to negative stating that the signing of a non-binding agreement between SoftBank Vision Fund and SECO could signal a potential weakening link between SECO and the government. S&P has indicated that it would lower the rating by one notch if the transaction takes place and it is concluded that the likelihood of government support has reduced...(Company announcement)

Fitch affirmed Kuwait's long term foreign currency default rating at AA with a stable outlook. Kuwait's key credit strengths are the sovereign's exceptionally strong fiscal and external metrics and, at a forecast USD50/bbl, one of the lowest fiscal breakeven Brent oil prices among Fitch-rated oil exporters... (SCB)

Moody's placed the Baa2 long term issuer rating of Oman Telecommunications Company on review for downgrade. The decision to place the rating on review for downgrade was prompted by the announcement that Omantel had signed a share purchase agreement to acquire 12.1% of Mobile Telecommunications Company KSCP ('Zain') for a total cash consideration of US\$1.35 billion (OMR520 million)... (SCB)

If you wish to unsubscribe, please reply by the word (unsubscribe) to lmcweekly@lmc Bahrain.com

This report does not constitute or form part of, and should not be construed as, any offer for sale or subscription of, or any invitation to offer to buy or subscribe for any securities. The information and opinions contained in this report have been compiled or arrived at from sources believed to be reliable and are given in good faith, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness and are subject to change without notice. Investors must make their own investment decisions. Past performance is not necessarily a guide to future performance. Nothing in this report should be construed as investment or financial advice or as an advice to buy or sell the securities of the company referred to in this report. LMC and/or its clients may have positions in or options on the securities mentioned in this report or any related investments, may affect transactions or may buy, sell or offer to buy or sell such securities or any related investments. Additional information on the contents of this report is available on request.