Credit Trading Daily Comment

Global Markets

26th November 2024

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Market Commentary

Risk assets opening firmly, following on from the UST rally overnight (10yr UST down 13bps to 4.27% and 2yr UST down 11bps to 4.27%) on news that Trump will impose 10% additional tariffs on China and 25% tariffs on Mexico and Canada. Trump declared the tariffs would take effect on his first day in office via executive orders. Markets reacted sharply with the greenback shooting higher, coming close to 2024 highs. The MXN fell over 1%, the CAD dropped 0.5% to a four-year low, and CNH fell to a four-month low, while US equity futures also fell briefly before retracing some of the move. Reaction in rates was less pronounced, with an initial jump in US yields mostly pared. Chinese equities are outperforming in the wake of Trump's tariff threats and that is a theme which is likely to sustain. Mainland markets have already experienced one so-called trade war, and the authorities have taken a number of steps that limit the capacity of external shocks to drive Chinese equity sentiment. Counterintuitively, Chinese equities reached a high point in sentiment during the week of Trump's win, and they have been relatively unscathed by the tariff threats so far. On the commodity front, Gold has shown plenty of resilience, which underscores the potential for bullion to make fresh highs in the coming months, as US political volatility adds to the allure of the precious metal as a haven. Crude is holding well, with Brent and WTI futures edging up, but this semblance of relative resilience looks fragile going into the upcoming OPEC+ meeting.

GCC credit remains a safe haven for global investors, not only for credit fundamentals, but also international geopolitical situations, which continue to escalate without rhyme nor reason, whilst the UAE and KSA specifically, endorse a much more commercial and peaceful mantra. The sharp rally in treasuries provided further support for credit which was needed after reported sizeable outflows from EM bond funds last week.

We continue to see ongoing decompression between IG and HY, with IG closing a few bps tighter through yesterday's session, whilst HY was 3-4bps wider. Liquidity in the market is on a steady downward trajectory as we head into month end and the festive season in US. Asian accounts remain sidelined whilst regional investors are being much more selective, leaving Europeans and ETF flow relatively more active in the secondary.

Local customers have been active mostly in KSA risk after the Kingdoms rating upgrade – particularly in the long end part of the curve which had underperformed. Anecdotally, the MASDAR curve screens attractive, on a spread to sovereign basis, at around 50bp versus sovereign – we saw a few buyers stepping in to buy the 2034 bonds.

The news on a potential peace deal between Israel and Hezbollah pushed Egypt sovereign higher, with long end EGYPT 47 most active, moving up by 1pt. Morocco sovereign has been heavy this month and it appears that positioning is starting to improve as we started to see buyers step in for long end bonds.

Bahrain conventional bonds continues to drift wider in spread as locals mostly focused on the sukuk curve – which is consistent given we have just heard of a New issue announcement for a long 7yr sukuk, whilst Oman sovereign caught a bid after a brief widening last week. Oman corporates remain well bid especially in the sukuk space.

Synthetics & Rates	Category	Prev day Close	Change (in basis points)		
			1D	1W	1M
JPM EMBI Global Spread bps	Index	302.7	+6.0	-0.9	-1.7
GCC IG + HY Spread (BBG) bps	Index	105.4	+8.5	+4.6	+6.5
ITRX Main 5Y Spread bps	CDS	57.4	-0.2	+1.7	+0.5
ITRX Xover 5Y Spread bps	CDS	307.8	-0.2	+7.6	-0.1
5Y US Treasury Yield	Rates	4.176%	-11.9	-9.9	+11.3
10Y US Treasury Yield	Rates	4.273%	-12.7	-14.1	+3.3

Stocks / Commodities / Currencies	Category	Prev day Close	Change (in %)		
			1D	1W	1M
Dow Jones Inds. Avg (US)	DM - Equities	44,737	+1.0%	+3.1%	+6.2%
S&P 500 (US)	DM - Equities	5,987	+0.3%	+1.6%	+3.1%
Nasdaq Composite (US)	DM - Equities	19,055	+0.3%	+1.4%	+2.9%
Nikkei 225 (Japan)	DM - Equities	38,780	+1.3%	+1.5%	+2.3%
Hang Seng (Hong Kong)	EM - Equities	19,151	-0.4%	-2.2%	-7.0%
CSI 300 (China)	EM - Equities	3,848	-0.5%	-2.6%	-2.7%
Abu Dhabi - ADX	EM - Equities	9,232	-0.1%	-1.7%	+0.3%
Saudi Arabia	EM - Equities	11,788	-0.7%	-0.4%	-0.8%
Egypt	EM - Equities	30,271	-0.4%	-1.9%	-0.9%
DXY US$ Index	Currency	106.82	-0.7%	+0.5%	+2.5%
WTI Oil $/bbl	Commodity	68.94	-3.2%	-0.3%	-4.0%
Gold spot $/oz	Commodity	2,625	-3.4%	+0.5%	-4.5%

Source: Bloomberg/FAB

Major Headlines

- UAE's Mubadala to Take CI Private in $3.4 Billion Deal (Source: Bloomberg)
- UAE Banks Aim for AED 1 Trillion Sustainable Finance by 2030 (Source: Bloomberg)
- Abu Dhabi Accelerates Sustainable Development Through Public-Private Partnerships (Source: Zawya)
- Abu Dhabi's Top Property Developer Aldar Sees Jump in Foreign Buyers (Source: Bloomberg)
- Saudi Oil Export Earnings Extend Slump at Lowest in Three Years (Source: Bloomberg)
- Saudi Arabia's NEOM gigaproject a 'generational investment,' minister says (Source: Reuters)
- Egypt Overseas Worker Remittances at $2.7B in Sept: Central Bank (Source: Bloomberg)
- Israel and Hezbollah On the Cusp of Deal as Attacks Continue (Source: Bloomberg)

Key Macro Data Releases

Region	Data series	Release Date	Period	Survey Median	Prior Reading
US	FHFA House Price Index MoM	26/Nov	Sep	0.3%	0.3%
	New Home Sales	26/Nov	Oct	725k	738k
	Conf. Board Consumer Confidence	26/Nov	Nov	111.8	108.7
	Richmond Fed Manufact. Index	26/Nov	Nov	-	-14
	FOMC Meeting Minutes	26/Nov	Nov 7	-	-
GCC	UAE M3 Money Supply YoY	02-5/Dec	Aug	-	15.6%
	UAE Non-Oil PMI	06/Dec	Nov	-	54.1
	Dubai Non-Oil PMI	06/Dec	Nov	-	
	Saudi M3 Money Supply YoY	28/Nov	Oct	-	10.5%
	Saudi Net Foreign Assets SAR	28/Nov	Oct	-	SAR1,625.6bn
	Saudi Non-Oil PMI	03/Dec	Nov	-	56.9
	Egypt Non-Oil PMI	03/Dec	Nov	-	49.0
	Egypt Net Reserves	06/Dec	Nov	-	$46.9b

Source: Bloomberg/FAB

TRADE IDEAS | **Cash prices to be updated at time of execution**

(1) EXTENSION TRADES BACK IN VOGUE ➔ 3 GCC BANKS IDEA

(1.a) DIB extension switches

- **Client sells DIBUH 5.493% 11/30/27 @ 101.55 z+90, y+4.93%**
- **Client buys DIBUH 5.243% 03/04/29 @ 100.95 z+105, y+5.00%**
  - Client picks 15bps in Z for extending only 15 months
  - Client picks up 0.07% in yield, despite yield curve being flat
  - Client takes out ½pt in cash
  - Works 10mm x 10mm

(1.b) FABUH extension switches

- **Client sells FABUH 4.581% 01/17/28 @ 100 z+57, y+4.55%**
- **Client buys FABUH 4.779% 01/23/29 @ 100 z+82, y+4.75%**
  - Client picks 25bps in Z for extending 1 year
  - Client moves into more liquid recent issue
  - Client remains within sukuk securities
  - Works 5mm x 5mm

