

News Updates

Egypt Nears Deal on New IMF Loan in Face of Economic Crisis – Egypt is nearing an agreement with the International Monetary Fund on a new loan, its prime minister said, signaling more help for the economy may be imminent after a leadership shakeup at the central bank. “The government is in the final-agreements stage regarding new financing from the IMF,” premier Mostafa Madbouly said. There were no further details, including on how much Egypt might borrow. An IMF deal has become key for Egypt as it grapples with higher food and fuel import bills. Foreign portfolio investors have pulled some \$20 billion from the local debt market amid the conflict in Ukraine. *(Source: Bloomberg)*

Oil climbs as Saudi Arabia warns of OPEC output cuts – Oil rose on Tuesday as renewed concerns over tight supply dominated market sentiment after Saudi Arabia warned that the major oil producer could cut output to correct a recent oil price decline. Brent crude futures advanced 93 cents, or 1%, to \$97.41 a barrel by 0328 GMT, after a choppy session on Monday when they dropped by more than \$4 before paring losses to trade near flat. U.S. West Texas Intermediate crude futures gained 90 cents, or 1%, to \$91.26 a barrel. The benchmarks are down about 12% and 8% this month, respectively, amid fears about a global recession and fuel demand. The Organization of the Petroleum Exporting Countries stands ready to reduce production to correct the recent oil price fall driven by poor futures market liquidity and macro-economic fears, which has ignored extremely tight physical crude supply, OPEC’s leader Saudi Arabia said on Monday. *(Source: Reuters)*

10-year Treasury yield climbs above 3% – The 10-year Treasury yield climbed above 3% for the first time in a month as investors looked ahead to the Jackson Hole economic symposium. The yield on the benchmark 10-year Treasury note gained about 4 basis points to 3.031% at 4:02 p.m. ET, climbing above 3% level for the first time since July 21. Meanwhile, the yield on the 30-year Treasury bond advanced 1 basis point to 3.235%. Yields move inversely to prices, and a basis point is equal to 0.01%. The yield on the short-term 2-year Treasury note rose roughly 6 basis points to trade at about 3.32%. Investors are anticipating U.S. Federal Reserve Chairman Jerome Powell’s latest comments on inflation at the central bank’s annual Jackson Hole economic symposium. Yields fell and then rose at the end of last week as markets mulled over the Fed’s released July meeting minutes. The Fed indicated that it would continue hiking rates until inflation slows down significantly, although the central bank could soon decrease its pace of tightening. *(Source: CNBC)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.28	-7.97	KSA	2027	3.46	-7.19
Abu Dhabi	2031	3.55	-11.44	KSA	2032	3.61	-10.03
Abu Dhabi	2050	4.36	-21.60	KSA	2050	4.92	-20.93
Bahrain	2028	6.07	-6.55	Oman	2027	5.47	-5.51
Bahrain	2032	7.35	-11.47	Oman	2032	6.21	-7.31
Bahrain	2051	8.55	-18.37	Oman	2051	7.59	-11.84
Dubai	2029	3.87	-8.55	Qatar	2026	3.41	-6.95
Dubai	2050	5.68	-22.42	Qatar	2030	3.60	-10.33
Kuwait	2027	3.32	-7.71	Qatar	2050	4.42	-20.42

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.55	8.08	-0.32	-9.07
S&P MENA Bond and Sukuk Index	4.14	NA	-0.32	-9.60
Bloomberg Emerging Markets USD Index	6.99	6.80	-0.58	-15.62
Bloomberg Global Aggregate Index	2.94	7.42	-0.63	-14.71

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	23/08/2022	31/12/2021	23/08/2022	31/12/2021	23/08/2022	31/12/2021
KIBOR	2.5625	1.5000	2.8750	1.7500	3.1875	2.0000
SAIBOR	2.9537	0.9057	3.4441	0.9829	3.9067	1.0600
BHIBOR	4.1250	1.5167	4.4583	1.6233	5.0922	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	2.8654	0.3645	3.3741	0.7000	3.5838	0.7396
EURIBOR	0.4300	-0.5730	0.8620	-0.5460	1.2580	-0.4980
LIBOR	2.9577	0.2144	3.5476	0.3451	4.0159	0.5888

	USD Swap Rates			Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	3.7444	-0.16	599.9	KWD	0.3068	0.0000	-1.39	Crude Oil	97.04	30.59
2-Year	3.6773	-0.71	290.7	SAR	3.7558	-0.0053	0.01	Gold	1,749.80	-4.95
5-Year	3.1867	-0.94	132.7	EUR	0.9922	-0.2213	-12.74	Silver	18.91	-19.65
7-Year	3.0932	-1.14	109.6	GBP	1.1749	-0.1615	-13.18	Copper	364.45	-17.35
10-Year	3.0695	-1.22	94.1	JPY	137.3000	0.1384	-16.18	Nat. Gas	9.87	170.73
30-Year	2.9071	-1.05	67.9	CNH	6.8704	-0.0335	-7.47	Aluminum	2,398.75	-14.02

	US Treasuries		UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	3.30	0.03	2.58	-0.17	NA	NA
5-Year	3.15	0.05	2.36	-0.48	0.82	0.00
10-Year	3.01	0.10	2.51	-0.98	1.10	0.00
30-Year	3.22	0.20	2.83	-1.99	1.43	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	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	23-Aug 2022	31-Dec 2021
Kuwait	57.98	40.53
KSA	53.34	50.97
Abu Dhabi	51.00	43.09
Dubai	111.14	89.58
Qatar	51.21	42.55
Bahrain	289.41	286.32
Oman	250.34	254.42
Iraq	688.31	507.35
Egypt	NA	496.58
Morocco	255.74	85.91
Turkey	814.12	555.46
US	19.08	10.01
UK	14.86	8.91
China	72.24	39.86
Japan	18.24	16.23
Germany	13.95	7.53
France	22.67	17.87