

Oman Successfully Prints \$5bn in Bonds

We published a note yesterday about the Government of the Sultanate of Oman coming to the international bond markets and joining the new issue party – well we can now report that in doing so it made quite an entrance. The sovereign yesterday issued \$5bn in a 3-tranche bond transaction, its biggest ever single deal:

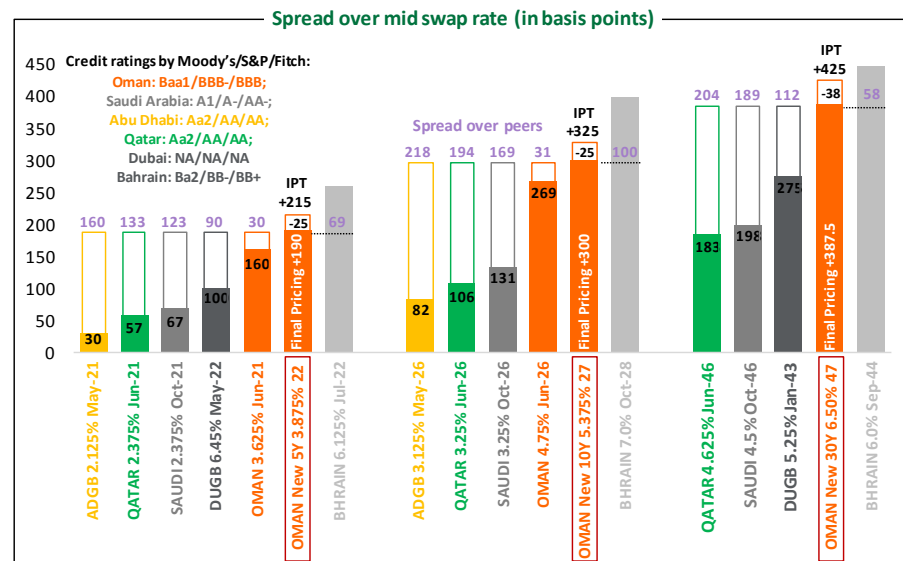
- * \$1bn 5Y priced at MS+190bps vs IPT of MS+215area; Issue price: 99.488; Coupon: 3.875%
- * \$2bn 10Y priced at MS+300bps vs IPT of MS+325area; Issue price: 99.618; Coupon: 5.375%
- * \$2bn 30Y priced at MS+387.5bps vs IPT of MS+425area; Issue price: 99.36; Coupon: 6.50%

Formal details of the deal are yet to be announced, but Reuters quoted the combined orderbook size of the deal at circa \$20bn, indicating that the deal was almost four times oversubscribed. The article also suggested that demand was skewed towards the longer dated papers (please click [here](#) to read our earlier report).

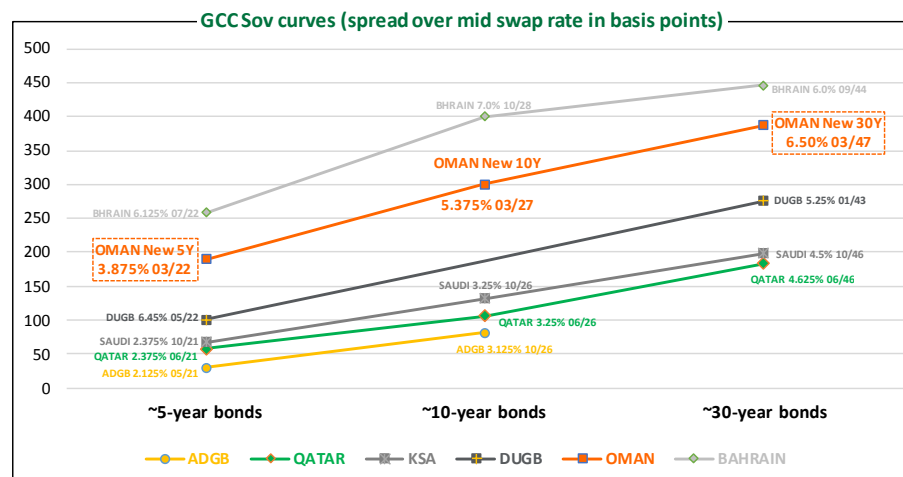
This morning there was a fair amount of activity in the secondary market for this paper, with grey prices initially indicating a very positive tone, especially in the 30yr. However, this has since softened somewhat and we suggest you contact our trading desk to get live pricing.

Please find below some charts based on the final pricing of the bonds versus peers.