(1.c) EIBUH extension switches

- **Client sells EIBUH 1.827% 09/23/25 @ 97.35 z+65, y+5.00%**
- **Client buys EIBUH 5.431% 05/28/29 @ 102.65 z+85, y+4.80%**
  - Client picks 20bps in Z
  - Client moves into more liquid recent issue
  - Works 10mm x 10mm

(2) BANK ALPHA: ADCB → BSF, pick 20bps in Zsp

- **Client sells ADCBUH 5.50% Jan 29s @ 103.80, YTM 4.50%, Z+105**
- **Client buys BSFR 5.00% Jan 29s @ 101.30, YTM 4.70%, Z+125**
  - Client moves out of expensive Abu Dhabi risk, into KSA
  - Client picks up 20bps in Z spread, ¼% pick up in yield
  - Client takes out 2.5pts in cash
  - Client remains in exactly the same duration & tightening is expected if rates get a decent cut lower
  - Client drops only 1 notch in rating from A to A-
  - Client moves out of conventional to well sought after sukuk paper
  - Works 10mm x 10mm

(3) OMAN Sovereign Steepener

- **Client sells OMAN 7⅜ 10/28/2032 @ 113, YTM 5.36%, Z+174**
- **Client buys OMAN 5⅝ 01/17/2028 @ 101.50, YTM 5.11%, Z+146**
  - Take out 12pts in cash, Oman 32 is the highest cash price on the curve technically has reached its potential upside proven by lack of secondary market activity, and rally in cash price in Q3 2024 was driven mostly by rates.
  - Recent rating upgrade by S&P to BBB- positive for front end especially in 5 year tenor, 2028 and 2029 which will benefit from ETF and index buyers once the sovereign gets upgraded by Fitch and Moody's in coming months (in our view).
  - The slope of the curve too flat where BBG prices marked at 31bp versus tradeable level of 38bp. We expect normalization and steeper curve towards 60bp
  - Works 25x 25

Fundamentals: The recent S&P upgrade to IG is based on various positive expectation in the short-term (3-year horizon through 2027):

(1) Govt will post fiscal surpluses over 2024-2027, averaging 1.9% of GDP

(2) External debt levels expected to reduce further to ~29% of GDP by 2027, which has already declined to around 35% of GDP this year from 68% of GDP in 2020

(3) Oman's fiscal resilience against external shocks has strengthened through debt reduction and various fiscal reforms it has taken in past four years
(4) Deleveraging at Omani GREs underpins the credit outlook: Total GRE debt have now declined to \$33.8bn (30% of GDP) in June 2024, compared with a peak of \$35.9bn (41% of GDP) at end-2021
(5) Govt is expected to continue to reduce its footprint in the economy and uplift the non-oil private sector to attract more foreign direct investment

(4) UAE ALPHA: UAE → ADGB, pick 8bps in Zsp

- **Client sells UAE 4.917% 33s @ 100.25 z+76**
- **Client buys ADGB 5% 34s @ 100.35 z+84**
    - Client moves from Federal level to ADGB emirate
    - 1 notch uptick in rating from AA- to AA
    - Picks up 8 bps in Z
    - Pick up in liquidity given ADGB is more recent issue
    - ADGB trades inside UAE normally, and will revert in our opinion
    - Works 15mm x 15mm

(5) ADCB → NBK, pick 20bps in Z and ¼% in yield for same rating!

- **Client sells ADCBUH 5.50% 29s @ 102.80, y+4¾%, Z+84bps | A+**
- **Client buys NTBKKK 5.50% 30s @ 102.30, y+ 5%, Z+104bps | A+**
    - Client picks up 20bps in Z spread for same rating
    - Client picks up ¼% in yield for same rating
    - Client remains within Green securities
    - Client takes ½pt in cash
    - Client moves into more sought after/rare issue (smaller issue size)
    - Works 10mm x 10mm

(6) Rotate out of PIFKSA → KSA for minimal downside

- **Client sells PIFKSA 5.171% 03/31 @ 100⅜ z+115, y+5.10%**
- **Client buys KSA 2.75% 02/32 @ 86⅝ z+105, y+5%**
    - Client moves out of Quasi and into Sov risk at all time tights
    - Client drops onlys 0bps when this switch has historically been 20bps apart
    - Client still remains above the 5% yield bogey
    - Client takes out over 13pts in cash!
    - PIF will be an ongoing issuer especially through 2025
    - Client moves out of sukuk into liquid conventional
    - Works 10m x 10m

Continued…

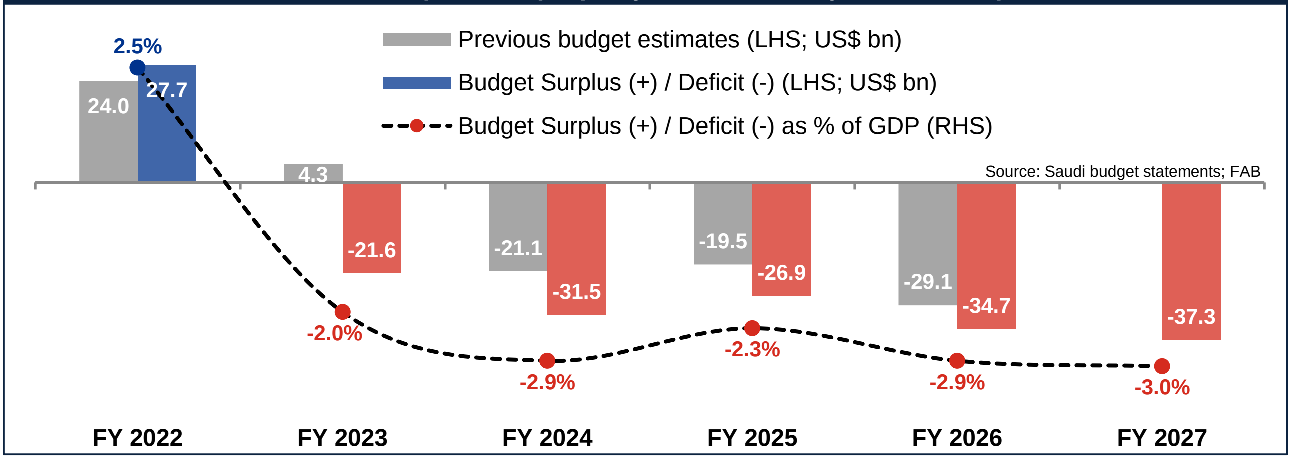
Credits specific commentary

Saudi Arabia revised up its fiscal deficit estimates for 2024 to 2027
Accumulated deficit between 2024 and 2027 would be around $130bn

Budget Deficit:

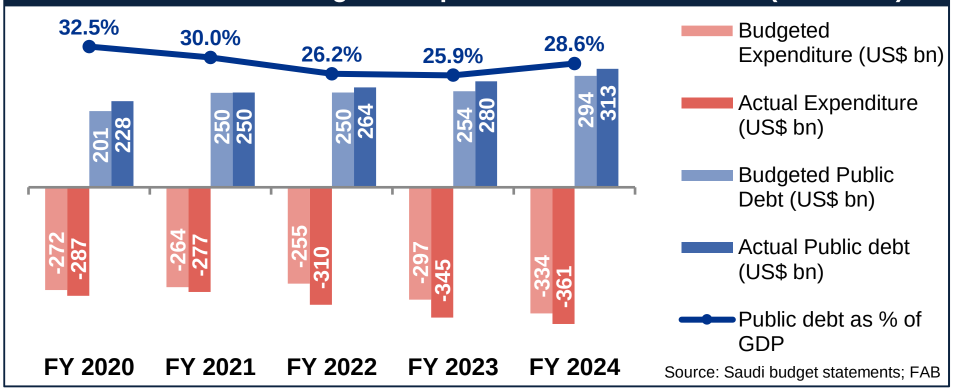
- The government revised up its 2024 full year budget deficit to SAR 118bn ($31.5bn) or 2.9% of GDP vs its previous estimate of $21bn or 2% of GDP
- H1 budget deficit was SAR 28bn – so the bulk of the FY deficit (SAR 90bn) will be booked in H2
- KSA now projects deficit till 2027 and raised the estimates for 2025 and 2026 as compared to the previous update
- FY 2025 deficit seen at $26.9bn or 2.3% of GDP vs previous forecast of $19.5bn/1.6% of GDP
- FY 2026 deficit estimated at $34.7bn or 2.9% of GDP vs previous forecast of $29.1bn/2.3% of GDP
- FY 2027 deficit is projected at $37.3n or 3% of GDP
- *The accumulated deficit between 2024 and 2027 would be around $130bn*

KSA fiscal position (as per govt latest budget statement)



Our view on the budget estimates: Historically the Saudi govt tend to overrun its budgeted expenditure and as a result, the public debt stock too overrunning the budget (please see below chart). Based on this observation, and the quantum of projects the kingdom in executing as part of its Vision 2030 diversification strategy, we believe that the 2025 expenditure and deficit projections are conservative and the govt would overrun these estimates.

