

News Updates

**Saudi-listed shipping firm Bahri closes \$1.04bn sukuk issuance** – National Shipping Co. of Saudi Arabia, better known as Bahri, has completed the issuance of SAR 3.9 billion (\$1.04 billion) sukuk, denominated in Saudi Riyals and maturing in seven years. The offering, led by Al Rajhi Capital, HSBC Saudi Arabia, and SNB Capital, started by mid-June, and the settlement was done on July 5. The Saudi-listed company earlier said it will use proceeds to refinance the existing sukuk which will mature this month. Bahri is a joint venture between Saudi Aramco and the Public Investment Fund, operating a fleet of 89 tankers and container ships that transport oil, petrochemicals, and other types of cargo. *(Source: Arab News)*

**Citi Says Oil May Collapse to \$65 by the Year-End on Recession** – Crude oil could collapse to \$65 a barrel by the end of this year and slump to \$45 by end-2023 if a demand-crippling recession hits, Citigroup Inc. has warned. That outlook is based on an absence of any intervention by OPEC+ producers and a decline in oil investments, analysts including Francesco Martoccia and Ed Morse said in a report. Oil has soared this year following the invasion of Ukraine, and banks are now trying to chart its course into 2023 as central banks raise interest rates and recessionary risks mount. Citi's outlook compared the current energy market with crises of the 1970s. At present, the bank's economists do not expect the US to dip into recession. *(Source: Bloomberg)*

**Federal Reserve officials warn entrenched inflation poses 'significant risk'** – Top Federal Reserve officials think entrenched inflation is a "significant risk" to the US economy and fear tighter monetary policy will be needed if price growth exceeds their expectations, according to an account of their most recent meeting. The minutes of the US central bank's June meeting, when the Fed delivered the first 0.75 percentage point rate rise since 1994, also showed that policymakers now support raising interest rates to the point at which economic activity is restrained, with the possibility that they could become "even more restrictive" if warranted by the data. The Fed will decide whether to raise rates by 0.50 percentage points or 0.75 percentage points at its meeting this month, although several officials have indicated their support for the larger increase. *(Source: Financial Times)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.21	-7.59	KSA	2027	3.42	-7.05
Abu Dhabi	2031	3.58	-11.87	KSA	2032	3.88	-12.09
Abu Dhabi	2050	4.40	-22.12	KSA	2050	4.99	-21.80
Bahrain	2028	6.37	-8.06	Oman	2027	5.93	-7.28
Bahrain	2032	7.58	-13.15	Oman	2032	6.74	-10.74
Bahrain	2051	8.53	-18.21	Oman	2051	7.87	-14.66
Dubai	2029	4.08	-9.60	Qatar	2026	3.13	-6.16
Dubai	2050	5.83	-24.29	Qatar	2030	3.66	-10.67
Kuwait	2027	3.26	-7.66	Qatar	2050	4.55	-22.13

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.66	8.08	0.05	-10.41
S&P MENA Bond and Sukuk Index	4.21	NA	-0.14	-10.65
Bloomberg Emerging Markets USD Index	7.16	6.80	-0.34	-17.04
Bloomberg Global Aggregate Index	2.83	7.42	-0.30	-14.05

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	07/07/2022	31/12/2021	07/07/2022	31/12/2021	07/07/2022	31/12/2021
KIBOR	2.1250	1.5000	2.3750	1.7500	2.6875	2.0000
SAIBOR	2.8692	0.9057	3.1720	0.9829	3.5470	1.0600
BHIBOR	3.6117	1.5167	4.0404	1.6233	4.7483	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	1.9453	0.3645	2.8352	0.7000	3.1971	0.7396
EURIBOR	-0.1450	-0.5730	0.2340	-0.5460	0.9390	-0.4980
LIBOR	2.3483	0.2144	2.9666	0.3451	3.5923	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	3.3026	-0.63	517.3	KWD	0.3072	-0.1140	-1.51	Crude Oil	101.54	35.75
2-Year	3.2310	-2.48	243.2	SAR	3.7548	0.0000	0.02	Gold	1,744.80	-4.96
5-Year	2.9937	-2.03	118.6	EUR	1.0208	0.2455	-10.23	Silver	19.33	-17.61
7-Year	2.9797	-1.53	101.9	GBP	1.1959	0.2683	-11.63	Copper	348.70	-21.30
10-Year	3.0034	-0.97	90.0	JPY	135.7500	0.1547	-15.22	Nat. Gas	5.57	52.37
30-Year	2.8627	0.40	65.4	CNH	6.6999	0.2299	-5.11	Aluminum	2,399.50	-14.25

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.96	0.08	1.72	-0.14	NA	NA
5-Year	2.96	0.11	1.73	-0.16	0.43	0.00
10-Year	2.92	0.11	2.09	-0.44	0.93	0.00
30-Year	3.12	-0.01	2.53	-1.28	1.50	0.00

	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-Jul 2022	31-Dec 2021
Kuwait	64.85	40.53
KSA	71.45	50.97
Abu Dhabi	68.22	43.09
Dubai	124.85	89.58
Qatar	69.04	42.55
Bahrain	323.72	286.32
Oman	267.76	254.42
Iraq	575.13	507.35
Egypt	365.52	496.58
Morocco	302.38	85.91
Turkey	850.13	555.46
US	18.76	10.01
UK	12.10	8.91
China	83.77	39.86
Japan	30.88	16.23
Germany	12.46	7.53
France	23.36	17.87