

News Updates

UAE's top bank FAB raises \$700 million with green bonds – First Abu Dhabi Bank has launched \$700 million in five-year green bonds at 125 basis points over U.S. Treasuries, a bank document showed on Thursday. The pricing was tightened from initial guidance of 145-150 bps over USTs after orders topped \$1.65 billion. *(Source: Reuters)*

IMF praises Oman progress but lowers GDP forecast amid global risks – The International Monetary Fund (IMF) has lowered its forecast for Oman's GDP growth to 4.3% in 2022, although higher oil prices, fiscal consolidation measures and progress on structural reforms are supporting a post-pandemic economic recovery. This compares with the IMF's 4.5% estimate in June. The IMF expects Oman to post fiscal and external surpluses in 2022 and over the medium term, due mainly to higher oil revenue, fiscal discipline and the introduction of value added tax. Central government debt is expected to fall to 44% of GDP in 2022 from 62.9% last year. *(Source: Reuters)*

World Bank expects MENA economies to grow 5.5% in 2022 – The economies of the Middle East and North Africa (MENA) region are forecast to grow by 5.5% this year, the fastest rate since 2016, followed by a slowing of growth to 3.5% in 2023. The bank's analysis forecasts diverging paths of growth in the region. The GCC countries are on track to grow by 6.9% in 2022, helped by high hydrocarbon earnings, slowing to 3.7% in 2023 as hydrocarbon prices subside. *(Source: Mubasher)*

Fed to deliver another big rate hike as job market fails to cool – The Federal Reserve looks almost certain to deliver a fourth straight 75-basis point interest rate hike next month after a closely watched report Friday showed its aggressive rate hikes so far this year have done little to cool the U.S. labor market. Pricing of futures tied to the Fed's policy rate implied a 92% chance that the Fed will raise its policy rate, now at 3%-3.25%, to a 3.75%-4% range when it meets Nov. 1-2. *(Source: Reuters)*

GCC Sovereign Yields

| Sovereigns | Maturity | Yield % | Price Δ (YTD %) | Sovereigns | Maturity | Yield % | Price Δ (YTD %) |
|------------|----------|---------|-----------------|------------|----------|---------|-----------------|
| Abu Dhabi | 2027 | 4.49 | -12.81 | KSA | 2027 | 4.54 | -11.14 |
| Abu Dhabi | 2031 | 4.64 | -18.41 | KSA | 2032 | 4.80 | -18.11 |
| Abu Dhabi | 2050 | 5.17 | -31.17 | KSA | 2050 | 5.76 | -30.01 |
| Bahrain | 2028 | 7.03 | -10.38 | Oman | 2027 | 6.62 | -9.64 |
| Bahrain | 2032 | 8.39 | -17.79 | Oman | 2032 | 7.00 | -12.45 |
| Bahrain | 2051 | 9.15 | -23.55 | Oman | 2051 | 8.30 | -18.93 |
| Dubai | 2029 | 4.39 | -11.29 | Qatar | 2026 | 4.57 | -10.60 |
| Dubai | 2050 | 6.27 | -29.09 | Qatar | 2030 | 4.70 | -16.42 |
| Kuwait | 2027 | 4.48 | -12.13 | Qatar | 2050 | 5.25 | -30.00 |

Bonds and Sukuk Indices

| Index Name | Yield % | Duration (yrs) | 1D Δ (%) | YTD Δ (%) |
|--------------------------------------|---------|----------------|----------|-----------|
| Bloomberg GCC FI Index | 5.62 | 8.08 | -0.42 | -14.57 |
| S&P MENA Bond and Sukuk Index | 5.19 | NA | -0.36 | -15.24 |
| Bloomberg Emerging Markets USD Index | 8.17 | 6.80 | -0.42 | -20.24 |
| Bloomberg Global Aggregate Index | 3.76 | 7.42 | -0.60 | -20.21 |