Saudi overrunn of budgeted expenditure and debt levels (historical)



As a result we continue to expect high external debt supply from Saudi in the coming years. It is indeed worth highlighting a line from the budget statement, which said: "Additional proactive financing may also be considered based on market conditions to manage future debt principal repayment, in addition to pursuing government alternative financing for capital and infrastructure projects."

Public Debt:

- Saudi public debt reached SAR 1,149bn ($306.4bn) by the end of H1 2024
- 59% of current total public debt is domestic debt and 41% debt are external
- The govt said it raised total SAR 172bn ($45.9bn) from financing activities in H1
  - SAR 68bn ($18.1bn) came from external borrowings; 40%
  - SAR 104bn ($27.7bn) came from Domestic borrowings; 60%
- The govt expects the public debt to reach SAR 1,172bn ($313bn) by end of 2024 (28.6% of GDP). This means govt debt will grow by SAR 3bn ($6.1bn) in H2, which in our opinion would mostly come from domestic borrowings.
  - $3.15bn already raised through the Q3 riyal sukuk programme and can easily expect another $3bn in Q4

Real and Nominal GDP:

- The govt estimates Real GDP growth of 0.8% for the full year of 2024 vs its 4.4% projection in December budget statement (real GDP declined 1% in H1 2024; Oil GDP fell 10% in H1 and non-oil GDP grew 4.1%)
- 2024 Non-oil GDP growth seen at 3.7% vs 6.3% projection in the December budget statement
- The govt has also scaled down nominal GDP number for 2024 to SAR 4,091bn from SAR 4,261bn, that's down by SAR 170bn or $45bn
- Real GDP growth however expected to accelerate to 4.6% in 2025, as the govt aims to increase its oil production. The projection is similar to the projections from the IMF and S&P

Budget Revenues and Expenditure:

- Revenues estimate for FY 2024 has been revised upward to SAR 1,237bn($330bn), up 5.5% from the original budget and 2% higher from 2023 actual revenue
    - Tax revenues would account 29% of total govt revenue at SAR 362bn ($97bn);
    - H1'24 govt revenue grew 8.6% to SAR 647bn, mean govt is expecting to book SAR 590bn revenue in H2
        - The growth mainly came from 10.2% jump in oil revenue due to the enhanced performance-linked dividends from Aramco
        - Non-oil revenue grew 6.2%
            - Tax revenue was SAR 199bn (31% of total revenue), up 4.5% yoy

- Expenditure estimate for FY 2024 has also been revised-up to SAR 1,355bn ($361bn), up 8.3% from the original budget and 2% higher from 2023 actual revenue
    - SAR 1,158bn of spending would come from OPEX, 9% higher than the original budget, as the govt is increasing the social benefits by 54.3% compared to approved budget
    - Capex expected to reach SAR 198bn, up 4.6% from the budget
    - H1'24 expenditure jumped 11.7% yoy to SAR 675bn
        - The govt said the jump came from 7.6% rise in OPEX to SAR 575bn (55% of the increase came from spending on subsidies)
        - Expenditures on financing expenses increased by 11.9%
        - Capex was SAR 99bn, up 43.2%

Saudi Arabia's credit rating upgraded by Moody's to Aa3; Outlook Stable

Moody's upgraded the rating on 22nd Nov 2024, citing:

(1) *Economic Diversification Progress*: Sustained efforts and momentum in economic diversification are reducing Saudi Arabia's reliance on oil and increasing the resilience of its non-hydrocarbon economy to long-term carbon transition challenges. Moody's also noted that this has reduced KSA's long-term exposure to oil market fluctuations and carbon transition risks.

(2) Non-hydrocarbon private sector GDP is expected expand by 4-5% annually: PIF spending on projects exceeds 20% of non-hydrocarbon GDP, with a focus on sectors like hospitality, leisure, mining, and electric vehicle manufacturing.

(3) *Fiscal Strategy and Sovereign Strength*: The recalibration and reprioritization of diversification projects, combined with regular fiscal reviews, create a stable environment for sustainable development while preserving the sovereign balance sheet's relative strength. Moody's said Saudi Arabia's fiscal strength is bolstered by low government debt levels and substantial financial assets relative to GDP.

(4) *Fiscal resilience, underpinned by reforms*: Reforms like the introduction of VAT and the rise in non-hydrocarbon revenue have improved fiscal resilience, making Saudi Arabia less vulnerable to oil price volatility. Combined with its competitive hydrocarbon endowment and cost efficiency, the kingdom is better positioned to adapt to long-term carbon transition challenges.

(5) *Geopolitical and Oil Market Assumptions*: Moody's baseline projections anticipate stable oil prices and production levels, along with a limited impact from geopolitical tensions, supporting continued economic momentum and private sector investment.

Moody's view on Saudi fiscal metrics:

(1) *Fiscal Deficits will be around 2-3% of GDP over the next few years*, assuming stable oil prices and production levels. Moody's forecasts oil prices to average $75 per barrel in 2025 and $70 per barrel in 2026-27, lower than the $82-83 per barrel average for 2023-24.

(2) *Debt-to-GDP ratio expected to rise to about 35% of GDP by 2030*, compared to 26% at the end of 2023. Moody' however noted that despite the increase, *this level remains lower than that of Aa2-A1 peers*.

(3) *Government Financial Assets (GFAs) underpins the sovereign's strong fiscal position*. Moody's estimates the GFAs, which includes central bank deposits and Public Investment Fund (PIF) assets, at 20-25% of GDP

(4) *Non-hydrocarbon revenue share has increased to 30-40% of total revenue* and *20% of non-hydrocarbon GDP*, as the government has implemented fiscal adjustments and reforms, including a 15% value-added tax. It noted that non-hydrocarbon fiscal deficit has narrowed significantly since 2015, reflecting improved fiscal management and reforms.

(5) *Contingent liabilities and broader private-sector debt remain low*, supporting the government's fiscal strength.

(6) *Prudent approach to borrowing and spending* aligns with long-term fiscal sustainability and regular reviews of project priorities ensure fiscal sustainability while maintaining focus on economic diversification.

Key Risks highlighted by Moody's:

(1) *Dependence on hydrocarbons*: While diversification efforts are underway, the hydrocarbon sector remains the primary driver of income and wealth, exposing the economy to oil price and production volatility. A slowdown in global growth or oil demand could reduce fiscal revenues, limiting public spending on diversification projects.

(2) *Long-term carbon transition risks*: Saudi Arabia faces challenges from the global shift away from hydrocarbons, despite its superior position in terms of reserves and production costs.

(3) *Geopolitical Instability*: Regional tensions, particularly involving Iran, pose risks to oil exports, investor confidence, and private sector engagement, potentially slowing diversification momentum.

(4) *Institutional Challenges*: Concentration of power and decision-making could impact the effectiveness of policies and long-term economic resilience.

(5) *Fiscal trade-offs*: Sustained low oil prices or production could pressure the balance between fiscal prudence and economic diversification, potentially weakening the sovereign balance sheet.

