

News Updates

**GCC economies to grow at 6.4% in 2022: IMF** – Countries in the Middle East are expected to gain up to \$1.3 trillion in the next four years from additional oil revenues, according to the International Monetary Fund (IMF). The gains, due to high oil prices, will provide 'firepower' to the sovereign wealth funds (SWFs). The region's oil and gas exporters, especially GCC countries, "will see additional cumulative oil revenues of \$1.3 trillion through 2026," IMF director for the Middle East and North Africa, Jihad Azour, said. Most of the oil and gas exporters in the region have large SWFs and have been using them to use the windfall in further investments. For the GCC, the growth rate has been estimated at 6.4 percent in 2022 by the IMF. In 2021, its growth rate was 2.7 percent. (Source: Oman Daily Observer)

**Junk-Rated Nations Risk Muted Future for Debt Sales as Liquidity Dies**

– September, historically the busiest month for high-yield sovereign bond sales, is set to disappoint this year as the risk of aggressive US rate hikes keep junk-rated nations on the sidelines. Banks including Morgan Stanley, JPMorgan Chase & Co. and Goldman Sachs expect subdued external debt sales from emerging countries next month, as borrowing costs at a three-year high and poor liquidity deter riskier nations from tapping the market. A weak September would be an exception to the rule, as many high-yield issuers sell bonds in that month to seize on strong demand from investors re-balancing their portfolios after the summer break. Junk-rated emerging market countries have sold a median of \$8.7 billion in dollar-denominated bonds in September in the past five years, the most of any other month of the year, according to Goldman Sachs. While a number of junk-rated countries took advantage of low interest rates before the Federal Reserve began its aggressive tightening campaign in March, some of big issuers are absent of the market. Oman and Egypt haven't tapped overseas markets. (Source: Bloomberg)

**Oman's Sohar Bank wins investors' nod for Tier 1 Issuance** – Omani bank Sohar International has announced that it has won approval from shareholders for the issuance of 75,000 additional Tier 1 capital instruments in the form of perpetual bonds. Sohar secured the investors' nod at its recent Extraordinary General Meeting (EGM). The EGM ratified all the items on the agenda including the approval of the issuance of up to 75,000 additional Tier 1 capital instruments in the form of perpetual bonds (comprising an issue of up to 50,000 bonds with a green shoe option for up to an additional 25,000 bonds on a private placement basis) at a price of RO1,000 per bond, aggregating up to RO75 million. In addition, the EGM authorized the company board to determine the other terms of issuance in relation to the Tier 1 issue and take all the necessary procedures and actions to complete the process. (Source: Trade Arabia)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.18	-7.55	KSA	2027	3.38	-6.89
Abu Dhabi	2031	3.51	-11.16	KSA	2032	3.57	-9.65
Abu Dhabi	2050	4.30	-20.83	KSA	2050	4.85	-20.17
Bahrain	2028	5.90	-5.77	Oman	2027	5.29	-4.88
Bahrain	2032	7.22	-10.55	Oman	2032	6.03	-6.10
Bahrain	2051	8.30	-15.99	Oman	2051	7.43	-10.14
Dubai	2029	3.84	-8.46	Qatar	2026	3.27	-6.54
Dubai	2050	5.51	-20.67	Qatar	2030	3.59	-10.43
Kuwait	2027	3.26	-7.57	Qatar	2050	4.36	-19.70

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.51	8.08	-0.49	-8.78
S&P MENA Bond and Sukuk Index	4.11	NA	-0.46	-9.31
Bloomberg Emerging Markets USD Index	6.88	6.80	-0.56	-15.13
Bloomberg Global Aggregate Index	2.88	7.42	-1.05	-14.17

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	22/08/2022	31/12/2021	22/08/2022	31/12/2021	22/08/2022	31/12/2021
KIBOR	2.5625	1.5000	2.8750	1.7500	3.1875	2.0000
SAIBOR	2.9458	0.9057	3.4327	0.9829	3.9113	1.0600
BHIBOR	4.1250	1.5167	4.4583	1.6233	5.0922	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	2.8815	0.3645	3.3611	0.7000	3.5996	0.7396
EURIBOR	0.4300	-0.5730	0.8620	-0.5460	1.2580	-0.4980
LIBOR	2.9577	0.2144	3.5476	0.3451	4.0159	0.5888

USD Swap Rates			Currencies			Commodities				
Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)			
1-Year	3.7020	2.41	592.0	KWD	0.3068	0.0000	-1.39	Crude Oil	95.64	28.70
2-Year	3.6195	2.71	284.5	SAR	3.7554	0.0053	0.00	Gold	1,760.50	-4.37
5-Year	3.1470	2.11	129.8	EUR	1.0033	-0.0498	-11.77	Silver	19.16	-18.59
7-Year	3.0591	1.41	107.3	GBP	1.1822	-0.0676	-12.64	Copper	367.35	-16.69
10-Year	3.0371	0.77	92.1	JPY	137.3000	-0.2331	-16.18	Nat. Gas	9.19	152.07
30-Year	2.9008	0.43	67.6	CNH	6.8391	-0.0439	-7.05	Aluminum	2,392.25	-14.26

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)	
2-Year	3.26	-0.05	2.46	-0.10	NA	NA
5-Year	3.11	-0.08	2.25	-0.40	0.76	-0.16
10-Year	2.98	-0.05	2.41	-0.96	1.02	-0.81
30-Year	3.22	-0.03	2.71	-1.48	1.39	-2.08

	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	22-Aug 2022	31-Dec 2021
Kuwait	57.99	40.53
KSA	51.02	50.97
Abu Dhabi	48.90	43.09
Dubai	110.81	89.58
Qatar	49.32	42.55
Bahrain	284.24	286.32
Oman	244.24	254.42
Iraq	671.05	507.35
Egypt	NA	496.58
Morocco	253.08	85.91
Turkey	787.73	555.46
US	19.22	10.01
UK	14.42	8.91
China	71.85	39.86
Japan	18.01	16.23
Germany	13.93	7.53
France	22.00	17.87