Relative Value (based on final pricing):



Source: Bloomberg; NBAD



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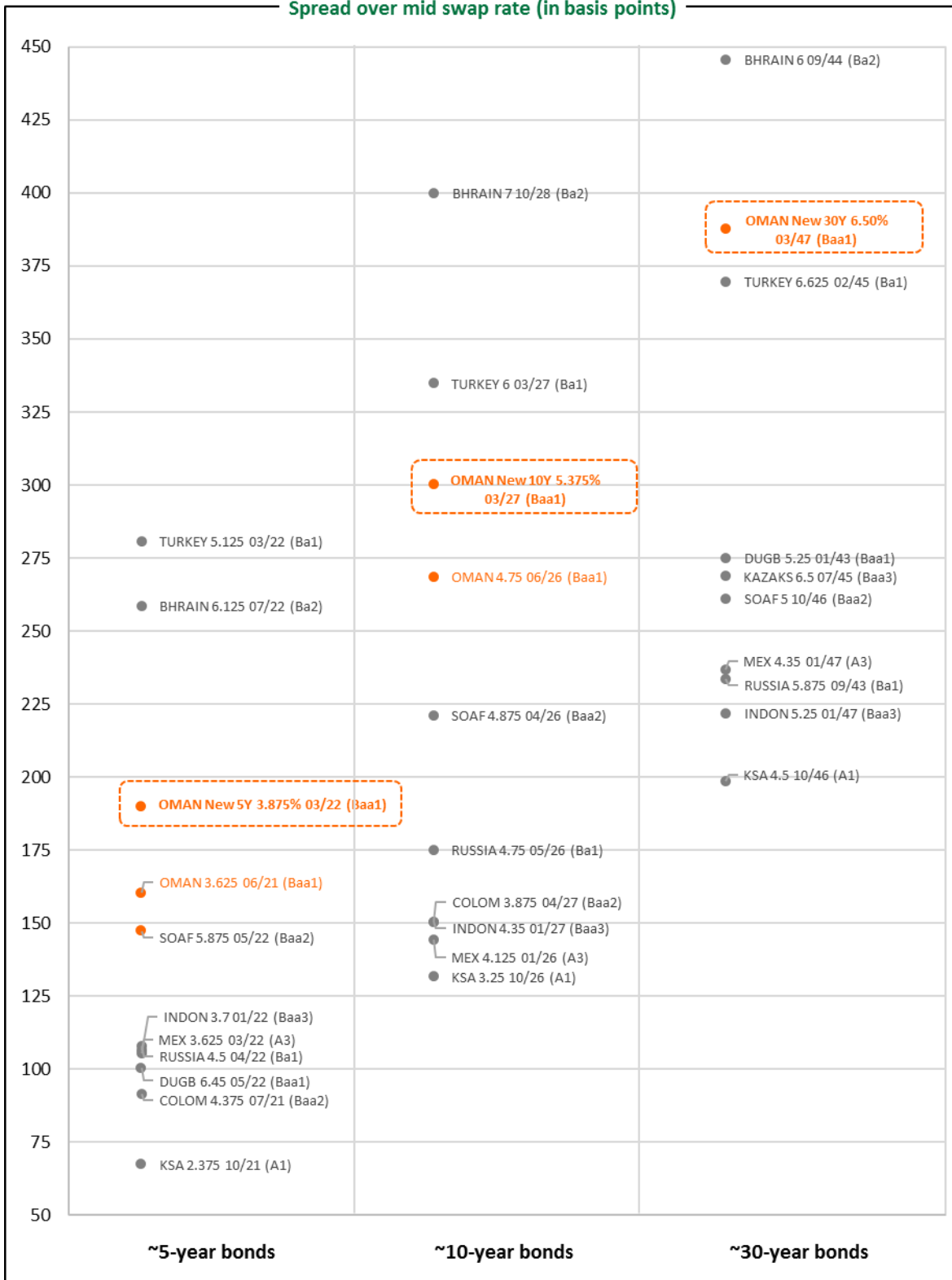
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Oman bonds relative value vs emerging markets peers (spread over mid swap vs Moody's rating):



Note: The bond/sukuk name indicates the Ticker / Coupon / Month & Year of Maturity / Moody's rating; Spread over mid swap is the interpolated bond spread to the swap curve in the matching currency; *Dubai is not rated by any rating agency and we have assigned a proxy Moody's rating of Baa1 based on its fundamentals with a relative comparison to Oman (Baa1), Bahrain (Ba3) & DEWA (Baa1); Source: Bloomberg; NBAD

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