

News Updates

Oman Posts \$2 Billion Surplus in First Half on High Oil, Gas – Oman recorded a budget surplus of 784 million rials (\$2 billion) in the first half, driven by higher sales for oil and natural gas. Revenue rose more than 54% in the second quarter to about 6.7 billion rials, while total spending increased by 8.6% to 5.9 billion, according to the Finance Ministry. Crude oil revenue stood at 3.19 billion rials, while the equivalent figure for gas was 1.73 billion. Oman has implemented a series of reforms to balance its budget and lower its debt, including the introduction of value-added tax last year. It plans to use the windfall from surging oil prices to trim its public debt and boost spending on certain projects. The nation also plans to “repurchase some sovereign bonds, repay high-cost loans and issue local sukuk for trading on the stock exchange” to cut its debt, it added in the statement. *(Source: Bloomberg)*

Qatar foreign reserves up 2.79% in July to \$58bn – Qatar’s Central Bank foreign reserves and hard currency liquidity rose 2.79 percent year-on-year in July to 211.325 billion riyals (\$57.74 billion), the Gulf state’s official news agency QNA reported on Sunday. According to FocusEconomics’ report, Qatar’s gross domestic product per capita may exceed \$100,000 in 2026 as the national economy is expected to pick up steam in the years ahead. The country’s GDP per capita in 2026 will be \$101,816, it estimated. National GDP has been estimated by FocusEconomics to reach \$217 billion this year. The Qatar Central Bank hiked rates by 50 basis points in July, diverging from the Federal Reserve’s 75 basis points hike, the researcher said. Inflation is expected to average almost double its 2021 level this year due to recovering demand and higher commodity prices. *(Source: Arab News)*

Daly Says Fed Is ‘Far From Done Yet’ on Bringing Inflation Down – San Francisco Fed President Mary Daly suggested a 50 basis-point rate increase isn’t locked in at the US central bank’s next policy meeting, saying the Federal Reserve is “far from done yet” in bringing down inflation. “We need to be data-dependent,” Daly said when asked about the likelihood of a half percentage-point increase by the Fed in September. A strong jobs report on Friday buoyed support for another 75 basis-point rate hike by the Fed. Policy makers still have another jobs report and several inflation indicators to parse before that meeting, scheduled for Sept. 20 and 21. US employers added 528,000 jobs in July, more than twice what economists had forecast. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.05	-7.01	KSA	2027	3.14	-6.12
Abu Dhabi	2031	3.38	-10.35	KSA	2032	3.48	-9.03
Abu Dhabi	2050	4.17	-19.13	KSA	2050	4.76	-19.11
Bahrain	2028	6.00	-6.25	Oman	2027	5.15	-4.33
Bahrain	2032	7.33	-11.28	Oman	2032	6.07	-6.34
Bahrain	2051	8.32	-16.20	Oman	2051	7.32	-9.10
Dubai	2029	3.79	-8.16	Qatar	2026	3.13	-6.18
Dubai	2050	5.62	-21.72	Qatar	2030	3.48	-9.86
Kuwait	2027	3.14	-7.11	Qatar	2050	4.22	-17.97

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.46	8.08	-0.14	-8.48
S&P MENA Bond and Sukuk Index	4.03	NA	-0.09	-8.74
Bloomberg Emerging Markets USD Index	6.90	6.80	-0.40	-15.08
Bloomberg Global Aggregate Index	2.73	7.42	-1.02	-12.85

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	08/08/2022	31/12/2021	08/08/2022	31/12/2021	08/08/2022	31/12/2021
KIBOR	2.3750	1.5000	2.6250	1.7500	2.9375	2.0000
SAIBOR	3.0153	0.9057	3.4168	0.9829	3.9163	1.0600
BHIBOR	4.1417	1.5167	4.4583	1.6233	5.0917	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	2.7925	0.3645	3.1368	0.7000	3.4474	0.7396
EURIBOR	0.2770	-0.5730	0.6780	-0.5460	1.0230	-0.4980
LIBOR	2.8667	0.2144	3.4256	0.3451	3.8599	0.5888

	USD Swap Rates			Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	3.6864	3.44	589.0	KWD	0.3068	-0.0489	-1.39	Crude Oil	95.15	28.04
2-Year	3.4915	-0.60	270.9	SAR	3.7570	0.0373	-0.03	Gold	1,787.50	-2.90
5-Year	2.9970	-0.13	118.8	EUR	1.0185	0.0196	-10.42	Silver	19.84	-15.42
7-Year	2.9078	-0.40	97.0	GBP	1.2078	0.0331	-10.75	Copper	354.45	-20.00
10-Year	2.8860	-0.53	82.5	JPY	135.3100	-0.2143	-14.94	Nat. Gas	7.88	116.05
30-Year	2.7738	-0.24	60.2	CNH	6.7688	-0.0399	-6.08	Aluminum	2,426.75	-13.16

	US Treasuries		UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	3.22	0.02	1.93	-0.20	NA	NA
5-Year	2.95	0.02	1.86	-0.71	0.41	0.00
10-Year	2.82	0.09	2.04	-1.60	0.73	0.00
30-Year	3.06	0.16	2.43	-2.59	1.15	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	08-Aug 2022	31-Dec 2021
Kuwait	63.09	40.53
KSA	57.01	50.97
Abu Dhabi	54.41	43.09
Dubai	122.52	89.58
Qatar	56.36	42.55
Bahrain	303.73	286.32
Oman	284.06	254.42
Iraq	730.68	507.35
Egypt	NA	496.58
Morocco	284.02	85.91
Turkey	731.23	555.46
US	18.84	10.01
UK	15.45	8.91
China	78.25	39.86
Japan	20.63	16.23
Germany	14.72	7.53
France	24.05	17.87