

## News Updates

**Moody's downgrades KIPCO's ratings to Ba2 from Ba1, maintains negative outlook** – Moody's Investors Service ("Moody's") has downgraded Kuwait Projects Company (Holding) K.S.C.P. (KIPCO) Corporate Family Rating (CFR) to Ba2 from Ba1 and the Probability of Default Rating (PDR) to Ba2-PD from Ba1-PD on Thursday. Concurrently, Moody's downgraded to (P)Ba2 from (P)Ba1 the provisional ratings assigned to the senior unsecured \$3 billion Euro Medium Term Note (EMTN) program issued by Kuwait Projects Co SPC Limited and to Ba2 from Ba1 the ratings on the backed senior unsecured bonds due in 2023, 2026 and 2027 issued by Kuwait Projects Co SPC Limited. Moody's also affirmed Kuwait Projects Co SPC Limited's (P)NP backed short term rating. The outlook on all ratings remains negative. "Today's rating action reflects the view, that despite the rights issue which KIPCO recently announced, the company's market value leverage will remain elevated above what is required for the Ba1 CFR," says Julien Haddad, a Moody's Vice President - Senior Analyst and local market analyst for KIPCO. "The rating action also reflects KIPCO's continued cash burn and weak interest coverage on the back of a substantial decrease in dividend income in 2021." (Source: Moody's)

**Lebanon raises fuel prices by 66% as it tries to ease shortages** – The Lebanese government said on Sunday that it was raising gasoline prices by 66% in a partial reduction of fuel subsidies as it seeks to ease crippling shortages that have brought the country to a standstill. The increase in 95-octane gasoline prices would take effect immediately, the government said in a statement. It follows the state's decision on Saturday to change the exchange rate used to price petroleum products in a bid to ease the shortages. The fuel crisis worsened this month when the central bank said it could no longer finance fuel imports at heavily subsidised exchange rates and would switch to market rates. The government, concerned about the impact of price rises, in a compromise agreed with the central bank on Saturday to raise prices, but by less than the market rate, to allow subsidised imports to resume for now. (Source: Reuters)

**Libyan Central Banker Pins Revival Hopes on Higher Oil Output** – U.S. Libya needs to boost oil output by almost 40% of its current level in order to cover its spending needs and begin revamping an economy battered by a decade of war, the OPEC nation's central bank governor said. With oil as Libya's nearly sole source of income, "it is of course imperative that production rates in 2022 have to go higher," Sadiq Al-Kabir said in an interview in the capital, Tripoli. The nation, which sits atop Africa's largest proven crude reserves, is currently pumping 1.3 million barrels per day. Al-Kabir says daily output needs to climb to a daily 1.8 million barrels next year. Upping production to 1.8 million barrels a day from its current level would ensure revenue of \$35 billion next year if oil averages \$60 per barrel, keeping Libya "on the safe side" and able to cover spending and reconstruction plans, he said. (Source: Bloomberg)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.69	-0.66	KSA	2025	1.07	-0.57
Abu Dhabi	2030	1.83	-2.49	KSA	2030	2.08	-1.11
Abu Dhabi	2050	3.00	-4.24	KSA	2050	3.42	-3.00
Bahrain	2026	3.93	-4.19	Oman	2025	3.23	2.47
Bahrain	2030	5.67	-7.01	Oman	2029	5.05	2.13
Bahrain	2047	7.11	-11.58	Oman	2048	6.68	0.75
Dubai	2029	2.45	-0.51	Qatar	2025	0.94	-1.66
Kuwait	2022	0.13	-1.50	Qatar	2030	1.92	-3.20
Kuwait	2027	1.23	-1.89	Qatar	2050	3.09	-4.79

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.57	8.08	0.00	0.76
S&P MENA Bond and Sukuk Index	2.15	NA	0.08	0.45
Bloomberg Emerging Markets USD Index	3.90	6.80	0.00	-0.01
Bloomberg Global Aggregate Index	1.00	7.42	-0.06	-2.53

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	23/8/2021	31/12/2020	23/8/2021	31/12/2020	23/8/2021	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	1.5750	2.2500	1.7167	2.5333	1.8667	2.6833
QATAR	1.0800	1.1206	1.1629	1.1960	1.3197	1.3636
AEIBOR	0.3342	0.5125	0.4331	0.4908	0.4440	0.6538
EURIBOR	-0.5480	-0.5450	-0.5280	-0.5260	-0.4940	-0.4990
LIBOR	0.1284	0.2384	0.1526	0.2576	0.2366	0.3419

## USD Swap Rates

Yield %		1D Δ (bps)	YTD Δ (%)	USD		1D Δ (bps)	YTD Δ (%)	USD		YTD Δ (%)
1-Year	0.1640	0.03	-14.8	KWD	0.3011	-0.0664	0.71	Gold	1,789.40	-6.37
2-Year	0.3214	0.46	62.5	SAR	3.7508	0.0000	0.04	Silver	23.23	-12.85
5-Year	0.8767	1.18	103.9	BHD	0.3770	0.0000	0.00	Copper	416.45	18.18
7-Year	1.0813	1.15	65.2	QAR	3.6416	0.0000	-0.01	Nat. Gas	3.87	42.74
10-Year	1.2788	1.10	38.2	OMR	0.3850	0.0000	0.00	Aluminum	2,539.75	27.00
30-Year	1.6026	0.86	14.3	AED	3.6730	0.0000	0.00	Crude Oil	66.38	30.03

## US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.23	0.00	0.09	0.02	-0.72	0.00
5-Year	0.79	-0.05	0.24	0.09	-0.81	0.01
10-Year	1.27	-0.10	0.52	0.14	-0.64	0.04
30-Year	1.88	-0.20	0.94	0.04	-0.06	0.01

## UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.23	0.00	0.09	0.02	-0.72	0.00
5-Year	0.79	-0.05	0.24	0.09	-0.81	0.01
10-Year	1.27	-0.10	0.52	0.14	-0.64	0.04
30-Year	1.88	-0.20	0.94	0.04	-0.06	0.01

## German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.23	0.00	0.09	0.02	-0.72	0.00
5-Year	0.79	-0.05	0.24	0.09	-0.81	0.01
10-Year	1.27	-0.10	0.52	0.14	-0.64	0.04
30-Year	1.88	-0.20	0.94	0.04	-0.06	0.01

## 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>23-Aug 2021</b>	<b>31-Dec 2020</b>	
Kuwait	46.07	40.69	
KSA	53.95	63.77	
Abu Dhabi	41.88	36.03	
Dubai	84.96	104.06	
Qatar	41.43	36.70	
Bahrain	249.26	233.58	
Oman	242.95	353.60	
Iraq	572.02	542.74	
Egypt	348.19	330.47	
Morocco	93.93	102.56	
Turkey	386.13	299.47	
US	7.71	11.52	
UK	8.87	15.13	
China	34.84	26.70	
Japan	16.66	14.74	
Germany	8.97	9.09	
France	18.48	14.42	