

## News Updates

**Oman's actual budget deficit declines 45.4% in 2021** - Oman's actual budget deficit by the end of 2021 was OMR1.223 billion (\$3.18 billion), a 45.4% decline compared to the estimated deficit of OMR2.240 billion as a result of the improvement in oil prices and the rise in oil revenue. Public revenue registered an increase by 29.6% reaching OMR11.195 billion at the end of 2021 compared to the approved budget of OMR8.640 billion. The rise is attributed to the improvement of oil prices in international markets, an Oman News Agency report said. Actual public spending by the end of 2021 went up by 14.1% to reach OMR12.418 billion compared to the estimates of the approved public spending of OMR10.880 billion. This rise is attributed to an increase in investment expenditure by 32.6%, contributions and other expenses by 9% and the current expenditure of government units by 4.2%. *(Source: Zawya)*

**Egypt can no longer depend on hot money for budget: finance minister** - Egypt's finance minister said on Monday the government could no longer depend on foreign purchases of treasuries to finance its budget, but must work to boost foreign direct investment (FDI) instead. "The lesson we have learned (is that) you cannot depend on this type of investment. It is coming just to get high yields, and once there is a shock it leaves the country," Maait told the American Chamber of Commerce. Some \$15 billion left the country during the 2018 emerging market crisis and close to \$20 billion left at the outbreak of COVID-19 in 2020, he said. Egypt faced a similar crisis this year when Russia invaded Ukraine and the United States began to hike interest rates. That sparked a portfolio investment outflow estimated at \$20 billion. *(Source: Reuters)*

**Russia, rejecting default, tells investors to go to western financial agents** - Russia rejected claims on Monday that it had defaulted on its external debt for the first time in more than a century, telling investors to go to Western financial agents for the cash which was sent but bondholders did not receive. The White House said on Monday that Russia has defaulted on its international bonds for the first time since the Bolshevik revolution, as sweeping sanctions have effectively cut the country off from the global financial system. Until last week, Russia kept on paying on its Eurobonds in foreign currency as per issue conditions yet its dollar and euro coupon transfers made in May, ahead of a key U.S. waiver allowing for such transactions expired, did not reach investors. "Statements of a default are absolutely unjustified," Kremlin spokesperson Dmitry Peskov said. "The fact that Euroclear withheld this money and did not bring it to the recipients is not our problem. There are absolutely no grounds to call such situation a default." *(Source: Reuters)*

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.46	-8.68	KSA	2027	3.64	-8.00
Abu Dhabi	2031	3.85	-13.71	KSA	2032	4.06	-13.32
Abu Dhabi	2050	4.54	-23.83	KSA	2050	5.06	-22.59
Bahrain	2028	6.19	-7.26	Oman	2027	5.75	-6.60
Bahrain	2032	7.24	-10.86	Oman	2032	6.52	-9.24
Bahrain	2051	8.26	-15.69	Oman	2051	7.69	-12.86
Dubai	2029	4.06	-9.50	Qatar	2026	3.50	-7.34
Dubai	2050	5.79	-24.21	Qatar	2030	3.86	-11.57
Kuwait	2027	3.46	-8.32	Qatar	2050	4.61	-22.82

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.74	8.08	-0.07	-10.89
S&P MENA Bond and Sukuk Index	4.32	NA	-0.01	-11.40
Bloomberg Emerging Markets USD Index	7.07	6.80	-0.19	-16.64
Bloomberg Global Aggregate Index	3.01	7.42	-0.24	-14.14

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	28/06/2022	31/12/2021	28/06/2022	31/12/2021	28/06/2022	31/12/2021
KIBOR	2.1250	1.5000	2.4375	1.7500	2.7500	2.0000
SAIBOR	2.9281	0.9057	3.3240	0.9829	3.5636	1.0600
BHIBOR	3.5006	1.5167	3.9757	1.6233	4.7384	1.7667
QATAR	1.1500	1.1250	1.3000	1.2000	1.8500	1.3250
AEIBOR	1.7700	0.3645	2.4450	0.7000	3.3426	0.7396
EURIBOR	-0.2180	-0.5730	0.2230	-0.5460	0.9750	-0.4980
LIBOR	2.2344	0.2144	2.8666	0.3451	3.5447	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	3.3300	0.15	522.4	KWD	0.3064	0.0326	-1.24	Crude Oil	116.36	54.49
2-Year	3.4257	-1.32	263.9	SAR	3.7522	0.0400	0.09	Gold	1,826.60	-0.51
5-Year	3.2653	-2.47	138.4	EUR	1.0577	-0.0756	-6.98	Silver	21.18	-9.70
7-Year	3.2392	-2.53	119.5	GBP	1.2270	0.0326	-9.33	Copper	376.80	-14.95
10-Year	3.2525	-2.22	105.7	JPY	135.4000	0.0517	-15.00	Nat. Gas	6.45	77.27
30-Year	3.0530	-1.85	76.4	CNH	6.6972	-0.0627	-5.08	Aluminum	2,479.75	-11.38

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	3.09	0.05	1.98	-0.13	NA	NA
5-Year	3.23	0.11	2.03	-0.40	0.94	0.00
10-Year	3.18	0.21	2.39	-0.88	1.39	0.00
30-Year	3.30	0.33	2.64	-1.63	1.71	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	B2	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	28-Jun 2022	31-Dec 2021
Kuwait	61.97	40.53
KSA	63.79	50.97
Abu Dhabi	61.06	43.09
Dubai	115.25	89.58
Qatar	62.26	42.55
Bahrain	292.69	286.32
Oman	237.65	254.42
Iraq	485.25	507.35
Egypt	909.77	496.58
Morocco	225.65	85.91
Turkey	767.62	555.46
US	16.52	10.01
UK	11.30	8.91
China	78.11	39.86
Japan	21.98	16.23
Germany	12.21	7.53
France	21.43	17.87

