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Subject: Fwd: (BN) Doha Bank CEO Says Saudi Arabia 'Missed the Boat' on Bond (2)
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From: "Ens, Amanda" <[REDACTED]>
Subject: (BN) Doha Bank CEO Says Saudi Arabia 'Missed the Boat' on Bond (2)
Date: October 6, 2016 at 8:39:20 AM EDT
To: "[REDACTED]" <[REDACTED]>

[Rich, this was on Bloomberg a couple days ago](#)

Doha Bank CEO Says Saudi Arabia 'Missed the Boat' on Bond (2)
2016-10-04 12:15:04.690 GMT

By Matthew Martin and Yousef Gamal El-Din (Bloomberg) -- Saudi Arabia "missed the boat" by not selling its first international bond earlier to narrow a budget deficit caused by the slump in oil prices, Doha Bank Chief Executive Officer Raghavan Seetharaman said. "They have been pronouncing for borrowing for nine months, and they have still not executed, [REDACTED] surprised," Seetharaman said Tuesday in an interview on Bloomberg Markets Middle East. "They should have gone and borrowed when they knew they would have a budget deficit." The kingdom had planned to tap international debt markets as early as September, Minister of State Mohammed bin Abdulmalik Al-Sheikh said during a meeting between Bloomberg News and Deputy Crown Prince Mohammed bin Salman in April. U.S. legislation that allows the families of 9/11 victims to sue the Arab country - passed by Congress last week - risks delaying the bond, people with knowledge of the matter said last month. The Saudi economy is straining, the banking sector is struggling with liquidity pressure and lending has slowed, Seetharaman said. As a result, the kingdom is undertaking

austerity measures, including cuts to public-sector pay, that are “not really required,” he said.
Saudi officials haven’t made a decision yet on the timing of the bond and amount they plan to raise, Finance Minister Ibrahim Al-Assaf said in a statement to Bloomberg on Sept. 28.

Bond Sale

Doha Bank is also planning to tap bond markets early next year, Seetharaman said. The lender is looking to sell debt and equity to reduce the mismatch in maturities between long-term loans and short-term funding, he said. Qatar’s \$9 billion sovereign bond sale in May has helped improve liquidity conditions among domestic banks, he said.

The debut bond issue from Saudi Arabia could raise as much as \$15 billion, people familiar with the matter told Bloomberg in May. The kingdom appointed HSBC Holdings Plc, JPMorgan Chase & Co. and Citigroup Inc. as global coordinators in June, and six banks including BNP Paribas SA, Deutsche Bank AG., and Goldman Sachs Group Inc as co-lead managers in July, people familiar said.

Khalid Al Hussan, CEO of the Saudi Stock Exchange, and Capital Market Authority chairman Mohammed Al-Jadaan are due to meet investors in New York on Tuesday and Wednesday to explain changes to market rules aimed at attracting more foreign investment. The CMA, as the market regulator is known, has lowered the amount qualified foreign financial institutions must have under management to access the Saudi market and increased the stake they can own in a company.

Representatives from the Ministry of Economy and Planning, the Saudi central bank, and listed companies including Saudi Telecom Co., Saudi Basic Industries Corp., and Samba Financial Group will also be at the meetings organized by JPMorgan Chase & Co.

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