

**News Updates**

**Egypt plans to issue yuan-denominated bonds worth \$500 mln-plus** – Egypt plans to issue yuan-denominated bonds worth more than \$500 million, Finance Minister Mohamed Maait told Asharq TV on Monday. *(Source: Reuters)*

**Pakistan Secures \$1.1 Billion IMF Loan to Avert Default** – Pakistan secured a \$1.1 billion loan from the International Monetary Fund to avert an imminent default as political turmoil and deadly flooding threaten the South Asian nation’s economy. The country can withdraw 894 million of the IMF’s special drawing rights, equivalent to about \$1.1 billion, the Washington-based lender said in a statement on its website Monday. The IMF also increased the nation’s bailout package to \$6.5 billion. The funds will be key to stabilizing Pakistan’s economy and debt payment after surging energy costs eroded the nation’s foreign-exchange reserves and stoked Asia’s second-fastest inflation. Pakistan is projected to have secured \$38 billion through June 2023, enough to cover the \$31 billion it needs *(Source: Bloomberg)*

**Oil prices jump over \$3 per barrel on prospect of OPEC+ supply cut** – Oil prices rose more than \$3 a barrel on Monday, extending last week’s gain, as potential OPEC+ output cuts and conflict in Libya helped to offset a strong US dollar and a dire outlook for US growth. Saudi Arabia last week raised the possibility of production cuts, which sources said could coincide with a boost in supply from Iran should it clinch a nuclear deal with the West. OPEC+, comprising OPEC, Russia and allied producers, meets to set policy on Sept. 5. *(Source: Reuters)*

**Fed’s QT to Hit ‘Full Stride’ With Central Bank Shrinking \$9 Trillion Portfolio** – The Federal Reserve’s balance-sheet unwind is set to ramp up this week, which means the central bank will finally begin unloading the Treasury bills it started amassing almost three years ago. As part of its broader plan to reduce its \$9 trillion portfolio, the Fed will boost its monthly caps for the amount of Treasuries and holdings of mortgage-backed securities that it will let mature to \$60 billion and \$35 billion, respectively, while using its \$326 billion stash of T-bills as filler when coupons run below the monthly level. September will be the first month that bills will be redeemed since coupons will fall below the monetary authority’s new cap. The Fed’s portfolio has \$43.6 billion of Treasury coupons maturing in September, which means that officials will need to let go of \$16.4 billion of bills as well. It will also need to let another \$13.6 billion run off in October. These will be the largest declines for the bill portfolio until September 2023. *(Source: Bloomberg)*

**GCC Sovereign Yields**

| Sovereigns | Maturity | Yield % | Price Δ (YTD %) | Sovereigns | Maturity | Yield % | Price Δ (YTD %) |
|------------|----------|---------|-----------------|------------|----------|---------|-----------------|
| Abu Dhabi  | 2027     | 3.27    | -7.81           | KSA        | 2027     | 3.40    | -7.18           |
| Abu Dhabi  | 2031     | 3.56    | -11.60          | KSA        | 2032     | 3.68    | -10.52          |
| Abu Dhabi  | 2050     | 4.40    | -22.07          | KSA        | 2050     | 4.96    | -21.39          |
| Bahrain    | 2028     | 6.01    | -6.34           | Oman       | 2027     | 5.38    | -5.18           |
| Bahrain    | 2032     | 7.21    | -10.56          | Oman       | 2032     | 6.08    | -6.48           |
| Bahrain    | 2051     | 8.31    | -16.14          | Oman       | 2051     | 7.50    | -10.88          |
| Dubai      | 2029     | 3.89    | -8.73           | Qatar      | 2026     | 3.37    | -6.86           |
| Dubai      | 2050     | 5.72    | -22.64          | Qatar      | 2030     | 3.60    | -10.50          |
| Kuwait     | 2027     | 3.30    | -7.73           | Qatar      | 2050     | 4.45    | -20.80          |

**Bonds and Sukuk Indices**

| Index Name                           | Yield % | Duration (yrs) | 1D Δ (%) | YTD Δ (%) |
|--------------------------------------|---------|----------------|----------|-----------|
| Bloomberg GCC FI Index               | 4.57    | 8.08           | -0.01    | -9.13     |
| S&P MENA Bond and Sukuk Index        | 4.18    | NA             | -0.03    | -9.76     |
| Bloomberg Emerging Markets USD Index | 6.98    | 6.80           | -0.50    | -15.45    |
| Bloomberg Global Aggregate Index     | 3.03    | 7.42           | -0.49    | -15.22    |