Saudi Arabia's credit outlook upgraded to "Positive" by S&P and rating was affirmed at 'A'

S&P's upgraded the outlook to positive on 13th Sept 2024, citing:

(1) Strong non-oil growth prospects over the medium term amid wide-ranging reforms and investments to expand the non-oil sector to diversify the economy away from oil; GDP growth could average 4.3% over 2025-2027

(2) Recalibration of some large infrastructure projects would help to contain pressure on public finances; and the fact that even as the government and wealth fund PIF accumulate higher debt, government will remain in a strong net asset position of above 40% of GDP through 2027

(3) Economic resilience against ongoing volatility stemming from the hydrocarbon sector

S&P highlighted the below points as key credit strength and driver of the change in outlook:

(1) Current investments (into the non-oil sector) will spur domestic consumption by the kingdom's over 35 million (largely young) population

(2) Investments would potentially increase the productive capacity of sectors like manufacturing, logistics, & mining

(3) Over the longer term, Saudi Arabia will likely emerge as a more diversified economy, with more jobs created for the young population, and broader workforce participation

(4) Non-oil sector (including government activities) already account for about 70% of GDP

(5) Significant growth potential for the tourism sector. The sector (constituting both religious and non-religious tourism) currently contributes about 4% of GDP. In 2023, Saudi Arabia's tourist numbers topped that of the G-20 countries and tourism receipts comprised 9% of current account receipts, up from 5% the year before.

(6) PIF continues to pump $40bn a year in investments in the local economy toward giga/mega projects including Neom, the Quiddiya entertainment park, and the Red Sea Project

(7) S&P expects the Saudi economy to grow just 1.4% in 2024, relative to last year's 0.8% contraction, but growth will accelerate to average 4.3% over 2025-2027 with the pick-up in construction for Vision 2030 projects and the services sector, supported by consumer demand and an expanding workforce.

(8) The newly passed *investment law*, effective from February 2025, seeks to achieve parity between domestic and foreign investors and simplify rules and regulations to make foreign investment more attractive

(9) Large hydrocarbon reserves and low production costs, alongside large cash buffers at national oil company Saudi Aramco, provide Saudi Arabia some resilience to a global energy transition to low-carbon alternatives

(10) Dividends from Aramco (including performance-linked dividends) are set at about $43bn in FY 2024 (nearly 4% of GDP). These exceptional dividends could continue beyond this year given the suspended capex on their maximum sustainable capacity targets

S&P's view on Saudi fiscal metrics:

(1) Govt to run fiscal deficits of 2%-3% of GDP through 2027, which is expected to average 2.4% over 2024-2027;

(2) Public investment will be the key driver of government spending growth and fiscal deficits

(3) Net government asset position will reduce to 44% of GDP in 2027, from around 60% estimated in 2023;

(4) Gross general government debt rising gradually to about 28% of GDP in 2027, from 22% in 2023
    a. Govt is mainly targeting external debt issuances through Eurobonds, sukuk, and alternative funding transactions such as project finance
(5) Current account surpluses averaging 1.2% of GDP over 2024-2027, following a surplus of 3.2% in 2023

S&P said it could upgrade Saudi Arabia's rating in next two years if:
(1) Ongoing reforms lead to steady growth in GDP per capita;
(2) GDP growth is supported by continued momentum in non-oil growth
(3) Institutional landscape in the country strengthens, which could be evident through:
    a. Effective implementation of the ongoing economic transformation; and
    b. Development of domestic capital markets

S&P also said it could revise the outlook to stable if it sees:
(1) Pronounced fiscal weakening, or
(2) If real per capita GDP growth were to fall relative to its current forecasts
(3) A material rise in domestic or regional instability

Some of the challenges and risk highlighted by S&P are:
(1) Execution risks to reforms and investments could arise from a sharper fall in oil prices and volumes and the ensuing impact on public finances
(2) Geopolitical risks from regional instability

Oman's credit rating was upgraded to investment grade by S&P on 27th September; Outlook stable

S&P cited the following rationale for the rating upgrade as it concluded the positive review it initiated in March this year and upgraded the long-term ratings on Oman to 'BBB-' from 'BB+
(1) The Omani government, along with many state-owned enterprises (SOEs), is continuing to deleverage its balance sheet
(2) The authorities also remain committed to advancing their longer-term structural reform agenda aimed at strengthening economic resilience.
(3) S&P forecasts that Oman will be in a small net general government asset position by the end of 2024, compared with a net debt position of 19% in 2021.

S&P highlighted the following upside and downside scenarios to the BBB- rating:
(1) Upside scenarios: S&P said it could raise Oman's ratings *over the next two years* if:
    a) Reforms lead to steady growth in Oman's GDP per capita supported by continued momentum in non-oil growth.
    b) Measures to strengthen institutions that, for example, support economic diversification and the development of domestic capital markets, could be positive for the ratings.
(2) Downside scenarios: S&P said it could lower the ratings if:
    a) Oman's fiscal and economic reform implementation were to slow, or
    b) An unfavorable external environment such as a terms of trade shock were to result in fiscal deficits and net debt levels significantly above our forecasts

S&P on Oman's improving public finances & GDP:
(1) Govt expected to post fiscal surpluses of 1.9% of GDP over 2024-2027
    a) S&P assuming Brent oil prices of about $80 per barrel (/bbl) from 2025 until 2027
(2) External debt levels are expected to *reduce further to 29% of GDP by 2027*, from 68% of GDP in 2020
(3) Oman's fiscal resilience against shocks has strengthened, even though overall fiscal position still remains highly dependent on oil price movements
(4) Authorities remain committed to rationalizing expenditure by phasing out energy subsidies.
(5) Non-hydrocarbon govt revenue will increase through various reforms
(6) Govt accumulating sizable liquid assets and expected to average 36% of GDP until 2027:
    a) Govt continues to accumulate sizable liquid buffers via its deposits in domestic institutions and the central bank, alongside its sovereign wealth fund - the Oman Investment Authority (OIA).
(7) Oman's gross foreign exchange reserves have stabilized at about $17bn, owing to lower government foreign currency debt issuance and external debt repayments.
(8) S&P expects the reserves to remain at this level through 2027

(9) GDP expected to grow about 2% per year on average over 2024-2027
(10) S&P estimates the government external assets at about 30% of GDP

S&P on Oman's structural reforms:

(1) Govt introduced value-added tax (VAT) in 2021 and plans to raise the VAT rate
(2) Authorities prioritize improving corporate tax administration and collection over raising government fees
(3) Gradually cutting electricity, water and waste management subsidies
(4) Put a tighter rein on capital and current spending
(5) Reforming public wages
(6) Improving transparency and data disclosure as the govt now publish quarterly real GDP data, monthly fiscal positions, a yearly international investment position, and an IMF Article IV.
(7) Govt is set to implement personal income tax on higher earners

S&P on deleveraging at Omani GREs, supporting the govt's credit outlook:

(1) Total government-related entity (GRE) debt now declined to $33.8bn (30% of GDP) in June 2024, compared with a peak of $35.9bn (41% of GDP) at end-2021, as the govt reorganized its GRE sector over the past few years to enhance operational efficiencies and improve financial positions through asset divestments
(2) S&P assumes that the govt will continue to reduce its footprint in the economy – it will move into a regulator role (from owner) – to help develop the non-hydrocarbon private sector and attract foreign direct investment.
(3) Established Oman Investment Authority (OIA) in 2020 to better manage the government's financial assets and public enterprises. Most GREs are now managed by OIA – e.g. – OQ, Nama Holding
(4) Established Energy Development Oman (EDO) in 2020 to help realize efficiencies and pursue new growth opportunities in Oman's energy sector. Transferred ownership of Petroleum Development of Oman (PDO) and its 60% stake in the Block 6 oil concession to EDO in 2021. Block 6 is the country's largest oil and gas field.
(5) In 2022, the govt established Integrated Gas Co. (IGC) to oversee the gas industry along the similar lines as EDO's oversight of the oil sector.
(6) Total GRE debt now declined to $33.8bn (30% of GDP) in June 2024, compared with a peak of $35.9bn (41% of GDP) at end-2021.
(7) In 2023, the government launched the OMR 2bn ($5.2bn) Future Fund Oman to invest in the non-hydrocarbon economy and attract foreign investment. The fund will be financed by the Ministry of Finance by up to OMR 400m (about $1bn) annually over the next five years.

