

News Updates

UAE’s gross premium to grow by 5% in 2022: S&P Global Ratings – S&P Global Ratings forecast that the gross premium written (GPW) in the UAE to grow by approximately five per cent in 2022. "The country’s GPW will primarily be supported by ongoing infrastructure spending and an expected increase in visitors and residents, thanks to new visa programs that aim to attract highly qualified expatriates," S&P said in a statement on Tuesday. Emir Mujkic, director, S&P Global Ratings, said higher domestic inflation and increasing interest rates in the US are expected to continue to pressure central banks in emerging markets like the UAE, to increase rates to restrain inflation and prevent capital outflows. "This could weigh on financing conditions in some markets. However, higher oil and commodity prices positively contribute to GDP growth in the UAE, a primarily net energy exporting economy, and could support an increase in insurance demand in the country," he said. *(Source: Khaleeji Times)*

US inflation expected to have eased slightly in July – The US consumer price index is expected to post a slower increase in July as petrol prices dropped across the country, but inflationary pressures will remain close to 40-year highs in the world’s largest economy. According to economists surveyed by Bloomberg, CPI figures to be released on Wednesday at 8.30am Eastern time will show an 8.7 per cent annual increase last month compared to July 2021, and a 0.2 per cent increase compared to June. These numbers would mark a slight easing of inflation compared with the 9.1 per cent annual increase and the 1.3 per cent monthly rise recorded in June. However, they are unlikely to represent a large enough shift to stop the Federal Reserve from ploughing ahead with more aggressive tightening of monetary policy to subdue inflation. *(Source: Financial Times)*

Fed’s Bowman: more 75 basis-point hikes should be on the table – The U.S. Federal Reserve should consider more 75 basis-point interest rate hikes at coming meetings in order to bring high inflation back down to the central bank’s goal, Fed Governor Michelle Bowman said. "My view is that similarly-sized increases should be on the table until we see inflation declining in a consistent, meaningful, and lasting way." A procession of policymakers this week have shown stiffening resolve to continue the aggressive monetary tightening, with nearly all of them making plain the central bank remains determined to press ahead with rate hikes until it sees strong and long-lasting evidence that inflation is on track to back down to the Fed’s 2% target. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.03	-6.91	KSA	2027	3.09	-5.93
Abu Dhabi	2031	3.37	-10.24	KSA	2032	3.45	-8.82
Abu Dhabi	2050	4.18	-19.12	KSA	2050	4.73	-18.71
Bahrain	2028	5.87	-5.65	Oman	2027	5.15	-4.37
Bahrain	2032	7.07	-9.54	Oman	2032	5.86	-4.84
Bahrain	2051	8.19	-14.93	Oman	2051	7.23	-8.02
Dubai	2029	3.77	-7.99	Qatar	2026	3.14	-6.21
Dubai	2050	5.55	-20.95	Qatar	2030	3.51	-9.88
Kuwait	2027	3.14	-7.12	Qatar	2050	4.22	-17.93

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.44	8.08	0.08	-8.28
S&P MENA Bond and Sukuk Index	4.04	NA	-0.04	-8.77
Bloomberg Emerging Markets USD Index	6.86	6.80	-0.16	-14.81
Bloomberg Global Aggregate Index	2.73	7.42	-0.19	-12.58

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	10/08/2022	31/12/2021	10/08/2022	31/12/2021	10/08/2022	31/12/2021
KIBOR	2.3750	1.5000	2.6875	1.7500	3.0000	2.0000
SAIBOR	3.0225	0.9057	3.4258	0.9829	3.9140	1.0600
BHIBOR	4.1417	1.5167	4.4583	1.6233	5.0917	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	2.8041	0.3645	3.1949	0.7000	3.5348	0.7396
EURIBOR	0.3010	-0.5730	0.7290	-0.5460	1.1100	-0.4980
LIBOR	2.9116	0.2144	3.5689	0.3451	3.9947	0.5888

	USD Swap Rates			Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	3.6830	0.67	588.4	KWD	0.3068	-0.0489	-1.39	Crude Oil	96.12	29.35
2-Year	3.5325	0.68	275.3	SAR	3.7605	0.0027	-0.10	Gold	1,805.60	-1.92
5-Year	3.0064	1.81	119.5	EUR	1.0214	0.0098	-10.17	Silver	20.41	-13.01
7-Year	2.8939	1.86	96.1	GBP	1.2082	0.0166	-10.72	Copper	356.40	-19.56
10-Year	2.8505	1.79	80.3	JPY	135.0100	0.0296	-14.76	Nat. Gas	7.85	115.23
30-Year	2.7120	1.56	56.7	CNH	6.7616	-0.0917	-5.98	Aluminum	2,501.75	-10.48

	US Treasuries		UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	3.27	0.01	1.85	-0.05	NA	NA
5-Year	2.98	-0.06	1.80	-0.17	0.42	0.00
10-Year	2.79	-0.12	1.96	-0.18	0.70	0.00
30-Year	3.00	-0.24	2.34	0.13	1.14	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	10-Aug 2022	31-Dec 2021
Kuwait	63.06	40.53
KSA	54.84	50.97
Abu Dhabi	52.53	43.09
Dubai	117.68	89.58
Qatar	53.04	42.55
Bahrain	295.16	286.32
Oman	257.15	254.42
Iraq	717.68	507.35
Egypt	NA	496.58
Morocco	274.01	85.91
Turkey	703.64	555.46
US	18.47	10.01
UK	14.84	8.91
China	78.31	39.86
Japan	21.37	16.23
Germany	14.22	7.53
France	23.83	17.87