

News Updates

Kuwait’s economy likely to grow by 7% in 2022 – The Institute of Chartered Accountants in England and Wales (ICAEW) stated in its latest reports that the rise in oil prices and production has led to an enhanced economic outlook for Kuwait, and is likely to grow by 7 percent in 2022, compared to 2.5 percent in 2021, reports Al-Rai daily. The institute indicated that the abolition of restrictions related to the Corona virus in Kuwait paved the way for a strong recovery in economic activity after a modest decline in the first quarter of the year, expecting the non-oil sector to grow by 4.7% this year, on the back of high consumer spending and strong real estate sales, after a 3.1 percent growth last year. *(Source: Arab Times)*

Saudi Arabia posts almost \$21 billion second-quarter surplus – Saudi Arabia has registered a budget surplus of nearly 78 billion riyals (\$21 billion) in the second quarter of 2022, the finance ministry said on Thursday, an almost 50% rise from a year earlier, bolstered by high oil prices. Revenue in the second quarter reached 370.37 billion riyals and expenditure was 292.46 billion, the ministry said. *(Source: Reuters)*

Oman Energy Firm to Leverage Oil Block With \$1 Billion Bond Sale – Energy Development Oman, the state-backed company that controls one of the Middle East’s largest oil blocks, plans to sell at least \$1 billion of Islamic bonds, according to people with knowledge of the matter, as the sultanate takes advantage of higher energy prices to bolster its finances. EDO, as the firm is known, will use the funds from the Ijara sukuk for corporate purposes and the bonds will be backed by gas-concession assets, the people said. Standard Chartered Plc is helping to arrange the sale, they said. Oman is leveraging its energy assets as its economy benefits from a surge in oil prices. *(Source: Bloomberg)*

Treasury Yields Leap as Jobs Data Spur Bets on Bigger Fed Hikes – Treasury yields surged on stronger-than-expected US employment data that shore up the case for additional hefty central bank interest-rate increases. The move was led by two- to five-year yields as swap contracts referencing Federal Reserve meeting dates repriced to levels indicating that another 75-basis-point increase in September is more likely than 50 basis points, the previous consensus. The two-year note’s yield rose as much as 22 basis points to 3.26%, versus 18 basis points for the 10-year. Benchmark yields were trading near session highs late in New York. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.05	-7.01	KSA	2027	3.14	-6.12
Abu Dhabi	2031	3.38	-10.35	KSA	2032	3.48	-9.03
Abu Dhabi	2050	4.17	-19.13	KSA	2050	4.76	-19.11
Bahrain	2028	6.00	-6.25	Oman	2027	5.15	-4.33
Bahrain	2032	7.33	-11.28	Oman	2032	6.07	-6.34
Bahrain	2051	8.32	-16.20	Oman	2051	7.32	-9.10
Dubai	2029	3.79	-8.16	Qatar	2026	3.13	-6.18
Dubai	2050	5.62	-21.72	Qatar	2030	3.48	-9.86
Kuwait	2027	3.14	-7.11	Qatar	2050	4.22	-17.97

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.46	8.08	-0.14	-8.48
S&P MENA Bond and Sukuk Index	4.03	NA	-0.09	-8.74
Bloomberg Emerging Markets USD Index	6.90	6.80	-0.40	-15.08
Bloomberg Global Aggregate Index	2.73	7.42	-1.02	-12.85

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	07/08/2022	31/12/2021	07/08/2022	31/12/2021	07/08/2022	31/12/2021
KIBOR	2.3750	1.5000	2.6250	1.7500	2.9375	2.0000
SAIBOR	3.0156	0.9057	3.4091	0.9829	3.9033	1.0600
BHIBOR	4.1417	1.5167	4.4333	1.6233	5.0583	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	2.7925	0.3645	3.1368	0.7000	3.4474	0.7396
EURIBOR	0.2770	-0.5730	0.6780	-0.5460	1.0230	-0.4980
LIBOR	2.8667	0.2144	3.4256	0.3451	3.8599	0.5888

USD Swap Rates			Currencies			Commodities				
Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)			
1-Year	3.6520	14.62	582.6	KWD	0.3068	-0.0489	-1.39	Crude Oil	94.92	27.74
2-Year	3.4975	17.22	271.6	SAR	3.7578	-0.0080	-0.06	Gold	1,791.20	-2.70
5-Year	2.9983	15.29	118.9	EUR	1.0191	-0.6149	-10.44	Silver	19.84	-15.41
7-Year	2.9118	14.46	97.3	GBP	1.2084	-0.7155	-10.78	Copper	355.20	-19.83
10-Year	2.8913	13.42	82.9	JPY	135.1300	-1.5703	-14.76	Nat. Gas	8.06	121.23
30-Year	2.7762	9.44	60.4	CNH	6.7715	-0.2187	-6.04	Aluminum	2,426.75	-13.16

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)	
2-Year	3.23	-0.34	1.92	-0.20	NA	NA
5-Year	2.96	-0.74	1.86	-0.71	0.40	-0.29
10-Year	2.83	-1.18	2.04	-1.60	0.73	-1.07
30-Year	3.07	-1.91	2.43	-2.59	1.15	-2.66

	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	B2	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	07-Aug 2022	31-Dec 2021
Kuwait	63.09	40.53
KSA	57.01	50.97
Abu Dhabi	54.41	43.09
Dubai	122.52	89.58
Qatar	56.36	42.55
Bahrain	303.73	286.32
Oman	284.06	254.42
Iraq	730.68	507.35
Egypt	NA	496.58
Morocco	284.02	85.91
Turkey	731.23	555.46
US	18.84	10.01
UK	15.45	8.91
China	77.28	39.86
Japan	20.63	16.23
Germany	14.72	7.53
France	24.05	17.87