

News Updates

Oman Gets First Upgrade From Fitch on Oil-Led Fiscal Turnaround –

Oman’s credit ranking was upgraded for the first time by Fitch Ratings as higher oil prices eased financing pressures and reversed nearly a decade of budget deficits. Fitch raised Oman’s long-term foreign-currency rating by one notch to BB, or two levels below investment grade, according to a statement on Monday. Before the decision, the firm downgraded the sultanate four times since initiating its coverage in 2017. “The upgrade reflects significant improvements in Oman’s fiscal metrics, a lessening of external financing pressures and ongoing efforts to reform public finances,” Fitch analysts including Toby Iles said. Oman has more recently emerged as a reform standout, with a program to balance the books and lower its debt that included the introduction of value-added tax last year. *(Source: Bloomberg)*

Saudi inflation climbs to 13-month high of 2.7% in July as food prices rise –

Saudi Arabia’s annual inflation rate accelerated to a 13-month high of 2.7 percent in July, up from 2.3 percent in June, according to recent data released by the General Authority for Statistics (GASTAT). The Kingdom’s Consumer Price Index exceeded Bloomberg’s forecasts and increased by 0.1 percentage points. This is the second month in a row that the annual inflation rate has risen as May recorded 2.24 percent growth. The rate of annual growth in the general CPI at 2.67 percent is the highest in the past 13 months. The uppermost level prior to this month was in June 2021 when Saudi annual inflation soared to 6.2 percent. The uptick in the CPI is driven by a rise in food and beverage prices, GASTAT added. *(Source: Arab News)*

Oil prices fall as recessionary worries weigh on demand outlook –

Oil prices fell on Tuesday, extending losses from the previous session, after economic data from China, the world’s largest crude importer, spurred fresh concerns about a potential global recession that could hit energy demand. Brent crude futures fell 90 cents, or 1%, to \$94.20 a barrel by 00:03 GMT. WTI crude futures fell 81 cents, or 0.9%, to \$88.60 a barrel. Oil futures fell about 3% during the previous session. Prices fell after disappointing economic data from China. The country’s central bank cut lending rates to revive demand as data showed the economy slowing unexpectedly in July, with factory and retail activity squeezed by Beijing’s zero-COVID policy and a property crisis. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.04	-6.79	KSA	2027	3.16	-6.08
Abu Dhabi	2031	3.34	-10.02	KSA	2032	3.45	-8.76
Abu Dhabi	2050	4.19	-19.37	KSA	2050	4.77	-19.20
Bahrain	2028	5.54	-4.16	Oman	2027	5.07	-3.92
Bahrain	2032	6.72	-7.13	Oman	2032	5.76	-4.12
Bahrain	2051	7.83	-11.30	Oman	2051	7.16	-7.15
Dubai	2029	3.82	-8.22	Qatar	2026	3.17	-6.20
Dubai	2050	5.54	-20.86	Qatar	2030	3.50	-9.82
Kuwait	2027	3.15	-7.14	Qatar	2050	4.27	-18.51

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.41	8.08	0.06	-8.14
S&P MENA Bond and Sukuk Index	4.04	NA	-0.02	-8.88
Bloomberg Emerging Markets USD Index	6.68	6.80	0.07	-14.12
Bloomberg Global Aggregate Index	2.69	7.42	0.18	-12.33

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	16/08/2022	31/12/2021	16/08/2022	31/12/2021	16/08/2022	31/12/2021
KIBOR	2.5625	1.5000	2.8125	1.7500	3.1250	2.0000
SAIBOR	3.0302	0.9057	3.4281	0.9829	3.9023	1.0600
BHIBOR	4.1417	1.5167	4.4583	1.6233	5.1050	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	2.7950	0.3645	3.2964	0.7000	3.6575	0.7396
EURIBOR	0.3330	-0.5730	0.7660	-0.5460	1.1630	-0.4980
LIBOR	2.9216	0.2144	3.5093	0.3451	3.9590	0.5888

	USD Swap Rates			Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	3.6322	-1.06	578.9	KWD	0.3068	-0.0489	-1.39	Crude Oil	94.34	26.95
2-Year	3.4871	-0.65	270.5	SAR	3.7564	0.0000	0.01	Gold	1,796.60	-2.41
5-Year	2.9317	-0.84	114.1	EUR	1.0167	0.0591	-10.59	Silver	20.35	-13.53
7-Year	2.8400	-0.75	92.5	GBP	1.2055	-0.0083	-10.92	Copper	362.70	-18.14
10-Year	2.8240	-0.65	78.6	JPY	133.3300	-0.0075	-13.69	Nat. Gas	8.82	142.06
30-Year	2.7755	-0.90	60.3	CNH	6.7988	0.2530	-6.50	Aluminum	2,393.00	-14.23

	US Treasuries		UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	3.17	0.03	2.00	0.04	NA	NA
5-Year	2.89	0.04	1.84	0.34	0.42	0.16
10-Year	2.78	0.09	2.01	0.91	0.68	0.56
30-Year	3.09	0.24	2.43	1.74	1.14	1.58

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

	16-Aug 2022	31-Dec 2021
Kuwait	62.54	40.53
KSA	49.65	50.97
Abu Dhabi	48.71	43.09
Dubai	111.98	89.58
Qatar	48.08	42.55
Bahrain	283.19	286.32
Oman	249.12	254.42
Iraq	634.58	507.35
Egypt	NA	496.58
Morocco	259.07	85.91
Turkey	672.59	555.46
US	18.00	10.01
UK	14.54	8.91
China	69.48	39.86
Japan	18.00	16.23
Germany	13.97	7.53
France	24.08	17.87