

News Updates

**IMF holds Saudi Arabia 2022 economic growth forecast at 7.6%** – The International Monetary Fund (IMF) on Wednesday maintained its economic growth forecast for Saudi Arabia even as concerns persist that the global economy may heading towards a recession. Saudi Arabia's economy was still projected to grow by 7.6% this year, which the IMF said would likely be one of the fastest growth rates in the world, helped by strong oil demand and 4.2% expected growth in the kingdom's non-oil sector. Inflation in Saudi Arabia, expected at 2.8% this year, was contained and there had been limited fallout for the kingdom from Russia's invasion of Ukraine, the IMF said. Saudi Arabia's government has forecast its economy to grow by 7.4% this year. IMF Mission Chief Amine Mati told Reuters he believed Saudi Arabia would maintain control over spending although the IMF said in its report there was scope for more targeted social spending to help ease the impact of rising costs on the kingdom's low-income citizens. Mati said the kingdom's expected 5.5% of GDP fiscal surplus this year, its first since 2013, would be equivalent to around 211 billion riyal (\$56.21 billion). *(Source: Reuters)*

**OPEC Chief Sees High Risk of Oil Squeeze Amid Bullish Demand** – Global oil markets face a high risk of a supply squeeze this year as demand remains resilient and spare production capacity dwindles, the new head of OPEC said. Fears over slowing consumption in China and the wider world, which have pushed crude prices 16% lower this month, have been exaggerated, OPEC Secretary-General Haitham Al-Ghais said. At the same time, producers in the Organization of Petroleum Exporting Countries and beyond are running out of extra supplies they can bring to market, Al-Ghais said. International oil prices have retreated to near \$90 a barrel amid signs of a slowing economy in China, where fuel use slumped to a two-year low in July, and a lackluster holiday driving season in the US. *(Source: Bloomberg)*

**Fed officials signal restrictive rates may be needed ‘for some time’** – Federal Reserve officials discussed the need to keep interest rates at levels that will restrict the US economy “for some time” in a bid to contain the highest inflation in roughly 40 years, according to an account of their most recent meeting. Minutes from the meeting in July, when the US central bank raised its benchmark policy rate 0.75 percentage points for the second month in a row, signalled that policymakers were intent on pressing ahead with tightening monetary policy but aware of the risks of overdoing it. Officials supported raising interest rates to the point where they act as a drag on economic growth. Raising rates to such a level would allow the Fed to increase them even “further, to appropriately restrictive levels, if inflation were to run higher than expected”, the minutes noted. *(Source: Financial Times)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.14	-7.22	KSA	2027	3.24	-6.44
Abu Dhabi	2031	3.42	-10.53	KSA	2032	3.51	-9.21
Abu Dhabi	2050	4.24	-20.06	KSA	2050	4.80	-19.60
Bahrain	2028	5.60	-4.46	Oman	2027	5.23	-4.53
Bahrain	2032	6.80	-7.71	Oman	2032	5.89	-5.03
Bahrain	2051	7.96	-12.60	Oman	2051	7.27	-8.32
Dubai	2029	3.84	-8.37	Qatar	2026	3.21	-6.34
Dubai	2050	5.55	-20.98	Qatar	2030	3.54	-10.07
Kuwait	2027	3.23	-7.46	Qatar	2050	4.30	-18.92

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.45	8.08	-0.26	-8.39
S&P MENA Bond and Sukuk Index	4.06	NA	-0.18	-8.99
Bloomberg Emerging Markets USD Index	6.80	6.80	-0.58	-14.67
Bloomberg Global Aggregate Index	2.80	7.42	-0.65	-13.21

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	18/08/2022	31/12/2021	18/08/2022	31/12/2021	18/08/2022	31/12/2021
KIBOR	2.5000	1.5000	2.8125	1.7500	3.1250	2.0000
SAIBOR	3.0219	0.9057	3.4298	0.9829	3.9048	1.0600
BHIBOR	4.1250	1.5167	4.4583	1.6233	5.1048	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	2.8529	0.3645	3.3600	0.7000	3.5579	0.7396
EURIBOR	0.3330	-0.5730	0.7350	-0.5460	1.1180	-0.4980
LIBOR	2.9606	0.2144	3.5060	0.3451	3.9507	0.5888

USD Swap Rates			Currencies			Commodities				
Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)			
1-Year	3.6948	-0.96	590.6	KWD	0.3068	0.0000	-1.39	Crude Oil	93.53	25.86
2-Year	3.5981	-2.11	282.2	SAR	3.7548	-0.0053	0.03	Gold	1,778.70	-3.38
5-Year	3.0610	-2.98	123.5	EUR	1.0183	0.0196	-10.45	Silver	19.77	-16.02
7-Year	2.9591	-2.76	100.5	GBP	1.2049	0.0083	-10.96	Copper	359.05	-18.57
10-Year	2.9290	-2.43	85.3	JPY	134.8600	0.1409	-14.67	Nat. Gas	9.22	152.98
30-Year	2.8231	-1.93	63.1	CNH	6.7927	0.0250	-6.41	Aluminum	2,412.25	-13.54

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)	
2-Year	3.26	0.04	2.36	-0.39	NA	NA
5-Year	3.02	0.14	2.13	-0.82	0.65	-0.33
10-Year	2.87	0.26	2.28	-1.57	0.88	-0.86
30-Year	3.13	0.45	2.62	-1.82	1.28	-1.19

	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	18-Aug 2022	31-Dec 2021
Kuwait	64.33	40.53
KSA	51.08	50.97
Abu Dhabi	48.32	43.09
Dubai	105.32	89.58
Qatar	48.95	42.55
Bahrain	287.92	286.32
Oman	247.92	254.42
Iraq	654.80	507.35
Egypt	NA	496.58
Morocco	251.74	85.91
Turkey	734.85	555.46
US	19.20	10.01
UK	14.42	8.91
China	70.75	39.86
Japan	17.86	16.23
Germany	14.15	7.53
France	23.67	17.87