

News Updates

S&P gives Oman oil and gas firm EDO 'BB-' rating – S&P Global Ratings assigned Oman state oil and gas producer Energy Development Oman (EDO) a "BB-" rating with a stable outlook, citing access to sizeable hydrocarbon reserves and a leading share of Omani production. EDO's low operating cost structure, along with its reserves and market share, all support cash flow visibility, the rating agency said. The rating is in line with Oman's sovereign rating. EDO, set up in late 2020 to take majority ownership of Oman's largest oil block called Block 6 and to help raise debt, raised a \$2.5 billion loan last August. *(Source: Reuters)*

Turkish inflation hits almost 80%, peak might be near – Turkish inflation rose to a fresh 24-year high of 79.6% in July, data showed on Wednesday as the lira's continued weakness and global energy and commodity costs pushed prices higher. Inflation began to surge last autumn, when the lira slumped after the central bank gradually cut its policy rate by 500 basis-points to 14% in an easing cycle sought by President Tayyip Erdogan. Month-on-month, consumer prices rose 2.37% in July, the Turkish Statistical Institute said. Annually, consumer price inflation was forecast to be 80.5%. *(Source: Reuters)*

Squeezed global spare oil capacity limits OPEC+ output hike – The Organization of the Petroleum Exporting Countries and its allies, known as OPEC+, has agreed to a further 100,000 barrels per day oil production hike from September as it warned of a lack of spare capacity for any greater increases. The alliance, which includes Russia, held a meeting on Wednesday to discuss output levels amid calls from the US to ramp up production to cool the international oil market. The increase will mean the 23-nation group will raise output by 748,000 bpd from next month. *(Source: Arab News)*

Fed's Daly says 50-basis-point rate hike next month is 'reasonable' – It would be 'reasonable' for the Federal Reserve to raise interest rates by 50 basis points next month if the economy evolves as expected, San Francisco Fed President Mary Daly said on Wednesday, as she cautioned once again that policymakers are resolute in reducing decades-high inflation. "I start from the idea that 50 would be a reasonable thing to do in September because I believe I'm seeing evidence in my contact conversations, and in the observations of the world I see, that there are some bright spots for me," Daly said in an interview with Reuters. That said, "if we just see inflation roaring ahead undauntedly, the labor market showing no signs of slowing, then we'll be in a different position where a 75-basis-point increase might be more appropriate. But I go in with the 50 in mind as I look at the data coming in," Daly added. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.02	-6.89	KSA	2027	3.02	-5.62
Abu Dhabi	2031	3.35	-10.15	KSA	2032	3.46	-8.84
Abu Dhabi	2050	4.16	-18.98	KSA	2050	4.73	-18.72
Bahrain	2028	5.77	-5.28	Oman	2027	5.25	-4.72
Bahrain	2032	7.21	-10.58	Oman	2032	6.18	-7.05
Bahrain	2051	8.15	-14.59	Oman	2051	7.46	-10.33
Dubai	2029	3.81	-8.20	Qatar	2026	3.07	-5.98
Dubai	2050	5.72	-22.96	Qatar	2030	3.47	-9.84
Kuwait	2027	3.11	-7.01	Qatar	2050	4.22	-17.96

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.48	8.08	-0.23	-8.59
S&P MENA Bond and Sukuk Index	4.02	NA	0.10	-8.60
Bloomberg Emerging Markets USD Index	6.89	6.80	0.17	-15.13
Bloomberg Global Aggregate Index	2.66	7.42	-0.39	-12.44

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	04/08/2022	31/12/2021	04/08/2022	31/12/2021	04/08/2022	31/12/2021
KIBOR	2.3750	1.5000	2.6250	1.7500	2.9375	2.0000
SAIBOR	3.0227	0.9057	3.3909	0.9829	3.8770	1.0600
BHIBOR	4.1417	1.5167	4.4333	1.6233	5.0917	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	2.7038	0.3645	3.2186	0.7000	3.5130	0.7396
EURIBOR	0.2600	-0.5730	0.6520	-0.5460	0.9260	-0.4980
LIBOR	2.8070	0.2144	3.3134	0.3451	3.7077	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	3.5021	0.76	554.6	KWD	0.3067	-0.0978	-1.34	Crude Oil	97.11	30.68
2-Year	3.3549	0.99	256.4	SAR	3.7610	-0.0426	-0.11	Gold	1,789.60	-2.79
5-Year	2.8886	1.51	110.9	EUR	1.0165	-0.0098	-10.60	Silver	20.05	-14.52
7-Year	2.8092	1.53	90.4	GBP	1.2153	0.0329	-10.19	Copper	344.90	-22.15
10-Year	2.7926	1.40	76.6	JPY	133.9600	-0.0672	-14.09	Nat. Gas	8.27	126.78
30-Year	2.6819	1.41	54.9	CNH	6.7618	0.0192	-5.98	Aluminum	2,383.60	-14.70

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	3.08	-0.02	1.80	-0.13	NA	NA
5-Year	2.84	-0.06	1.71	-0.42	0.33	0.00
10-Year	2.72	-0.09	1.91	-0.44	0.65	0.00
30-Year	2.96	-0.17	2.30	-0.27	1.06	0.00

	Sovereign Ratings		
	Moody's	S&P	Fitch
Kuwait	A1	A+	AA-
KSA	A1	A-u	A
UAE	Aa2	NR	AA-
Abu Dhabi	Aa2	AA	AA
Qatar	Aa3	AA-	AA-
Bahrain	B2	B+	B+
Oman	Ba3	BB-	BB-
Egypt	B2	B	B+
Lebanon	C	SD	RD
Jordan	B1	B+	BB-
Turkey	B2	B+	B
Tunisia	Caa1	NR	CCC
Morocco	Ba1	BB+	BB+
US	Aaa	AA+	AAA
UK	Aa3	AA	AA-
China	A1	A+	A+

USD 5Yr CDS	04-Aug 2022	31-Dec 2021
Kuwait	62.95	40.53
KSA	59.00	50.97
Abu Dhabi	58.51	43.09
Dubai	127.45	89.58
Qatar	58.03	42.55
Bahrain	312.03	286.32
Oman	292.47	254.42
Iraq	734.02	507.35
Egypt	NA	496.58
Morocco	287.14	85.91
Turkey	756.98	555.46
US	19.57	10.01
UK	14.73	8.91
China	79.65	39.86
Japan	21.99	16.23
Germany	15.08	7.53
France	25.61	17.87