

News Updates

Inflation in Kuwait climbed 4.15% in August – The consumer prices on an annual basis grew by 4.15% in August, according to the State of Kuwait Central Statistical Bureau. In a statement to KUNA, the bureau indicated that inflation rate in Kuwait increased by 0.08% on a monthly basis in August due to rise of prices of all main groups that influence movement of the key indices, namely food and education. Consumer price index for the food and beverage group rose in August by 6.89%, in comparison to the same month last year. *(Source: Kuwait Times)*

Saudi Arabia Is Seen Planning Budget Around Sub-\$80 Oil for 2023 – Saudi Arabia is budgeting for Brent oil at around \$76 a barrel next year, according to Al Rajhi Capital, an outlook in line with current forward prices but far more bearish than expected by analysts. The Finance Ministry said in a preliminary budget statement on Friday that it projects revenues next year at 1.12 trillion riyals (\$298 billion), higher than a previous estimate published in December of 968 billion riyals. It envisages a budget surplus of 9 billion riyals, lower than estimated earlier. *(Source: Bloomberg)*

S&P Cuts Turkey’s Debt Rating Further into Junk on Loose Policy – S&P Global Ratings downgraded Turkey’s sovereign credit rating deeper into junk territory in its latest review, citing concerns over the country’s ultra-loose monetary policy. The rating company lowered Turkey to B from B+, leaving it on par with Mongolia and Egypt. The outlook on the rating is stable, it said. *(Source: Bloomberg)*

Fed policymakers press ahead with inflation fight, even with markets in turmoil – Federal Reserve policymakers will press ahead with raising U.S. borrowing costs to fight the corroding effects of too-high inflation, taking in stride both turmoil in global financial markets and early signs their actions are weakening the job market. "I'm quite comfortable" with raising interest rates to 4%-4.5% this year and 4.5%-5% next year, San Francisco Fed President Mary Daly said adding she expects that rates will need to stay at that level for all of 2023. Those ranges encompass what the majority of Daly's fellow policymakers wrote in their rate path projections published last week *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	4.52	-12.96	KSA	2027	4.56	-11.13
Abu Dhabi	2031	4.65	-18.46	KSA	2032	4.78	-17.99
Abu Dhabi	2050	5.10	-30.46	KSA	2050	5.70	-29.40
Bahrain	2028	7.07	-10.63	Oman	2027	6.88	-10.55
Bahrain	2032	8.46	-18.25	Oman	2032	7.35	-14.63
Bahrain	2051	9.27	-24.54	Oman	2051	8.65	-21.87
Dubai	2029	4.40	-11.35	Qatar	2026	4.55	-10.55
Dubai	2050	6.25	-29.28	Qatar	2030	4.73	-16.40
Kuwait	2027	4.39	-11.79	Qatar	2050	5.20	-29.47

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.57	8.08	0.06	-14.37
S&P MENA Bond and Sukuk Index	5.15	NA	-0.42	-15.20
Bloomberg Emerging Markets USD Index	8.16	6.80	-0.03	-20.50
Bloomberg Global Aggregate Index	3.70	7.42	0.22	-19.89

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	02/10/2022	31/12/2021	02/10/2022	31/12/2021	02/10/2022	31/12/2021
KIBOR	2.9375	1.5000	3.2500	1.7500	3.5625	2.0000
SAIBOR	4.1181	0.9057	4.5669	0.9829	5.0418	1.0600
BHIBOR	5.0000	1.5167	5.2333	1.6233	5.6167	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	3.5588	0.3645	4.0606	0.7000	4.3930	0.7396
EURIBOR	1.1730	-0.5730	1.8090	-0.5460	2.5560	-0.4980
LIBOR	3.7547	0.2144	4.2320	0.3451	4.7806	0.5888

	USD Swap Rates			Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	4.5799	2.87	756.1	KWD	0.3085	0.0324	-1.94	Crude Oil	85.14	16.07
2-Year	4.5460	5.36	382.9	SAR	3.7575	0.0452	-0.06	Gold	1,672.00	-9.17
5-Year	4.1412	6.72	202.4	EUR	0.9811	-0.1325	-13.79	Silver	19.04	-19.10
7-Year	4.0036	5.09	171.3	GBP	1.1185	0.4767	-17.45	Copper	341.25	-22.61
10-Year	3.8770	3.33	145.2	JPY	144.8000	-0.1935	-20.49	Nat. Gas	6.77	78.71
30-Year	3.3540	3.38	93.7	CNH	7.1485	-0.6175	-10.99	Aluminum	2,164.25	-22.21

	US Treasuries		UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	4.28	-0.16	4.17	0.22	NA	NA
5-Year	4.09	-0.32	4.36	0.17	1.67	0.06
10-Year	3.83	-0.30	4.08	0.41	1.98	0.36
30-Year	3.78	-0.80	3.81	1.66	2.07	0.96

	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	B3	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	02-Oct 2022	31-Dec 2021
Kuwait	58.92	40.53
KSA	59.23	50.97
Abu Dhabi	48.30	43.09
Dubai	111.37	89.58
Qatar	57.94	42.55
Bahrain	293.06	286.32
Oman	264.64	254.42
Iraq	805.46	507.35
Egypt	NA	496.58
Morocco	281.10	85.91
Turkey	776.58	555.46
US	26.00	10.01
UK	44.86	8.91
China	107.69	39.86
Japan	26.73	16.23
Germany	22.41	7.53
France	30.13	17.87