

News Updates

**Bahrain's GDP growth at 6.9% in Q2 2022** – Bahrain's gross domestic product grew 6.9% year on year in the second quarter of 2022, posting the biggest annual increase since 2011, Bahrain's Crown Prince Salman bin Hamad Al-Khalifa said on Sunday. *(Source: Reuters)*

**Oman's total public debt decreases by 11.5%** – The economic recovery was reflected in the increase in the trade balance surplus, as it grew by a remarkable rate of 185.8% to reach about OMR 4.71 billion during the first half of 2022, the Undersecretary of Economy said. He explained that the qualitative improvement in the performance of the Omani economy came as a result of the success of the economic and financial policies taken, while the stimulus packages directed at the recovery measures contributed to its cohesion and the restoration of high positive growth. The performance of the public finances indicates a decrease in the total public debt of the Sultanate of Oman by 11.5% to reach about OMR 18.4 billion at the end of August 2022. It is expected that the gross domestic product will continue on its upward path during the second half of 2022. *(Source: Times of Oman)*

**Global Bonds Tumble as UK Tax Cuts Deliver Fresh Headwinds** – Treasuries sold off Monday to extend the worst bond slide in decades as UK tax cuts fueled concern a wave of government spending will compel global central banks to become even more hawkish. US government debt slid across the curve and German bund futures also declined. The UK government's package of tax cuts and regulatory reforms spurred five-year gilts to slide by the most in at least three decades on Friday after its release. Bonds and stocks are tumbling this year as the Federal Reserve leads most other central banks in a rapid shift away from the monetary policies of the pandemic, which involved keeping interest rates near zero and buying government securities to keep down yields. Government bond markets globally are on course for the worst year since 1949. The yield on US 10-year Treasuries climbed as much as six basis points to 3.72%, after five-year gilt yields jumped 51 basis points Friday. *(Source: Bloomberg)*

GCC Sovereign Yields

| Sovereigns | Maturity | Yield % | Price Δ (YTD %) | Sovereigns | Maturity | Yield % | Price Δ (YTD %) |
|------------|----------|---------|-----------------|------------|----------|---------|-----------------|
| Abu Dhabi  | 2027     | 4.17    | -11.56          | KSA        | 2027     | 4.33    | -10.32          |
| Abu Dhabi  | 2031     | 4.34    | -16.58          | KSA        | 2032     | 4.47    | -16.01          |
| Abu Dhabi  | 2050     | 4.87    | -27.91          | KSA        | 2050     | 5.45    | -26.82          |
| Bahrain    | 2028     | 6.60    | -8.67           | Oman       | 2027     | 6.41    | -8.93           |
| Bahrain    | 2032     | 7.89    | -14.73          | Oman       | 2032     | 6.87    | -11.66          |
| Bahrain    | 2051     | 8.74    | -20.02          | Oman       | 2051     | 8.14    | -17.45          |
| Dubai      | 2029     | 4.24    | -10.49          | Qatar      | 2026     | 4.31    | -9.83           |
| Dubai      | 2050     | 5.93    | -25.74          | Qatar      | 2030     | 4.48    | -15.18          |
| Kuwait     | 2027     | 4.16    | -10.99          | Qatar      | 2050     | 4.96    | -26.94          |

Bonds and Sukuk Indices

| Index Name                           | Yield % | Duration (yrs) | 1D Δ (%) | YTD Δ (%) |
|--------------------------------------|---------|----------------|----------|-----------|
| Bloomberg GCC FI Index               | 5.26    | 8.08           | -0.68    | -12.82    |
| S&P MENA Bond and Sukuk Index        | 4.83    | NA             | -0.58    | -13.31    |
| Bloomberg Emerging Markets USD Index | 7.71    | 6.80           | -0.69    | -18.51    |
| Bloomberg Global Aggregate Index     | 3.59    | 7.42           | -0.85    | -19.31    |

