

**News Updates**

**Two biggest gulf economies boom and turn corner on inflation** – The two biggest Gulf Arab economies are already seeing inflationary pressures abate while business activity is picking up. Charges set by non-oil companies slipped last month in the United Arab Emirates, helped by a decline in input costs, according to S&P Global. Both input cost and output price inflation slowed in Saudi Arabia. Growth in the Saudi non-oil economy reached a 10-month high in August, with S&P’s Purchasing Managers’ Index for the kingdom rising to 57.7 from 56.3 in July. Its PMI for the UAE was at 56.7, up from 55.4 and well above the 50-mark separating growth from contraction. *(Source: Bloomberg)*

**Abu Dhabi’s Second-Largest Bank Plans \$1 Billion Bad Debt Sale** – Abu Dhabi Commercial Bank PJSC is in talks to sell about \$1 billion of bad debt to clean up a balance sheet battered by a series of high-profile corporate defaults. Codenamed Project Turbo, the emirate’s second-largest lender recently kicked off a process to sell claims of about 4.1 billion dirhams (\$1.1 billion) that are mainly secured by personal and corporate guarantees, as well as real estate assets. A successful deal - - which could be one of the Gulf’s biggest bad debt sales -- would help ADCB to move on from several corporate collapses such as that of hospital group NMC Health Plc, payments firm Finabl Plc and construction company Arabtec Holding. *(Source: Bloomberg)*

**OPEC+ agrees small oil production cut** – OPEC and its allies led by Russia on Monday agreed a small oil production cut to bolster prices that have slid on fears of an economic slowdown. The oil producers will cut output by 100,000 barrels per day (bpd), amounting to only 0.1% of global demand, for October. They also agreed that OPEC’s leader Saudi Arabia could call an extraordinary meeting anytime if volatility persists. The decision essentially maintains the status quo as OPEC has been observing wild fluctuations in oil prices. *(Source: Reuters)*

**Turkey’s inflation hits new 24-year high beyond 80%** – Turkey’s annual inflation climbed to a fresh 24-year high of 80.21% in August, a bit below expectations according to data on Monday, after the central bank unexpectedly cut interest rates and stoked a nearly year-long cost-of-living crisis. Inflation has raced higher since last autumn when the central bank gradually cut its policy rate by 500 basis points to 14%, in an unorthodox easing cycle sought by President Tayyip Erdogan that set off a lira crisis. *(Source: Reuters)*

**GCC Sovereign Yields**

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.50	-8.80	KSA	2027	3.63	-7.75
Abu Dhabi	2031	3.81	-13.19	KSA	2032	3.93	-12.21
Abu Dhabi	2050	4.59	-24.48	KSA	2050	5.15	-23.61
Bahrain	2028	6.28	-7.44	Oman	2027	5.73	-6.38
Bahrain	2032	7.64	-13.28	Oman	2032	6.34	-8.23
Bahrain	2051	8.67	-19.40	Oman	2051	7.77	-13.62
Dubai	2029	3.95	-8.98	Qatar	2026	3.60	-7.63
Dubai	2050	5.84	-24.27	Qatar	2030	3.90	-12.13
Kuwait	2027	3.44	-8.26	Qatar	2050	4.65	-23.22

**Bonds and Sukuk Indices**

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.74	8.08	-0.03	-10.31
S&P MENA Bond and Sukuk Index	4.34	NA	-0.01	-10.98
Bloomberg Emerging Markets USD Index	7.11	6.80	0.22	-16.27
Bloomberg Global Aggregate Index	3.12	7.42	-0.42	-16.23

**Interbank Rates (%)**

	3 Months		6 Months		12 Months	
	06/09/2022	31/12/2021	06/09/2022	31/12/2021	06/09/2022	31/12/2021
KIBOR	2.6250	1.5000	2.8750	1.7500	3.1875	2.0000
SAIBOR	3.1923	0.9057	3.5608	0.9829	4.1182	1.0600
BHIBOR	4.1417	1.5167	4.4767	1.6233	5.1239	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	3.0141	0.3645	3.4500	0.7000	3.7983	0.7396
EURIBOR	0.7630	-0.5730	1.2900	-0.5460	1.8960	-0.4980
LIBOR	3.1581	0.2144	3.7366	0.3451	4.2206	0.5888

USD Swap Rates			Currencies			Commodities			
Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	3.9155	5.90	631.9 KWD	0.3084	-0.1297	-1.90	Crude Oil	95.05	28.74
2-Year	3.8324	3.54	307.1 SAR	3.7597	0.0027	-0.09	Gold	1,727.10	-6.18
5-Year	3.4288	5.72	150.4 EUR	0.9946	0.1611	-12.53	Silver	18.16	-22.86
7-Year	3.3523	4.92	127.2 GBP	1.1564	0.3994	-14.55	Copper	346.40	-21.44
10-Year	3.3309	4.31	110.7 JPY	140.9100	-0.2129	-18.33	Nat. Gas	8.65	135.34
30-Year	3.0780	3.28	77.8 CNH	6.9526	-0.1366	-8.56	Aluminum	2,287.25	-18.02

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)	
2-Year	3.46	-0.13	3.16	-0.12	NA	NA
5-Year	3.35	-0.26	2.90	-0.30	0.99	0.00
10-Year	3.23	-0.34	2.93	-0.19	1.36	0.00
30-Year	3.37	-0.45	3.20	1.00	1.68	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	B3	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	06-Sep 2022	31-Dec 2021
Kuwait	53.98	40.53
KSA	48.37	50.97
Abu Dhabi	46.51	43.09
Dubai	109.05	89.58
Qatar	47.05	42.55
Bahrain	288.35	286.32
Oman	267.64	254.42
Iraq	845.36	507.35
Egypt	NA	496.58
Morocco	237.89	85.91
Turkey	755.08	555.46
US	19.78	10.01
UK	25.00	8.91
China	73.02	39.86
Japan	18.66	16.23
Germany	15.84	7.53
France	23.87	17.87