

**News Updates**

**Gulf banks with Turkey exposure to suffer further losses, Fitch says** – Gulf banks with exposure to Turkey are expected to make further net monetary losses on their investments in the second half of this year and into 2023, ratings agency Fitch said on Tuesday. Gulf banks with Turkish subsidiaries are estimated to have registered \$950 million of net monetary losses in the first half of 2022 as they account for their exposure in the currency of a hyperinflation economy. Dubai's Emirates NBD and Kuwait Finance House were the worst-affected when looking at the ratings firm's core profitability metric. Fitch forecasts Turkey's consumer price index to average 71.4% in 2022 and 57% in 2023. The ratings agency in July downgraded 25 Turkish banks to B- from B, after the downgrade of Turkey's sovereign rating, citing spiraling inflation and increasing macroeconomic and external risks. *(Source: Reuters)*

**Regulatory shortcomings hinder green finance in GCC states** – According to Strategy&, a lack of regulatory and institutional frameworks has deterred Gulf governments and corporations from deploying sustainability-related finance, although recent actions by Saudi Arabia's sovereign wealth fund and the UAE's largest bank could spur wider take-up of green bonds and loans. Green investments in six major Gulf industries agriculture and food, construction, power, transport, water, and waste management – could have a “profound impact” by 2030, contributing up to \$2 trillion in cumulative GDP and creating more than 1 million jobs, consultants Strategy& predict in a 2022 report. Green finance, although relatively undeveloped in the Gulf will be crucial to diversify the region's economy and halt a longstanding decline in foreign direct investment relative to GDP, the report notes. The Middle East accounted for just 0.3% of global green bond issuance last year, the report stated. *(Source: Zawya)*

**Oil Suffers Worst Losing Run Since 2020 as Slowdown Angst Flares** – Oil headed for a third monthly drop, the longest declining streak in more than two years, on prospects for slower global growth as central banks tighten policy. West Texas Intermediate has shed more than 6% in August, hitting the lowest since January mid-month. In the US, the Federal Reserve has been raising rates aggressively to quell inflation, while Europe is gripped by an energy crisis that may herald a recession. While there has been significant unrest in both Libya and Iraq in recent days, oil output in both OPEC members appears to be unaffected so far. Separately, talks to revive an Iranian nuclear deal that may unlock greater crude exports have dragged on. *(Source: Bloomberg)*

**GCC Sovereign Yields**

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.28	-7.90	KSA	2027	3.44	-7.17
Abu Dhabi	2031	3.59	-11.71	KSA	2032	3.69	-10.57
Abu Dhabi	2050	4.40	-22.14	KSA	2050	4.94	-21.29
Bahrain	2028	6.00	-6.22	Oman	2027	5.52	-5.64
Bahrain	2032	7.22	-10.60	Oman	2032	6.12	-6.68
Bahrain	2051	8.31	-16.08	Oman	2051	7.52	-11.13
Dubai	2029	3.87	-8.58	Qatar	2026	3.40	-6.92
Dubai	2050	5.72	-22.69	Qatar	2030	3.63	-10.66
Kuwait	2027	3.32	-7.83	Qatar	2050	4.44	-20.77

**Bonds and Sukuk Indices**

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.60	8.08	-0.17	-9.28
S&P MENA Bond and Sukuk Index	4.21	NA	-0.12	-9.87
Bloomberg Emerging Markets USD Index	7.02	6.80	-0.19	-15.61
Bloomberg Global Aggregate Index	3.07	7.42	-0.33	-15.50

**Interbank Rates (%)**

	3 Months		6 Months		12 Months	
	31/08/2022	31/12/2021	31/08/2022	31/12/2021	31/08/2022	31/12/2021
KIBOR	2.6250	1.5000	2.8750	1.7500	3.1875	2.0000
SAIBOR	3.0836	0.9057	3.5384	0.9829	3.9607	1.0600
BHIBOR	4.1313	1.5167	4.4766	1.6233	5.1319	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	3.0056	0.3645	3.4231	0.7000	3.6554	0.7396
EURIBOR	0.5820	-0.5730	1.0770	-0.5460	1.6120	-0.4980
LIBOR	3.0696	0.2144	3.5664	0.3451	4.1233	0.5888

USD Swap Rates			Currencies			Commodities				
Yield %	1D Δ (bps)	YTD Δ (%)	USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)			
1-Year	3.9025	2.11	629.4	KWD	0.3081	-0.1298	-1.80	Crude Oil	100.01	34.58
2-Year	3.8239	1.77	306.2	SAR	3.7575	-0.0160	-0.03	Gold	1,737.20	-5.63
5-Year	3.3632	0.87	145.6	EUR	1.0043	0.2796	-11.67	Silver	18.37	-21.95
7-Year	3.2531	0.84	120.4	GBP	1.1690	0.2831	-13.62	Copper	358.05	-18.80
10-Year	3.2061	0.70	102.8	JPY	138.4600	0.2383	-16.89	Nat. Gas	9.05	146.30
30-Year	2.9543	0.96	70.7	CNH	6.8968	0.3930	-7.82	Aluminum	2,395.00	-14.16

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	3.46	-0.03	2.88	-0.15	NA	NA
5-Year	3.27	-0.03	2.65	-0.44	1.07	-0.13
10-Year	3.11	-0.05	2.70	-0.94	1.33	-0.12
30-Year	3.22	-0.07	2.97	-1.56	1.59	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	31-Aug 2022	31-Dec 2021
Kuwait	53.98	40.53
KSA	49.30	50.97
Abu Dhabi	47.89	43.09
Dubai	109.94	89.58
Qatar	48.34	42.55
Bahrain	292.25	286.32
Oman	275.92	254.42
Iraq	694.41	507.35
Egypt	NA	496.58
Morocco	239.41	85.91
Turkey	766.01	555.46
US	18.15	10.01
UK	20.55	8.91
China	69.23	39.86
Japan	17.36	16.23
Germany	14.10	7.53
France	22.45	17.87