

News Updates

UAE Accelerates Plan to Increase Its Oil Production Capacity – The United Arab Emirates is accelerating a plan to raise its oil production capacity, according to people familiar with the matter, as it tries to cash in on its crude reserves before the world transitions to cleaner energy. Abu Dhabi National Oil Co. (Adnoc), which pumps almost all the UAE’s oil, wants to be able to produce 5 million barrels a day by 2025. That’s sooner than a previously disclosed aim of 2030. The new target will be difficult to achieve and may increase the expense of a project that was already set to cost billions of dollars. Adnoc and the UAE government initially planned to bring the objective forward to 2027, before deciding on 2025. *(Source: Bloomberg)*

Budget surplus helps cut public debt in Oman – The Sultanate has managed to repay part of the public debt from the financial surplus it achieved due to increase in oil prices and fiscal and governance reforms, contributing hugely to the improvement in the general economic condition. The Sultanate, of late, is making all-out efforts to bring public debt within safe limits. The public debt had exceeded OMR 20 billion with external public debt accounting for 75% of the public debt portfolio. At the end of August 2022, the public debt has come down to approximately OMR 18.4 billion, thus enabling the economy to avoid any crises in the future, mitigate the risks and to generate future savings. *(Source: Times of Oman)*

10-year yields highest since 2011 before expected Fed rate hike – Benchmark 10-year U.S. Treasury yields jumped to their highest level since 2011 on Monday as investors adjusted for the likelihood that the Federal Reserve will hike rates higher and for longer than previously expected as inflation remains near multi-decade highs. Data last week showed higher-than-expected consumer prices in August. It made it more likely that the Fed will hike rates by another 75 basis points when it concludes its two-day meeting on Wednesday. Benchmark 10-year yields reached a high of 3.518% before falling back to 3.479%. Two-year yields reached 3.961%, the highest since November 2007, and were last 3.942%. *(Source: Reuters)*

GCC Sovereign Yields

| Sovereigns | Maturity | Yield % | Price Δ (YTD %) | Sovereigns | Maturity | Yield % | Price Δ (YTD %) |
|------------|----------|---------|-----------------|------------|----------|---------|-----------------|
| Abu Dhabi | 2027 | 3.83 | -10.20 | KSA | 2027 | 3.96 | -9.03 |
| Abu Dhabi | 2031 | 4.04 | -14.73 | KSA | 2032 | 4.16 | -13.88 |
| Abu Dhabi | 2050 | 4.70 | -25.85 | KSA | 2050 | 5.22 | -24.43 |
| Bahrain | 2028 | 6.49 | -8.35 | Oman | 2027 | 5.97 | -7.28 |
| Bahrain | 2032 | 7.72 | -13.83 | Oman | 2032 | 6.56 | -9.65 |
| Bahrain | 2051 | 8.72 | -19.87 | Oman | 2051 | 7.82 | -14.21 |
| Dubai | 2029 | 4.00 | -9.31 | Qatar | 2026 | 4.04 | -8.89 |
| Dubai | 2050 | 5.90 | -24.75 | Qatar | 2030 | 4.04 | -12.93 |
| Kuwait | 2027 | 3.83 | -9.63 | Qatar | 2050 | 4.77 | -24.63 |

Bonds and Sukuk Indices

| Index Name | Yield % | Duration (yrs) | 1D Δ (%) | YTD Δ (%) |
|--------------------------------------|---------|----------------|----------|-----------|
| Bloomberg GCC FI Index | 4.98 | 8.08 | 0.01 | -11.29 |
| S&P MENA Bond and Sukuk Index | 4.59 | NA | 0.08 | -12.07 |
| Bloomberg Emerging Markets USD Index | 7.42 | 6.80 | -0.11 | -17.14 |
| Bloomberg Global Aggregate Index | 3.37 | 7.42 | -0.10 | -17.37 |

