The Saudi Arabian Monetary Agency (SAMA) announced that the size of the reserve assets decreased by the end of February, compared to the previous month (January), down by 0.9%, equivalent to 17 billion riyals.

The total reserves of the Saudi Arabian Monetary Agency include gold, special drawing rights, reserves with the International Monetary Fund, foreign exchange and deposits abroad, in addition to investments in securities abroad.

According to SAMA, the change in the size of the reserve assets was a result of the decrease in foreign exchange and deposits abroad.

On the other hand, the Saudi reserve assets abroad increased by the end of February 2.6% on an annual basis, equivalent to 47.6 billion riyals, after it was 1.817 trillion riyals at the end of February 2019. While the balance of "reserves" in Saudi Arabia stabilized from Gold stood at 1.62 billion riyals, the same level it has maintained since February 2008.

Source (Al-Arabiya.net Website, Edited)
Standard & Poor's Adjusts the Credit Rating of Bahrain & Oman

Standard & Poor's credit rating agency modified the rating of both the Sultanate of Oman and the Kingdom of Bahrain, as it lowered the rating of the Sultanate of Oman to (BB-) due to the high external and debt risks, with a negative outlook, expecting that the sharp decline in oil prices in 2020 will increase financial and external pressures on Oman, which will lead to a faster deterioration in the financial situation of the government.

The agency announced that major external debt receivables in 2021-2022, along with a high budget deficit, could boost pressure on financing and borrowing costs for the Sultanate of Oman. It also considered that the negative outlook reflects risks despite the Sultanate's medium-term financial control plans, and that implementation may be insufficient to curb the rise in debt, noting that the Omani debt structure is highly vulnerable to being affected by declining morale of foreign investors in light of the partial blurring caused by the Covid – 19 pandemic.

As for Bahrain, Standard & Poor's has revised the outlook for Bahrain to stable from positive due to expectations of lower oil price, granting Bahrain a rating of (B/B+), revealing that the stable outlook is due to expectations that its neighbors will provide timely support in a situation where oil prices are low.

The agency also showed that despite efforts to increase the non-energy revenues, Bahrain's revenues remain dependent on oil, and is therefore highly vulnerable to energy price shocks. Indicating that it does not expect the government of Bahrain to make significant cuts in spending despite the oil price shock.

Source (London Arab newspaper, Edited)