Interbank Rates (%)

| | 3 Months | | 6 Months | | 12 Months | |
|---------|------------|------------|------------|------------|------------|------------|
| | 10/10/2022 | 31/12/2021 | 10/10/2022 | 31/12/2021 | 10/10/2022 | 31/12/2021 |
| KIBOR | 3.1875 | 1.5000 | 3.5625 | 1.7500 | 3.8125 | 2.0000 |
| SAIBOR | 4.4029 | 0.9057 | 4.8140 | 0.9829 | 5.3190 | 1.0600 |
| BHIBOR | 5.0000 | 1.5167 | 5.2333 | 1.6233 | 5.6167 | 1.7667 |
| QATAR | 2.4500 | 1.1250 | 2.5000 | 1.2000 | 2.7500 | 1.3250 |
| AEIBOR | 3.4934 | 0.3645 | 4.0958 | 0.7000 | 4.4050 | 0.7396 |
| EURIBOR | 1.2880 | -0.5730 | 1.8970 | -0.5460 | 2.5520 | -0.4980 |
| LIBOR | 3.9087 | 0.2144 | 4.3847 | 0.3451 | 4.9963 | 0.5888 |

| USD Swap Rates | | | | Currencies | | | Commodities | | | |
|----------------|------------|-----------|-------|------------|------------|-----------|-------------|-----------|----------|--------|
| Yield % | 1D Δ (bps) | YTD Δ (%) | | USD | 1D Δ (bps) | YTD Δ (%) | USD | YTD Δ (%) | | |
| 1-Year | 4.7000 | 8.90 | 778.5 | KWD | 0.3102 | -0.2418 | -2.47 | Crude Oil | 96.97 | 32.20 |
| 2-Year | 4.6425 | 9.07 | 393.2 | SAR | 3.7576 | 0.0133 | -0.06 | Gold | 1,694.00 | -7.98 |
| 5-Year | 4.1517 | -1.97 | 203.2 | EUR | 0.9742 | -0.0205 | -14.32 | Silver | 19.77 | -16.00 |
| 7-Year | 4.0212 | 6.42 | 172.5 | GBP | 1.1082 | -0.0361 | -18.11 | Copper | 339.45 | -23.02 |
| 10-Year | 3.8966 | 5.06 | 146.5 | JPY | 145.4300 | -0.1169 | -20.86 | Nat. Gas | 6.67 | 76.25 |
| 30-Year | 3.4011 | 5.03 | 96.5 | CNH | 7.1210 | 0.1840 | -10.72 | Aluminum | 2,297.00 | -17.43 |

| US Treasuries | | | UK Gilts | | German Bunds | |
|---------------|----------|------|----------|----------|--------------|----------|
| Yield % | 1D Δ (%) | | Yield % | 1D Δ (%) | Yield % | 1D Δ (%) |
| 2-Year | 4.31 | 0.01 | 4.07 | -0.03 | NA | NA |
| 5-Year | 4.14 | 0.01 | 4.39 | -0.20 | 1.78 | 0.00 |
| 10-Year | 3.88 | 0.02 | 4.22 | -0.55 | 2.06 | 0.00 |
| 30-Year | 3.84 | 0.04 | 4.38 | -0.90 | 2.13 | 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 | 10-Oct 2022 | 31-Dec 2021 |
|-------------|-------------|-------------|
| Kuwait | 60.14 | 40.53 |
| KSA | 60.75 | 50.97 |
| Abu Dhabi | 48.30 | 43.09 |
| Dubai | 115.00 | 89.58 |
| Qatar | 57.20 | 42.55 |
| Bahrain | 290.71 | 286.32 |
| Oman | 251.04 | 254.42 |
| Iraq | 794.33 | 507.35 |
| Egypt | NA | 496.58 |
| Morocco | 285.99 | 85.91 |
| Turkey | 768.45 | 555.46 |
| US | 26.17 | 10.01 |
| UK | 39.82 | 8.91 |
| China | 102.06 | 39.86 |
| Japan | 25.48 | 16.23 |
| Germany | 23.23 | 7.53 |
| France | 30.30 | 17.87 |