Interbank Rates (%)

| | 3 Months | | 6 Months | | 12 Months | |
|---------|------------|------------|------------|------------|------------|------------|
| | 20/09/2022 | 31/12/2021 | 20/09/2022 | 31/12/2021 | 20/09/2022 | 31/12/2021 |
| KIBOR | 2.6875 | 1.5000 | 2.9375 | 1.7500 | 3.2500 | 2.0000 |
| SAIBOR | 3.5383 | 0.9057 | 3.9926 | 0.9829 | 4.4190 | 1.0600 |
| BHIBOR | 4.2833 | 1.5167 | 4.5407 | 1.6233 | 5.2250 | 1.7667 |
| QATAR | 2.4500 | 1.1250 | 2.5000 | 1.2000 | 2.7500 | 1.3250 |
| AEIBOR | 3.3200 | 0.3645 | 3.5923 | 0.7000 | 4.0375 | 0.7396 |
| EURIBOR | 1.0630 | -0.5730 | 1.6720 | -0.5460 | 2.2630 | -0.4980 |
| LIBOR | 3.5653 | 0.2144 | 4.1233 | 0.3451 | 4.6721 | 0.5888 |

| USD Swap Rates | | | Currencies | | | Commodities | | | | |
|----------------|------------|-----------|------------|------------|-----------|-------------|-----------|-----------|----------|--------|
| Yield % | 1D Δ (bps) | YTD Δ (%) | USD | 1D Δ (bps) | YTD Δ (%) | USD | YTD Δ (%) | | | |
| 1-Year | 4.4378 | 0.55 | 729.5 | KWD | 0.3086 | 0.0324 | -1.94 | Crude Oil | 92.04 | 24.66 |
| 2-Year | 4.3168 | 0.19 | 358.6 | SAR | 3.7603 | 0.0266 | -0.10 | Gold | 1,681.20 | -8.68 |
| 5-Year | 3.7696 | -0.16 | 175.3 | EUR | 1.0026 | 0.0100 | -11.83 | Silver | 19.49 | -17.21 |
| 7-Year | 3.6361 | -0.75 | 146.4 | GBP | 1.1432 | 0.0000 | -15.53 | Copper | 353.70 | -19.79 |
| 10-Year | 3.5505 | -1.33 | 124.6 | JPY | 143.2800 | -0.0489 | -19.68 | Nat. Gas | 7.84 | 113.28 |
| 30-Year | 3.2087 | -1.38 | 85.4 | CNH | 7.0130 | -0.1141 | -9.35 | Aluminum | 2,248.00 | -19.19 |

| US Treasuries | | UK Gilts | | German Bunds | | |
|---------------|----------|----------|----------|--------------|----------|------|
| Yield % | 1D Δ (%) | Yield % | 1D Δ (%) | Yield % | 1D Δ (%) | |
| 2-Year | 3.94 | 0.00 | 3.09 | 0.01 | NA | NA |
| 5-Year | 3.68 | 0.02 | 3.10 | 0.00 | 1.50 | 0.00 |
| 10-Year | 3.48 | 0.07 | 3.13 | 0.24 | 1.67 | 0.00 |
| 30-Year | 3.51 | 0.16 | 3.44 | 0.36 | 1.78 | 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 | 20-Sep 2022 | 31-Dec 2021 |
|-------------|-------------|-------------|
| Kuwait | 45.03 | 40.53 |
| KSA | 47.76 | 50.97 |
| Abu Dhabi | 46.19 | 43.09 |
| Dubai | 107.98 | 89.58 |
| Qatar | 46.14 | 42.55 |
| Bahrain | 286.09 | 286.32 |
| Oman | 235.52 | 254.42 |
| Iraq | 751.85 | 507.35 |
| Egypt | NA | 496.58 |
| Morocco | 238.93 | 85.91 |
| Turkey | 742.81 | 555.46 |
| US | 18.97 | 10.01 |
| UK | 27.04 | 8.91 |
| China | 78.44 | 39.86 |
| Japan | 19.29 | 16.23 |
| Germany | 15.37 | 7.53 |
| France | 22.54 | 17.87 |