Oman's outlook was upgraded to "Positive" by Moody's on 29th August 2024; rating was affirmed at Ba1 citing:

(1) Further improvements in Oman's government debt metrics observed over the past nine months
(2) Increased likelihood that Oman's fiscal strength could be sustained at a stronger level

Moody's highlighted the below points as key credit strength and driver of the change in outlook:

(1) Declining debt burden was achieved through the Govt's prudent fiscal management of the windfall from revenue gains from elevated oil prices
(2) Govt debt declined ~27% in nominal terms during 2022-2023 and fell further by 5.6% in Jan-July 2024
(3) Govt debt now reached ~34% of the projected full-year GDP in July'24, from the peak of 67.9% of GDP in 2020.
(4) Stock of foreign-currency denominated government debt dropped to 24% of the projected full-year GDP from more than 50% of GDP in 2020.
(5) Debt reduction over the past two years has been achieved without drawing down its stock of financial assets
(6) Declining debt burden has expanded the government's fiscal space and strengthened the capacity to absorb unexpected external shocks
(7) Stronger debt metrics afford the govt additional time to implement further structural reforms and achieve greater economic and fiscal diversification
(8) The overall gains in fiscal strength indicators appear more sustainable in the medium term

Moody's said it could upgrade Oman's Ba1 rating if it feels more confident that the improvements in govt debt metrics achieved during 2023 can be sustained in the medium term, which could be evidenced through:

(1) Combination of declining non-hydrocarbon fiscal and current account deficits
(2) A further expansion of the government's non-hydrocarbon revenue base
(3) A trend improvement in non-hydrocarbon sector growth
(4) A strengthening of the medium-term fiscal planning framework, jointly pointing to gradually diminishing economic and fiscal reliance on the hydrocarbon sector and improving capacity to absorb hydrocarbon revenue shocks.

(5) In near term, Moody's would like to see the strengthening of the public finance framework through an update of a medium-term fiscal program that clearly outlines the government's spending objectives and its policy reaction function in the face of external shocks and a progress on implementing the mooted personal income tax and by the passing of a 2025 budget that is consistent with a stable or further declining government debt trajectory.

Egypt's credit rating was upgraded by Fitch Ratings by one notch to 'B/Stable' on 1st November 2024 citing improved macroeconomics – e.g. strengthened external finances (through foreign investments), increased non-resident inflows into the local debt market, financing received from International Financial Institutions like the IMF and World Bank and recovered FX buffers – supported by the fiscal reforms undertaken by the authorities e.g. flexible exchange rate and tighter monetary conditions

Fitch Ratings noted the following as some of the major positive developments and driver behind the rating upgrade:

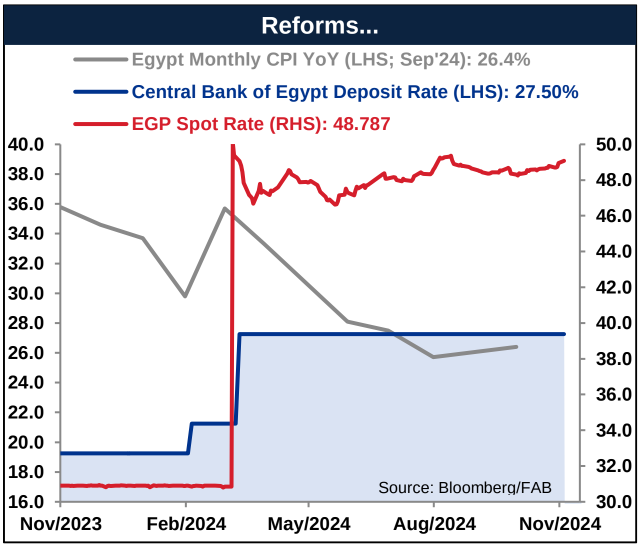
(1) Fitch has now *greater confidence* that the current flexible exchange rate policy will prove more durable than in the past. It sees no evidence of central bank intervention since the 38% currency devaluation in March. It also noted that the parallel market currency rate has not diverged since
(2) Interbank FX volumes have risen by around 10x from their stressed level prior to currency unification, and there is no reported FX backlog at banks.
(3) Banking sector net foreign asset position recovered to near balance, from a deficit of $17.6bn in January
(4) International reserves have increased by $11.4bn during 9M24 to reach $44.5bn
(5) Non-resident holding of domestic debt since February have increased by an estimated $17bn
(6) As part of the $35bn investment deal with the UAE, Egypt has seen $24bn of new foreign-currency inflows and the remaining $11bn came as UAE's existing loan to Egypt converted into deposits at the Central Bank of Egypt, thus reducing the country's external debt

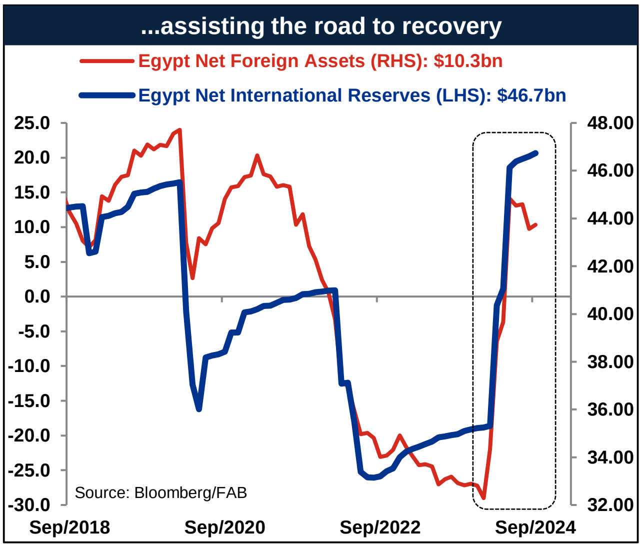
Some of the medium-term positive expectations from Fitch are as follows:

(1) *FDI to increase*: Fitch projects that FDI will average $16.5bn across fiscal year ending June 2025 (FY25) and FY26, with new investment from Saudi Arabia, and in Ras El-Hekma
(2) *Current account deficit will decline*: The increase in FDI will help to reduce the current account deficit to 5.2% in FY25 and 4% in FY26 (from 5.4% in FY24)
(3) *FX reserves will be above 'B' median*: Fitch projects FX reserves at 4.4 months of current external payments at the end of FY26 (June 2026), from 5.0 at end-FY24, still above the 'B' median of 3.8 months.
(4) *Inflation to decline to around low-10s level*: Fitch forecasts the inflation to slow to 12.5% at end-FY25, falling further to 10.6% at end-FY26. Inflation already declined to 26.4% in Sep'24 from 35.7% in Feb'24
(5) *General govt debt to decline:* Fitch expects general government debt to decline to 78.9% of GDP in FY26, from 89.1% in FY24
(6) *Interest liability to decline:* Fitch also expects the CBE to cut policy interest rate to levels consistent with a real rate of near 4% (from the currently held rate of 27.25%). This will drive a fall in General govt debt interest/revenue (which is lower than at the central government level) to ~37% in FY29, from a peak of 61% in FY25, given the short-term maturity of domestic debt.
(7) *GDP growth to pick up*: Real GDP growth rate will pick up from 2.4% in FY24 to 4% in FY25 and 5.3% in FY26
(8) *Resilient banking sector*: According to Fitch, Egypt's large and liquid banking sector provides financing flexibility for the sovereign.

