

## News Updates

**OPEC+ likely to stick to its output target despite Kuwait's concerns –** OPEC+ and its allies are likely to keep their plan to gradually restore the vast amount of crude production halted during the pandemic and continue increasing production by 400,000 barrels per day every month for the remainder of the year even as members such as Kuwait are raising concerns about the weakness of the market. Plans for supply increases came into question, as international crude prices sank about \$11 a barrel roughly 15 percent, in the first three weeks of August as China reimposed lockdowns. The 400,000 bpd increase in oil output agreed by OPEC+ nations in previous gatherings might be reconsidered at its next meeting on Sept. 1, Reuters reported on Sunday, citing Kuwait's oil minister. "The markets are slowing. Since COVID-19 has begun its fourth wave in some areas, we must be careful and reconsider this increase. There may be a halt to the 400,000 (bpd) increase," Mohammad Abdulatif Al-Fares told Reuters at a government-sponsored event in Kuwait City. He added that the economies of East Asian countries and China remain affected by COVID-19 and caution must be exercised. "There are meetings with OPEC countries, especially the Gulf Cooperation Council countries, and so far there are different views on how to handle this issue," Fares said. The alliance might not change course easily as there are outages in North America affecting oil prices. Mexico has seen a halt of more than 400,000 bpd due to an offshore oil rig accident, while producers in the US are expecting decline in output due to a new storm hitting the US Gulf coast. (Source: Zawya)

**Oil settles up as U.S. producers, refiners assess storm damage –** Oil rose on Monday, lifted as U.S. Gulf Coast platforms, refineries and pipelines grappled with uncertainty on restart timelines after Hurricane Ida wreaked havoc on the region. Gains were capped as OPEC+ looked set to go ahead with a planned oil output increase. Global benchmark Brent settled at \$73.41 a barrel, up 71 cents or 0.98%. Brent touched a session high of \$73.69, the highest since Aug. 2. U.S. crude futures rose 47 cents, or 0.68% to \$69.21 a barrel. Within 12 hours of coming ashore, Ida had weakened into a Category 1 hurricane, and has since dropped to tropical storm status. Hundreds of oil production platforms were evacuated ahead of the storm and nearly all offshore Gulf oil production, or 1.74 million barrels per day, was suspended. (Source: Reuters)

**U.S. Treasury yields drift lower as the focus turns to upcoming jobs data –** U.S. Treasury yields fell on Monday as the market looked ahead to the release later this week of the August employment report and the possibility it could factor into the timing of the Federal Reserve's tapering announcement. The benchmark 10-year yield was last down 2.9 basis points at 1.2835%. Fed Chair Jerome Powell, in a speech last Friday that affirmed an ongoing U.S. economic recovery and explained why there is no rush to tighten monetary policy, gave a detailed account of why he regards a spike in inflation as temporary and offered no signal on when the central bank plans to taper its asset purchases beyond saying it could be "this year." (Source: Reuters)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.68	-0.71	KSA	2025	1.07	-0.61
Abu Dhabi	2030	1.84	-2.73	KSA	2030	2.17	-1.79
Abu Dhabi	2050	2.98	-4.41	KSA	2050	3.46	-3.57
Bahrain	2026	3.93	-4.10	Oman	2025	3.24	2.53
Bahrain	2030	5.66	-6.66	Oman	2029	4.92	2.93
Bahrain	2047	7.00	-10.54	Oman	2048	6.60	1.85
Dubai	2029	2.42	-0.39	Qatar	2025	0.95	-1.80
Kuwait	2022	0.22	-1.66	Qatar	2030	1.94	-3.36
Kuwait	2027	1.21	-1.94	Qatar	2050	3.13	-5.44

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.58	8.08	0.03	0.73
S&P MENA Bond and Sukuk Index	2.17	NA	-0.01	0.29
Bloomberg Emerging Markets USD Index	3.83	6.80	0.16	0.49
Bloomberg Global Aggregate Index	1.02	7.42	0.12	-2.25

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	31/8/2021	31/12/2020	31/8/2021	31/12/2020	31/8/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7957	0.8175	0.8443	0.8700	0.9143	0.9413
BHIBOR	1.5500	2.2500	1.6333	2.5333	1.8083	2.6833
QATAR	1.1250	1.1206	1.2000	1.1960	1.3301	1.3636
AEIBOR	0.3550	0.5125	0.4650	0.4908	0.4344	0.6538
EURIBOR	-0.5500	-0.5450	-0.5290	-0.5260	-0.5020	-0.4990
LIBOR	0.1199	0.2384	0.1548	0.2576	0.2351	0.3419

## USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)
1-Year	0.1529	0.05	-20.6
2-Year	0.2949	-0.18	49.1
5-Year	0.8498	-0.83	97.6
7-Year	1.0790	-0.59	64.8
10-Year	1.2948	-0.43	39.9
30-Year	1.6284	-0.59	16.1

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)
KWD	0.3008	0.0499	0.83
SAR	3.7510	0.0000	0.02
BHD	0.3770	0.0000	0.00
QAR	3.6416	0.0000	-0.01
OMR	0.3850	0.0000	0.00
AED	3.6731	0.0000	0.00

## Commodities

	USD	YTD Δ (%)
Gold	1,817.90	-4.88
Silver	24.15	-9.42
Copper	436.20	23.78
Nat. Gas	4.30	56.88
Aluminum	2,641.25	32.08
Crude Oil	73.24	43.47

## US Treasuries

	Yield %	1D Δ (%)
2-Year	0.20	0.01
5-Year	0.76	0.04
10-Year	1.28	0.05
30-Year	1.89	0.15

## UK Gilts

	Yield %	1D Δ (%)
2-Year	0.19	0.06
5-Year	0.36	0.09
10-Year	0.67	0.21
30-Year	1.00	0.58

## German Bunds

	Yield %	1D Δ (%)
2-Year	-0.71	0.00
5-Year	-0.79	0.00
10-Year	-0.59	0.00
30-Year	0.03	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	B+	BB-
Egypt	B2	B	B+
Lebanon	C	SD	RD
Jordan	B1	B+	BB-
Turkey	B2	B+u	BB-
Tunisia	B3	NR	B-
Morocco	Ba1	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+
<b>USD 5Yr CDS</b>	<b>31-Aug 2021</b>	<b>31-Dec 2020</b>	
Kuwait	46.09	40.69	
KSA	51.45	63.77	
Abu Dhabi	40.77	36.03	
Dubai	77.51	104.06	
Qatar	40.10	36.70	
Bahrain	247.97	233.58	
Oman	241.20	353.60	
Iraq	559.75	542.74	
Egypt	345.18	330.47	
Morocco	93.76	102.56	
Turkey	366.16	299.47	
US	7.83	11.52	
UK	7.75	15.13	
China	32.95	26.70	
Japan	16.11	14.74	
Germany	8.48	9.09	
France	19.02	14.42	