**Interbank Rates (%)**

|         | 3 Months   |            | 6 Months   |            | 12 Months  |            |
|---------|------------|------------|------------|------------|------------|------------|
|         | 30/08/2022 | 31/12/2021 | 30/08/2022 | 31/12/2021 | 30/08/2022 | 31/12/2021 |
| KIBOR   | 2.6250     | 1.5000     | 2.8750     | 1.7500     | 3.1875     | 2.0000     |
| SAIBOR  | 3.0838     | 0.9057     | 3.5260     | 0.9829     | 3.9530     | 1.0600     |
| BHIBOR  | 4.1313     | 1.5167     | 4.4766     | 1.6233     | 5.1397     | 1.7667     |
| QATAR   | 2.4500     | 1.1250     | 2.5000     | 1.2000     | 2.7500     | 1.3250     |
| AEIBOR  | 2.8914     | 0.3645     | 3.4724     | 0.7000     | 3.6501     | 0.7396     |
| EURIBOR | 0.5420     | -0.5730    | 0.9830     | -0.5460    | 1.4820     | -0.4980    |
| LIBOR   | 3.0696     | 0.2144     | 3.5664     | 0.3451     | 4.1233     | 0.5888     |

| USD Swap Rates |            |           | Currencies |            |           | Commodities |           |           |          |        |
|----------------|------------|-----------|------------|------------|-----------|-------------|-----------|-----------|----------|--------|
| Yield %        | 1D Δ (bps) | YTD Δ (%) | USD        | 1D Δ (bps) | YTD Δ (%) | USD         | YTD Δ (%) |           |          |        |
| 1-Year         | 3.8470     | 0.90      | 619.1      | KWD        | 0.3081    | -0.1298     | -1.80     | Crude Oil | 104.53   | 40.67  |
| 2-Year         | 3.7593     | -0.23     | 299.4      | SAR        | 3.7569    | -0.0053     | -0.01     | Gold      | 1,745.80 | -5.17  |
| 5-Year         | 3.3175     | -1.93     | 142.2      | EUR        | 1.0000    | 0.0200      | -12.06    | Silver    | 18.57    | -21.10 |
| 7-Year         | 3.2109     | -2.00     | 117.6      | GBP        | 1.1703    | -0.0598     | -13.52    | Copper    | 358.75   | -18.64 |
| 10-Year        | 3.1700     | -2.29     | 100.5      | JPY        | 138.5200  | 0.1516      | -16.92    | Nat. Gas  | 9.20     | 150.30 |
| 30-Year        | 2.9368     | -2.11     | 69.6       | CNH        | 6.9205    | -0.0679     | -8.14     | Aluminum  | 2,499.25 | -10.42 |

| US Treasuries |          |         | UK Gilts |         | German Bunds |      |
|---------------|----------|---------|----------|---------|--------------|------|
| Yield %       | 1D Δ (%) | Yield % | 1D Δ (%) | Yield % | 1D Δ (%)     |      |
| 2-Year        | 3.40     | 0.04    | 2.78     | 0.00    | NA           | NA   |
| 5-Year        | 3.23     | 0.11    | 2.55     | 0.00    | 0.98         | 0.05 |
| 10-Year       | 3.08     | 0.24    | 2.60     | 0.00    | 1.27         | 0.21 |
| 30-Year       | 3.21     | 0.52    | 2.87     | 0.00    | 1.56         | 0.33 |

|           | 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 | 30-Aug 2022 | 31-Dec 2021 |
|-------------|-------------|-------------|
| Kuwait      | 54.00       | 40.53       |
| KSA         | 49.30       | 50.97       |
| Abu Dhabi   | 47.61       | 43.09       |
| Dubai       | 109.92      | 89.58       |
| Qatar       | 48.54       | 42.55       |
| Bahrain     | 292.20      | 286.32      |
| Oman        | 275.44      | 254.42      |
| Iraq        | 694.30      | 507.35      |
| Egypt       | NA          | 496.58      |
| Morocco     | 239.47      | 85.91       |
| Turkey      | 739.27      | 555.46      |
| US          | 18.99       | 10.01       |
| UK          | 20.14       | 8.91        |
| China       | 68.34       | 39.86       |
| Japan       | 17.29       | 16.23       |
| Germany     | 14.99       | 7.53        |
| France      | 22.92       | 17.87       |