Some of the challenges Egypt still deals with and already factored into Fitch's 'B' rating are as follows:

(1) *Govt debt and interest burden still high:* Egypt's general government debt (at ~89% and expected 78.9% in FY26) will be still well above the 'B' median of 56.4%. Moreover, general govt debt interest/revenue (at ~37% in FY29) is still almost treble the current 'B' median of 13.9%.
(2) *Greater geopolitical risk impacting Suez Canal revenue*: Fitch expects Suez Canal revenue to recover only gradually to around half of the FY23 level in FY26
(3) Tourism revenue steady: Tourist revenue has been relatively resilient, broadly unchanged in FY24.
(4) *High unemployment*: High inflation and structural challenges that include weak governance and high youth unemployment could give rise to lingering risks of greater social instability
(5) *Maintaining the deeper structural reform is challenging* Fitch thinks that maintaining the deeper structural reform – conditions attached to the IMF loan – to enhance private sector activity and competitiveness, is key to lift sustainable growth and avoid renewed build-up of external imbalances in the medium term. The rating agency assumes that the current administration is committed to reforms demand attached to the IMF loan.
(6) *Sizeable additional contingent liability*: Fitch thinks Egypt's large, complex, and still opaque broader public sector create sizeable additional contingent liability risk





*<u>Below is a summary of some major news flows from Egypt in past few weeks/months which have been indeed positive and supported the credit rally</u>***:**

*<u>IMF's positive remarks on Egypt</u>: The head of IMF is in Egypt to review the $8bn loan programme and she made some positive remarks on Egypt saying:

(1) Egypt is committed to reforms and the actions leading to macroeconomic stability
(2) The country has now "strong buffers" against external shocks
(3) She said Egypt would be able to generate the equivalent of 1% of gross domestic product in extra revenue over a 12-month period by reforming the tax

*<u>Asset Sale</u>: Egypt is targeting to raise around $2bn-$5bn from asset sale by the end of the current financial year which finishes in in June 2025. Indeed, last year the country said it would sale stake in 32 state owned entities ranging from banking and oil to real estate, insurance and ports. Some recent remarks made by govt:

(1) It would sell the 20% stake in holds in Alex Bank to Intesa Sanpaolo, which already owns 80% in Alex
(2) Stake sale in United Bank through local IPO in Q1 of 2025

*<u>Eurobond issue</u>: According to Bloomberg News, Finance Minister Ahmed Kouchouk told some international investors in several in-person meetings in London in September 2024, Egypt is planning to sell eurobonds as soon as this fiscal year that started in July 2024. This would be Egypt's first foray into US$ bond sale since 2021. As the country was grappling through the fiscal challenges, Egypt took a pause from the mainstream Eurobonds market, but did issue a Samurai bond in 2022 and a Panda bond n 2023 to diversify its sources of funding

*<u>FDI</u>: On the FDI side also, Egypt is progressing well, capitalizing its GCC ties.

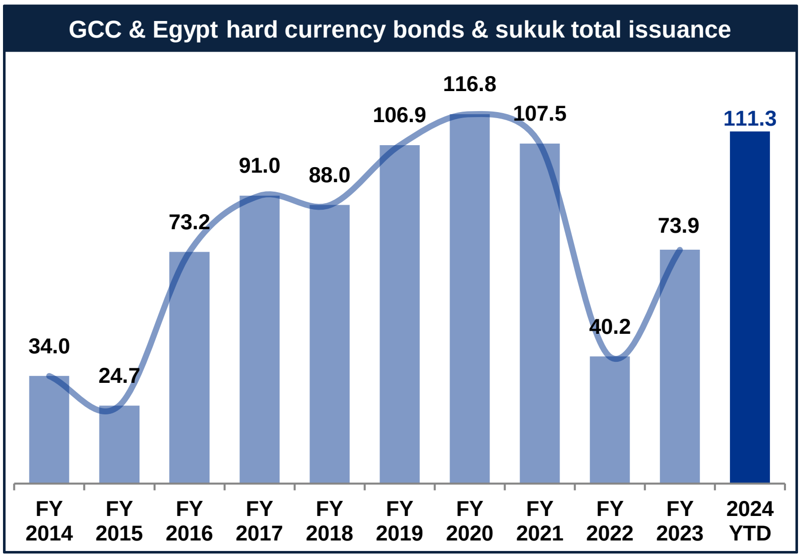
(1) PIF would invest $5bn in Egypt and this is on top on the support Egypt already received from Saudi - e.g. -
    - The $5.3bn medium to long-term deposits Saudi has made in Egypt's central bank
    - Saudi also made a $5bn short-term deposits in 2022, which is believed to have been rolled over
(2) The $5bn PIF investment is the 1st phase of investment commitments from Saudi, so more could follow later
(3) Egypt has said it will offer investors 5 new coastal areas sites for development along the Red Sea, including Ras Benas. This is aimed to attract further investments in deals similar to UAE's $24bn Ras El-Hekma agreement

*<u>Remittance inflows</u>: On the remittance front, the inflows have increased by 32.4% yoy in the first seven months of 2024 to reach $15.5bn. The CBE noted that remittances in July 2024 rose for the fifth consecutive month, soaring by 86.8% year-on-year reaching $3bn

<u>YTD new issuance from the 'GCC & Egypt' (hard currency bonds) – now reached $111bn</u>, now at the second highest level after FY 2020 in the regional market's history.

(1) Issuance from Saudi Arabia now accounts 50% of this, taking the figures to ~$55bn – that's the highest amount of issuance from KSA ever in a single year, surpassing FY 2023 when it hit $41bn
    a) KSA Sovereign bonds were $17bn
    b) PIF issued $9.8bn
    c) Aramco raised $9bn and Greensaif Pipeline issued $3bn and
    d) KSA Financials have printed around $12.6bn and expect more to come from them

(2) UAE issuers have raised ~$36bn this year accounting 33% of the total issuance
(3) In terms of Conventional and Sukuk split – volume wise the ratio is 61%:39%
(4) However, by count we have seen 51 Sukuk prints this year (size above $200m) vs 36 last year, which was the highest ever for a single year. Of the 51 Sukuk, 22 came from KSA and 14 from the UAE.



2024 YTD Issuance Spilt		
UAE	$36.4bn	33%
KSA	$54.9bn	50%
Qatar	$10.4bn	9%
Bahrain	$3.5bn	3%
Oman	$2.7bn	2%
Kuwait	$3.4bn	3%
Egypt	-	-
Sov	$30.3bn	27%
Fin	$35.7bn	32%
GREs	$42.6bn	39%
Corp	$2.7bn	2%
Conventional bonds	$68.2bn	61%
Islamic bonds (Sukuk)	$43.1bn	39%

Note: *Hard currency (US$, €, £, AU$, JP¥, CA$, CHF) bonds & sukuk issuances from the six nations in the GCC & Egypt; This includes both fixed and floating rate issuances of $100m or above and maturity of 1-year or above; All figures are indicative figures as the analysis is limited by the availability of information from a third-party database; Source: Bloomberg / FAB

Continued…

GCC & Egypt New Issue Monitor (1/2)

