

News Updates

Egypt plans to issue \$6bn in international bonds – Egypt plans to issue international bonds worth between \$6 billion this year, according to what a government source told Asharq. In the 2022-2023 budget, Egypt plans to obtain external financing by about 146.4 billion Egyptian pounds, which means an increase in the volume of external financing by about 87 percent over last year. Meanwhile, last March Egypt offered for the first time international bonds denominated in Japanese yen in the Japanese market, with a value of \$500 million. *(Source: Arab News)*

Lebanon Affirmed at RD by Fitch – Fitch Ratings has affirmed Lebanon's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'Restricted Default' (RD) and Long-Term Local-Currency IDR at 'CC'. Fitch stated that Lebanon remains in RD on its foreign-currency government debt, following the sovereign's failure to pay the principal on the Eurobond that matured on 9 March 2020. The government has stopped servicing its outstanding stock of Eurobonds pending a debt restructuring. Local-currency government debt is being serviced to private creditors and could be spared from a restructuring, although considerable uncertainty remains, in Fitch's view. *(Source: Fitch Ratings)*

Fed Minutes May Reveal Inclinations on Size of Next Rate Hike – An account of the debate at the Federal Reserve's July policy meeting will probably offer clues as to what would push the central bank to go big with tightening yet again in September. Fed officials' decision at their July 26-27 gathering to raise their benchmark interest rate by three quarters of a percentage point for a second straight month marked the fastest pace of tightening since the early 1980s. And since then, betting in financial markets on the size of the next move in September has swung between 50 and 75 basis points on reports alternately showing a stronger-than-expected labor market and inflation below forecasts. The minutes, due out at 2 p.m. in Washington on Wednesday, probably won't settle the matter. But they could indicate what kind of data Fed officials would need to see to favor another “unusually large” increase, which Chair Jerome Powell, at a press conference following the July meeting, said could be on the table for the Sept. 20-21 gathering as well. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.01	-6.80	KSA	2027	3.20	-6.21
Abu Dhabi	2031	3.36	-10.13	KSA	2032	3.46	-8.86
Abu Dhabi	2050	4.19	-19.39	KSA	2050	4.76	-19.13
Bahrain	2028	5.67	-4.69	Oman	2027	5.07	-3.94
Bahrain	2032	6.78	-7.56	Oman	2032	5.74	-3.99
Bahrain	2051	7.86	-11.50	Oman	2051	7.12	-6.82
Dubai	2029	3.83	-8.32	Qatar	2026	3.19	-6.28
Dubai	2050	5.48	-20.29	Qatar	2030	3.51	-9.82
Kuwait	2027	3.16	-7.16	Qatar	2050	4.28	-18.68

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.42	8.08	-0.27	-8.19
S&P MENA Bond and Sukuk Index	4.04	NA	-0.20	-8.86
Bloomberg Emerging Markets USD Index	6.69	6.80	0.06	-14.18
Bloomberg Global Aggregate Index	2.74	7.42	-0.28	-12.49

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	15/08/2022	31/12/2021	15/08/2022	31/12/2021	15/08/2022	31/12/2021
KIBOR	2.5000	1.5000	2.8125	1.7500	3.1250	2.0000
SAIBOR	3.0245	0.9057	3.4306	0.9829	3.8838	1.0600
BHIBOR	4.1417	1.5167	4.4583	1.6233	5.0954	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	2.7780	0.3645	3.2693	0.7000	3.5377	0.7396
EURIBOR	0.3330	-0.5730	0.7660	-0.5460	1.1630	-0.4980
LIBOR	2.9216	0.2144	3.5093	0.3451	3.9590	0.5888

USD Swap Rates			Currencies			Commodities				
Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)			
1-Year	3.6736	-0.22	586.7	KWD	0.3068	-0.0489	-1.39	Crude Oil	97.41	31.09
2-Year	3.5496	-0.23	277.1	SAR	3.7550	0.0373	0.01	Gold	1,811.80	-1.58
5-Year	3.0103	0.71	119.8	EUR	1.0247	-0.1170	-9.88	Silver	20.86	-11.39
7-Year	2.9171	0.90	97.7	GBP	1.2116	-0.1895	-10.47	Copper	362.40	-18.20
10-Year	2.8941	1.09	83.1	JPY	133.2600	0.1276	-13.64	Nat. Gas	8.61	136.32
30-Year	2.8124	0.88	62.5	CNH	6.7642	-0.3829	-6.02	Aluminum	2,438.15	-12.75

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)	
2-Year	3.24	0.01	2.02	-0.08	NA	NA
5-Year	2.96	-0.03	1.91	-0.22	0.50	-0.11
10-Year	2.84	-0.05	2.11	-0.53	0.76	-0.17
30-Year	3.11	-0.05	2.53	-1.50	1.22	-0.15

	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	15-Aug 2022	31-Dec 2021
Kuwait	62.51	40.53
KSA	48.41	50.97
Abu Dhabi	47.30	43.09
Dubai	113.83	89.58
Qatar	47.49	42.55
Bahrain	274.76	286.32
Oman	247.79	254.42
Iraq	641.73	507.35
Egypt	NA	496.58
Morocco	263.71	85.91
Turkey	649.90	555.46
US	17.85	10.01
UK	14.38	8.91
China	69.74	39.86
Japan	19.28	16.23
Germany	14.24	7.53
France	23.60	17.87