

News Updates

Moody’s downgrades ACWA Power's senior secured debt rating to Ba1 – Moody’s Investors Service on Tuesday downgraded the rating of fixed rate amortizing senior secured bonds issued by ACWA Power Management and Investments One Ltd. to Ba1 from Baa3. The outlook remains stable, said a statement issued by the US credit rating agency. The \$814 million of 5.95 percent fixed rate amortizing senior secured bonds are due in December 2039. The action came following the refinancing of project debt at Rabigh Arabian Water and Electricity Co. which has increased project level debt from SAR 2.8 million (\$763 million) to SAR 5.2 million. APMI One’s senior secured rating of Ba1 reflects relatively stable and predictable revenue streams underpinned by long term availability-based offtake contracts. *(Source: Arab News)*

Fitch Upgrades 2 Omani Banks; Affirms 4 – Fitch Ratings has upgraded Bank Muscat SAOG’s (BM) Long-Term Issuer Default Ratings (IDRs) to 'BB' from 'BB-' and HSBC Bank Oman SAOG’s (HBON) Long-Term IDRs to 'BB+' from 'BB'. The Outlooks are Stable. Fitch has also upgraded BM's Viability Rating (VR) to 'bb' from 'bb-' and its Government Support Rating (GSR) to 'bb-' from 'b+'. HBON's Shareholder Support Rating (SSR) has been upgraded to 'bb+' from 'bb' and its VR affirmed at 'bb-'. The Stable Outlook on HBON's Long-Term IDR mirrors that on the Omani sovereign rating. Fitch has also affirmed the Long-Term IDRs and VRs of National Bank of Oman SAOG (NBO), Bank Dhofar SAOG (BD), Sohar International Bank SAOG (SIB), and Ahli Bank SAOG (ABO). The affirmation of the VRs reflects Fitch’s view that the improved operating environment in Oman does not have a sufficient impact on the banks' intrinsic credit profile to warrant an upgrade. This considers weaknesses in asset quality and profitability metrics that are still lagging BM's. *(Source: Fitch Ratings)*

OPEC Nations Line Up Behind Saudi Call to Act If Necessary – OPEC nations are circling the wagons after the group’s biggest member said that action may be needed to stabilize world oil markets. Within 48 hours of comments from Saudi Arabian Energy Minister Prince Abdulaziz bin Salman that OPEC might have to curtail production, fellow members Kuwait, Iraq, Algeria, Equatorial Guinea and Venezuela released statements expressing their support. OPEC+ is having to contend with the prospect of renewed exports from member nation Iran, which is edging closer to resurrecting an international nuclear accord that could remove US sanctions on its oil trade. At the same time, EU measures are set to squeeze supplies from OPEC+ member Russia in protest over its invasion of Ukraine. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.29	-7.94	KSA	2027	3.37	-6.99
Abu Dhabi	2031	3.61	-11.82	KSA	2032	3.67	-10.39
Abu Dhabi	2050	4.41	-22.25	KSA	2050	4.96	-21.42
Bahrain	2028	5.88	-5.69	Oman	2027	5.39	-5.22
Bahrain	2032	7.16	-10.19	Oman	2032	6.08	-6.40
Bahrain	2051	8.25	-15.54	Oman	2051	7.48	-10.69
Dubai	2029	3.80	-8.23	Qatar	2026	3.32	-6.80
Dubai	2050	5.68	-22.41	Qatar	2030	3.65	-10.72
Kuwait	2027	3.33	-7.73	Qatar	2050	4.46	-20.96

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.56	8.08	-0.07	-9.19
S&P MENA Bond and Sukuk Index	4.16	NA	-0.26	-9.79
Bloomberg Emerging Markets USD Index	6.95	6.80	0.16	-15.37
Bloomberg Global Aggregate Index	3.00	7.42	-0.32	-14.97

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	25/08/2022	31/12/2021	25/08/2022	31/12/2021	25/08/2022	31/12/2021
KIBOR	2.5625	1.5000	2.8750	1.7500	3.1250	2.0000
SAIBOR	3.0033	0.9057	3.5125	0.9829	3.9408	1.0600
BHIBOR	4.1250	1.5167	4.4583	1.6233	5.1145	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	2.8170	0.3645	3.4074	0.7000	3.6236	0.7396
EURIBOR	0.4680	-0.5730	0.9260	-0.5460	1.3980	-0.4980
LIBOR	2.9969	0.2144	3.5656	0.3451	4.0911	0.5888

USD Swap Rates			Currencies			Commodities				
Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)			
1-Year	3.7911	0.62	608.6	KWD	0.3068	0.0000	-1.39	Crude Oil	101.77	36.95
2-Year	3.7106	-0.03	294.2	SAR	3.7585	0.0080	-0.06	Gold	1,769.80	-3.86
5-Year	3.2687	-0.84	138.7	EUR	0.9994	0.2709	-12.10	Silver	19.21	-18.38
7-Year	3.1909	-0.98	116.2	GBP	1.1835	0.2966	-12.55	Copper	365.60	-17.09
10-Year	3.1839	-0.80	101.4	JPY	136.7000	0.3146	-15.81	Nat. Gas	9.23	153.20
30-Year	3.0200	-0.64	74.5	CNH	6.8560	0.3151	-7.28	Aluminum	2,437.99	-12.62

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)	
2-Year	3.39	0.01	2.90	-0.34	NA	NA
5-Year	3.20	0.04	2.68	-0.89	0.86	0.00
10-Year	3.10	0.05	2.69	-1.13	1.16	0.00
30-Year	3.31	0.12	2.93	-0.76	1.49	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	25-Aug 2022	31-Dec 2021
Kuwait	54.98	40.53
KSA	49.93	50.97
Abu Dhabi	48.22	43.09
Dubai	114.66	89.58
Qatar	48.49	42.55
Bahrain	290.65	286.32
Oman	274.55	254.42
Iraq	687.31	507.35
Egypt	NA	496.58
Morocco	245.05	85.91
Turkey	737.18	555.46
US	18.29	10.01
UK	16.74	8.91
China	67.78	39.86
Japan	17.50	16.23
Germany	14.56	7.53
France	22.21	17.87