Security	Pricing Date	Issuer Type	Sukuk	ESG	CCY	Issue Tenor	Issue Amount (MM)	Pricing Spread	Current Price	Price Δ	Current Spread	Spread Δ
FABUH 4.779 1/29 S 4.2Y	8-Jan-24	Fin	Y	N	USD	5y	800	T+85	99.855	-0.145	T+59	-26
KSA 4.75 1/30 5.1Y	8-Jan-24	Sov	N	N	USD	6y	3250	T+90	99.302	+0.007	T+68	-22
KSA 5 1/34 9.1Y	8-Jan-24	Sov	N	N	USD	10y	4000	T+110	99.391	+0.398	T+78	-32
KSA 5.75 1/54 29.1Y	8-Jan-24	Sov	N	N	USD	30y	4750	T+170	97.918	+0.126	T+140	-30
KFHKK 5.011 1/29 S 4.1Y	10-Jan-24	Fin	Y	N	USD	5y	1000	T+105	100.324	+0.324	T+69	-36
OTELSU 5.375 1/31 S 6.2Y	17-Jan-24	Corp-GRE	Y	N	USD	7y	500	T+131	100.251	+0.251	T+106	-25
QIIKQD 5.247 1/29 S 4.2Y	17-Jan-24	Fin	Y	Y	USD	5y	750	T+160	102.568	+2.568	T+33	-127
BSFR 5 1/29 S 4.2Y	18-Jan-24	Fin	Y	N	USD	5y	700	T+105	100.484	+0.838	T+64	-41
PIFKSA 5 1/29 4.2Y	22-Jan-24	Corp-GRE	N	N	USD	5y	1750	T+115	99.852	+0.636	T+80	-35
PIFKSA 5.25 1/34 9.2Y	22-Jan-24	Corp-GRE	N	N	USD	10y	1750	T+145	100.311	+2.627	T+88	-57
PIFKSA 5.375 1/54 29.2Y	22-Jan-24	Corp-GRE	N	N	USD	30y	1500	T+205	90.303	+3.685	T+159	-46
QNBK 4.875 1/29 4.2Y	23-Jan-24	Fin	N	N	USD	5y	1000	T+100	99.993	+0.793	T+63	-37
BHRAIN 6 2/31 S 6.2Y	6-Feb-24	Sov	Y	N	USD	7y	1000	T+193	102.156	+2.156	T+126	-67
BHRAIN 7.5 2/36 11.2Y	6-Feb-24	Sov	N	N	USD	12y	1000	T+341	104.472	+4.472	T+260	-81
SECO 4.942 2/29 S 4.2Y	6-Feb-24	Corp-GRE	Y	N	USD	5y	800	T+90	100.421	+0.421	T+58	-32
SECO 5.194 2/34 S 9.2Y	6-Feb-24	Corp-GRE	Y	N	USD	10y	1400	T+110	101.000	+1.000	T+74	-36
ISCODV 4.95 2/29 S 4.2Y	7-Feb-24	Supra	Y	N	USD	5y	500	T+92	100.598	+0.598	T+53	-39
MAZOON 5.5 2/29 S 4.2Y	7-Feb-24	Corp-GRE	Y	N	USD	5y	500	T+160	100.602	+1.243	T+109	-51
ESICSU 5.831 2/29 S 4.2Y	7-Feb-24	Corp	Y	N	USD	5y	700	T+180	102.126	+2.126	T+100	-80
SNBAB 5.129 2/29 S 4.3Y	20-Feb-24	Fin	Y	Y	USD	5y	850	T+90	100.849	+0.849	T+67	-23
FABUH 5 2/29 4.3Y	21-Feb-24	Fin	N	N	USD	5y	850	T+90	100.375	+1.116	T+69	-21
BINHLD 9.625 2/27 S 2.3Y	22-Feb-24	Corp	Y	N	USD	3y	500	T+515	104.461	+4.461	T+308	-207
DIBUH 5.243 3/29 S 4.3Y	26-Feb-24	Fin	Y	Y	USD	5y	1000	T+95	101.000	+1.000	T+73	-22
PIFKSA 5.171 3/31 S 6.3Y	27-Feb-24	Corp-GRE	Y	N	USD	7y	2000	T+85	101.362	+1.362	T+65	-20
SHJGOV 6.125 3/36 11.3Y	28-Feb-24	Sov	N	Y	USD	12y	1000	T+195	99.759	+0.670	T+184	-11
ALINMA Perp 3/29 S 4.3Y to Call	28-Feb-24	Fin	Y	N	USD	Perp	1000	T+234	103.675	+3.675	T+129	-105
ARACEN 9.5 3/29 S 4.3Y	29-Feb-24	Corp	Y	N	USD	5y	600	T+534	101.910	+1.910	T+454	-80
RJHIAB 5.047 3/29 S 4.3Y	5-Mar-24	Fin	Y	Y	USD	5y	1000	T+90	100.976	+0.976	T+56	-34
DHBKQD 5.25 3/29 4.3Y	5-Mar-24	Fin	N	N	USD	5y	500	T+130	99.845	+0.650	T+106	-24
MUBAUH 4.959 4/34 S 9.4Y	26-Mar-24	Corp-GRE	Y	N	USD	10y	1000	T+70	100.523	+0.523	T+57	-13
COMQAT 5.375 3/29 4.3Y	26-Mar-24	Fin	N	N	USD	5y	750	T+125	101.596	+2.140	T+73	-52
ADGB 4.875 4/29 4.4Y	23-Apr-24	Sov	N	N	USD	5y	1750	T+35	100.964	+1.363	T+43	+8
ADGB 5 4/34 9.4Y	23-Apr-24	Sov	N	N	USD	10y	1500	T+45	101.478	+1.820	T+50	+5
ADGB 5.5 4/54 29.4Y	23-Apr-24	Sov	N	N	USD	30y	1750	T+90	102.022	+3.695	T+87	-3
KIBKK Perp 5/29 S 4.4Y to Call	24-Apr-24	Fin	Y	N	USD	Perp	300	T+195	103.043	+3.043	T+167	-28
APICOR 5.428 5/29 4.4Y	25-Apr-24	Supra	N	Y	USD	5y	750	T+74	101.633	+1.633	T+79	+5
ADQABU 5.375 5/29 4.4Y	30-Apr-24	Corp-GRE	N	N	USD	5y	1250	T+80	101.814	+2.345	T+69	-11
ADQABU 5.5 5/34 9.4Y	30-Apr-24	Corp-GRE	N	N	USD	10y	1250	T+90	102.882	+3.375	T+79	-11
ALDAR 5.5 5/34 S 9.5Y	8-May-24	Corp-GRE	Y	Y	USD	10y	500	T+110	103.173	+3.810	T+75	-35
ISDB 4.754 5/29 S 4.5Y	8-May-24	Supra	Y	N	USD	5y	2000	T+50	101.330	+1.330	T+18	-32
RJHIAB Perp 5/29 S 4.5Y to Call	9-May-24	Fin	Y	Y	USD	Perp	1000	T+189	103.940	+3.940	T+115	-75
EIBUH 5.431 5/29 S 4.5Y	21-May-24	Fin	Y	Y	USD	5y	750	T+100	102.598	+2.598	T+55	-45
QATAR 4.625 5/29 4.5Y	21-May-24	Sov	N	Y	USD	5y	1000	T+30	100.763	+1.265	T+22	-8
QATAR 4.75 5/34 9.5Y	21-May-24	Sov	N	Y	USD	10y	1500	T+40	100.898	+1.433	T+34	-6
MUBAUH 5.294 6/34 9.5Y	23-May-24	Corp-GRE	N	N	USD	10y	750	T+80	101.276	+1.276	T+81	+1
KSA 5.25 6/27 S 2.5Y	28-May-24	Sov	Y	N	USD	3y	1250	T+60	101.209	+1.521	T+47	-13
KSA 5.25 6/30 S 5.5Y	28-May-24	Sov	Y	N	USD	6y	1500	T+75	101.453	+1.955	T+72	-3
KSA 5.25 6/34 S 9.5Y	28-May-24	Sov	Y	N	USD	10y	2250	T+85	102.053	+3.216	T+67	-18
GULINT 5.75 6/29 4.5Y	29-May-24	Fin	N	N	USD	5y	500	T+130	102.687	+3.460	T+85	-45
NTBKKK 5.5 6/30 5.5Y	30-May-24	Fin	N	Y	USD	6y	500	T+95	101.962	+2.057	T+78	-17
BBK 6.875 6/29 4.5Y	30-May-24	Fin	N	N	USD	5y	500	T+230	102.265	+2.265	T+206	-24
MASQUH Perp 6/29 4.5Y to Call	3-Jun-24	Fin	N	N	USD	Perp	500	T+276	103.734	+3.734	T+200	-76
PIFKSA 5.125 6/29 4.5Y	4-Jun-24	Corp-GRE	N	N	GBP	5y	300	UKT+115	99.904	+0.382	T+99	-16
PIFKSA 5.625 6/39 14.5Y	4-Jun-24	Corp-GRE	N	N	GBP	15y	350	UKT+125	98.647	-0.992	T+120	-5
ARADAD 8 6/29 S 4.6Y	11-Jun-24	Corp-GRE	Y	N	USD	5y	550	T+358	103.833	+3.833	T+276	-82
UAE 4.857 7/34 9.6Y	25-Jun-24	Sov	N	N	USD	10y	1500	T+60	100.331	+0.331	T+51	-9
SIB 5.25 7/29 S 4.6Y	26-Jun-24	Fin	Y	N	USD	5y	500	T+105	101.557	+2.146	T+65	-40
ENEDEV 5.662 7/31 S 6.6Y	26-Jun-24	Corp-GRE	Y	N	USD	7y	750	T+135	101.194	+1.194	T+118	-17
WARBAB 5.351 7/29 S 4.6Y	3-Jul-24	Fin	Y	Y	USD	5y	500	T+105	101.412	+1.412	T+80	-25

