

## News Updates

**S&P raises Oman's credit rating to BB-, with stable outlook** – Leading international credit rating agency Standard & Poor's (S&P) has raised the credit rating for the Sultanate of Oman from 'B+' to 'BB-' with a stable outlook. The upgrade – the first since 2015 – has been attributed to the country's improved fiscal indicators and lower public debt risk. S&P also cited measures adopted by the Omani government as part of the Medium-Term Fiscal Balance Plan, and the combination of buoyant international oil prices and improved oil output, for the upgrade. According to the report published by S&P on Friday, the Sultanate of Oman is anticipated to achieve a fiscal surplus equivalent to 5.7 per cent of GDP this year, as opposed to a fiscal deficit estimated at 4.6 per cent of GDP in 2021. Also notable is the government's medium-term plan to reduce the country's dependence on oil revenues, alongside measures to curb public spending and improve efficiency – initiatives that are projected to contribution to a significant reduction of public debt to about 49.6 per cent of GDP at the end of 2022, down from current level of about 65.1 per cent. *(Source: Oman Observer)*

**Fed's Williams Sees Sequence of Steps to Raise Rates to Neutral** – Federal Reserve Bank of New York President John Williams said officials should raise interest rates to more normal levels to curb inflation, while monitoring the economy's progress as they proceed. Fed officials this month announced a quarter-point increase in the target range for their benchmark federal funds rate, to 0.25-0.5%, and published projections showing the median policy maker expected to lift rates to 1.9% by the end of the year and 2.8% at the end of 2023. The median forecast for the neutral rate, a theoretical level that neither speeds up nor slows down the economy, is 2.4%. "There's no question that that's the direction that we're moving, to get back to neutral," he said. "Exactly how quickly we do that will depend on the circumstances that we're facing. And I do think we have to be cognizant of watching the economy and how it evolves during this whole path, and adjust as needed." *(Source: Bloomberg)*

**US orders record oil release from strategic reserves** – The White House has announced a "historic release" of about 180mn barrels of oil from the US emergency stockpile in a bid to cool crude prices, saying it would punish some domestic oil companies that do not increase drilling. On Thursday, President Joe Biden said the move was designed to lower "painful" petrol prices that were harming the finances of many households. He added that prices "should not hinge on whether a dictator declares war", referring to Vladimir Putin's invasion of Ukraine and the effect of resultant western sanctions on Russian oil imports. "My plan is going to help ease that pain today and safeguard against tomorrow," Biden said, suggesting the price at the pump could decrease by the "better part" of anything between "10 cents to 35 cents a gallon". The new release of 1mn barrels a day was by far the biggest ever announced and will last six months, draining almost a third of the US Strategic Petroleum Reserve. The drawdown would take the reserve to its lowest level since 1984. *(Source: Bloomberg)*

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	2.59	-4.79	KSA	2027	2.72	-4.26
Abu Dhabi	2031	2.77	-6.24	KSA	2032	3.07	-5.94
Abu Dhabi	2050	3.58	-10.56	KSA	2050	4.12	-10.73
Bahrain	2028	4.87	-1.20	Oman	2027	4.61	-2.01
Bahrain	2032	5.97	-1.81	Oman	2032	5.43	-1.45
Bahrain	2051	7.11	-3.24	Oman	2051	6.71	-1.90
Dubai	2029	3.10	-3.91	Qatar	2026	3.70	-8.27
Dubai	2050	4.68	-9.76	Qatar	2030	2.98	-6.11
Kuwait	2027	2.51	-4.35	Qatar	2050	3.66	-10.04

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	3.76	8.08	-0.10	-5.14
S&P MENA Bond and Sukuk Index		NA	-0.12	-5.74
Bloomberg Emerging Markets USD Index	5.64	6.80	-0.17	-9.38
Bloomberg Global Aggregate Index	2.20	7.42	-0.58	-6.70

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	03/04/2022	31/12/2021	03/04/2022	31/12/2021	03/04/2022	31/12/2021
KIBOR	1.6875	1.5000	1.9375	1.7500	2.1875	2.0000
SAIBOR	2.4502	0.9057	2.4123	0.9829	2.6342	1.0600
BHIBOR	1.9133	1.5167	2.1633	1.6233	2.8133	1.7667
QATAR	1.1500	1.1250	1.2000	1.2000	1.3500	1.3250
AEIBOR	1.0500	0.3645	1.5700	0.7000	2.1528	0.7396
EURIBOR	-0.4610	-0.5730	-0.3620	-0.5460	-0.0860	-0.4980
LIBOR	0.9620	0.2144	1.4891	0.3451	2.1716	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.0205	7.39	277.7	KWD	0.3039	0.0000	-0.46	Gold	1,923.70	4.93
2-Year	2.6683	11.49	183.5	SAR	3.7514	-0.0027	0.11	Silver	24.65	5.44
5-Year	2.6159	9.30	91.0	BHD	0.3771	0.0000	-0.02	Copper	468.85	5.28
7-Year	2.5192	6.69	70.7	QAR	3.6414	0.0055	0.01	Nat. Gas	5.72	62.27
10-Year	2.4485	4.20	54.9	OMR	0.3851	0.0000	-0.08	Aluminum	3,439.75	22.56
30-Year	2.2263	-2.66	28.6	AED	3.6727	0.0000	0.00	Crude Oil	104.39	36.65

US Treasuries			UK Gilt		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.46	-0.23	1.36	-0.04	NA	NA
5-Year	2.56	-0.45	1.41	-0.05	0.03	-0.01
10-Year	2.38	-0.35	1.61	0.00	0.44	-0.06
30-Year	2.43	0.37	1.73	0.56	0.64	-0.15

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	B2	B+u	B+
Tunisia	Caa1	NR	CCC
Morocco	Ba1	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+

USD 5Yr CDS	03-Apr 2022	31-Dec 2021
Kuwait	48.98	40.53
KSA	48.76	50.97
Abu Dhabi	48.03	43.09
Dubai	90.60	89.58
Qatar	47.03	42.55
Bahrain	283.19	286.32
Oman	227.40	254.42
Iraq	316.84	507.35
Egypt	525.00	496.58
Morocco	99.69	85.91
Turkey	548.59	555.46
US	14.43	10.01
UK	12.97	8.91
China	59.87	39.86
Japan	16.33	16.23
Germany	11.77	7.53
France	24.46	17.87