Interbank Rates (%)

|         | 3 Months   |            | 6 Months   |            | 12 Months  |            |
|---------|------------|------------|------------|------------|------------|------------|
|         | 26/09/2022 | 31/12/2021 | 26/09/2022 | 31/12/2021 | 26/09/2022 | 31/12/2021 |
| KIBOR   | 2.9375     | 1.5000     | 3.2500     | 1.7500     | 3.5625     | 2.0000     |
| SAIBOR  | 3.8869     | 0.9057     | 4.3566     | 0.9829     | 4.8383     | 1.0600     |
| BHIBOR  | 5.0000     | 1.5167     | 5.2333     | 1.6233     | 5.6159     | 1.7667     |
| QATAR   | 2.4500     | 1.1250     | 2.5000     | 1.2000     | 2.7500     | 1.3250     |
| AEIBOR  | 3.1140     | 0.3645     | 3.9403     | 0.7000     | 4.2375     | 0.7396     |
| EURIBOR | 1.1530     | -0.5730    | 1.8030     | -0.5460    | 2.5000     | -0.4980    |
| LIBOR   | 3.6284     | 0.2144     | 4.2013     | 0.3451     | 4.8349     | 0.5888     |

| USD Swap Rates |            |           |       | Currencies |            |           | Commodities |           |          |        |
|----------------|------------|-----------|-------|------------|------------|-----------|-------------|-----------|----------|--------|
| Yield %        | 1D Δ (bps) | YTD Δ (%) |       | USD        | 1D Δ (bps) | YTD Δ (%) | USD         | YTD Δ (%) |          |        |
| 1-Year         | 4.6888     | 4.40      | 776.4 | KWD        | 0.3085     | 0.0324    | -1.94       | Crude Oil | 85.67    | 16.04  |
| 2-Year         | 4.6570     | 4.92      | 394.7 | SAR        | 3.7595     | 0.0053    | -0.07       | Gold      | 1,644.30 | -10.68 |
| 5-Year         | 4.1234     | 6.85      | 201.1 | EUR        | 0.9633     | -0.5678   | -15.29      | Silver    | 18.52    | -21.33 |
| 7-Year         | 3.9421     | 6.85      | 167.1 | GBP        | 1.0555     | -2.8087   | -22.01      | Copper    | 329.90   | -25.18 |
| 10-Year        | 3.7982     | 6.42      | 140.2 | JPY        | 144.1500   | -0.5758   | -20.16      | Nat. Gas  | 6.86     | 86.62  |
| 30-Year        | 3.2899     | 4.17      | 90.0  | CNH        | 7.1660     | -0.3908   | -11.29      | Aluminum  | 2,160.12 | -22.35 |

| US Treasuries |          |       | UK Gilts |          | German Bunds |          |
|---------------|----------|-------|----------|----------|--------------|----------|
| Yield %       | 1D Δ (%) |       | Yield %  | 1D Δ (%) | Yield %      | 1D Δ (%) |
| 2-Year        | 4.26     | -0.10 | 3.90     | -0.63    | NA           | NA       |
| 5-Year        | 4.05     | -0.30 | 4.04     | -2.05    | 1.74         | 0.00     |
| 10-Year       | 3.75     | -0.47 | 3.82     | -2.78    | 1.95         | 0.00     |
| 30-Year       | 3.64     | -0.59 | 4.03     | -3.12    | 1.84         | 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 | 26-Sep 2022 | 31-Dec 2021 |
|-------------|-------------|-------------|
| Kuwait      | 52.47       | 40.53       |
| KSA         | 55.96       | 50.97       |
| Abu Dhabi   | 48.30       | 43.09       |
| Dubai       | 116.60      | 89.58       |
| Qatar       | 53.97       | 42.55       |
| Bahrain     | 305.01      | 286.32      |
| Oman        | 263.57      | 254.42      |
| Iraq        | 759.19      | 507.35      |
| Egypt       | NA          | 496.58      |
| Morocco     | 249.43      | 85.91       |
| Turkey      | 775.76      | 555.46      |
| US          | 22.00       | 10.01       |
| UK          | 33.49       | 8.91        |
| China       | 102.69      | 39.86       |
| Japan       | 22.47       | 16.23       |
| Germany     | 16.17       | 7.53        |
| France      | 26.00       | 17.87       |