Source: Bloomberg/FAB

GCC & Egypt New Issue Monitor (2/2)

Security	Pricing Date	Issuer Type	Sukuk	ESG	CCY	Issue Tenor	Issue Amount (MM)	Pricing Spread	Current Price	Price Δ	Current Spread	Spread Δ
SHJGOV 4.625 1/31 6.1Y	10-Jul-24	Sov	N	Y	EUR	7y	500	MS+190	100.662	+1.010	MS+226	+36
ARAMCO 5.25 7/34 9.6Y	10-Jul-24	Corp-GRE	N	N	USD	10y	2000	T+105	100.561	+1.221	T+87	-18
ARAMCO 5.75 7/54 29.6Y	10-Jul-24	Corp-GRE	N	N	USD	30y	2000	T+145	96.892	-0.571	T+148	+3
ARAMCO 5.875 7/64 39.6Y	10-Jul-24	Corp-GRE	N	N	USD	40y	2000	T+155	96.512	-1.127	T+161	+6
FABUH 5.804 1/35 10.1Y	9-Jul-24	Fin	N	N	USD	11y	750	T+155	101.121	+1.121	T+131	-24
GASBCM 5.8528 2/36 11.2Y	17-Jul-24	Corp-GRE	N	N	USD	12y	1400	T+170	99.845	-0.156	T+158	-12
GASBCM 6.1027 8/42 17.7Y	17-Jul-24	Corp-GRE	N	N	USD	18y	1600	T+195	99.737	-0.263	T+182	-13
MASDAR 4.875 7/29 4.7Y	18-Jul-24	Corp-GRE	N	Y	USD	5y	500	T+95	99.358	+0.062	T+81	-14
MASDAR 5.25 7/34 9.7Y	18-Jul-24	Corp-GRE	N	Y	USD	10y	500	T+115	99.569	+0.099	T+100	-15
RAKBNK 5.375 7/29 4.7Y	18-Jul-24	Fin	N	Y	USD	5y	600	T+135	101.510	+1.787	T+80	-55
EQPCKW 5 9/31 S 6.8Y	29-Aug-24	Corp-GRE	Y	N	USD	7y	750	T+140	100.758	+1.763	T+61	-79
RAKBNK 5.8732 12/34 10Y	3-Sep-24	Fin	N	N	USD	10y	250	T+221	100.506	+0.506	T+153	-68
ADCBUH 5.361 3/35 10.3Y	3-Sep-24	Fin	N	N	USD	11y	500	T+170	99.670	-0.330	T+120	-50
PIFKSA 5.25 10/32 7.9Y	5-Oct-22	Corp - GRE	N	Y	USD	10y	1750	T+107	100.443	+1.613	T+86	-21
PIFKSA 4.375 9/27 S 2.8Y	3-Sep-24	Corp - GRE	Y	N	USD	3y	1500	T+75	98.447	-1.239	T+72	-3
BOSUH 5.25 9/29 4.8Y	4-Sep-24	Fin	N	N	USD	5y	500	T+190	98.559	-0.460	T+137	-53
ADNOCM 4.25 9/29 4.8Y	4-Sep-24	Corp - GRE	N	N	USD	5y	1000	T+70	97.102	-2.778	T+70	+0
ADNOCM 4.5 9/34 9.8Y	4-Sep-24	Corp - GRE	N	N	USD	10y	1500	T+85	95.589	-3.411	T+78	-7
ADNOCM 5.125 9/54 29.8Y	4-Sep-24	Corp - GRE	N	N	USD	30y	1500	T+115	93.645	-4.804	T+106	-9
ALAHKW Perp 9/29 4.8Y to Call	5-Sep-24	Fin	N	N	USD	Perp	300	T+293	101.139	+1.139	T+204	-89
QIBKQD 4.485 9/29 S 4.8Y	10-Sep-24	Fin	Y	N	USD	5y	750	T+100	99.391	-0.609	T+39	-61
QIIKQD Perp 10/29 S 4.9Y to Call	24-Sep-24	Fin	Y	N	USD	Perp	300	T+193	100.532	+0.532	T+111	-82
ARAMCO 4.25 10/29 S 4.8Y	25-Sep-24	Corp - GRE	Y	N	USD	5y	1500	T+85	97.303	-2.154	T+66	-19
ARAMCO 4.75 10/34 S 9.8Y	25-Sep-24	Corp - GRE	Y	N	USD	10y	1500	T+100	98.192	-1.564	T+67	-33
ADQABU 4.375 10/31 6.8Y	25-Sep-24	Corp - GRE	N	N	USD	7y	1000	T+85	96.880	-2.477	T+67	-18
ADQABU 5.25 10/54 29.8Y	25-Sep-24	Corp - GRE	N	N	USD	30y	1000	T+120	94.528	-4.266	T+113	-7
RIBL Perp 10/29 S 4.9Y to Call	26-Sep-24	Fin	Y	Y	USD	Perp	750	T+199	98.384	-1.616	T+166	-33
DUKHAN 4.56 10/29 S 4.9Y	2-Oct-24	Fin	Y	N	USD	5y	800	T+100	99.522	-0.478	T+43	-57
MAZOON 5.25 10/31 S 6.9Y	2-Oct-24	Corp - GRE	Y	N	USD	7y	750	T+165	99.356	-0.384	T+111	-54
TAQAUH 4.375 10/31 6.9Y	2-Oct-24	Corp - GRE	N	N	USD	7y	900	T+85	96.337	-2.955	T+77	-8
TAQAUH 4.75 3/37 12.3Y	2-Oct-24	Corp - GRE	N	Y	USD	12y	850	T+105	95.763	-3.473	T+91	-14
CBDUH 4.864 10/29 4.9Y	3-Oct-24	Fin	N	N	USD	5y	500	T+125	99.466	-0.534	T+77	-48
QTELQD 4.625 10/34 9.9Y	3-Oct-24	Corp - GRE	N	N	USD	10y	500	T+88	96.897	-2.400	T+71	-17
ISDB 4.047 10/29 S 4.9Y	8-Oct-24	Fin	Y	N	USD	5y	1250	T+16	98.464	-1.536	T+16	-0
SHARSK 5.433 4/35 S 10.4Y	8-Oct-24	Sov	Y	N	USD	11y	750	T+140	99.468	-0.532	T+118	-22
DIBUH Perp 4/30 S 5.4Y to Call	9-Oct-24	Fin	Y	N	USD	Perp	500	T+133	98.816	-1.184	T+127	-6
GFHSUK 7.5 11/29 S 4.9Y	23-Oct-24	Fin	Y	N	USD	5y	500	T+350	98.222	-1.778	T+371	+21
ISDB 2.798 11/29 S 4.9Y	30-Oct-24	Fin	Y	N	EUR	5y	500	OBL+63	100.692	+0.692	T+55	-8
EBIUH 5.141 11/29 5Y	19-Nov-24	Fin	N	N	USD	5y	500	T+90	100.982	+0.982	T+69	-21
SIBCAB Perp 11/29 S 5Y to Call	20-Nov-24	Fin	Y	Y	USD	Perp	750	T+209	100.796	+0.796	T+197	-12

Source: Bloomberg/FAB

FAB Global Markets

Credit Trading

Tahir Aslam
Head of Credit Trading
Tahir.Aslam@bankfab.com

Golib Zohidov
Exc Director – HY Credit Trading
Golibjon.Zohidov@bankfab.com

Rishi Jobanputra
Director- IG Credit Trading
Rishi.Jobanputra@bankfab.com

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