

## News Updates

**Kuwait braces for inflation pressure – Rate seen at 5.5%** - The Economist Intelligence Unit of the "Economist" magazine, under the title "High inflation in Kuwait in 2022", touched on the latest data issued by the Central Administration of Statistics on the Consumer Price Index, which shows that prices rose by an average of 4.4 percent during the first four months of 2022, reports Al-Rai daily. The EIU indicated that this figure is consistent with its expectations that inflationary pressures in Kuwait will increase during 2022, with the annual average inflation reaching 5.5 percent. The magazine explained that this is due to supply chain bottlenecks exacerbated by the decisions taken by China to confront the Corona pandemic, and the global rise in material prices due to the Russian invasion of Ukraine, while at the same time it is expected to curb the growth of consumer prices, through the tightening monetary policy. (Source: Arab Times)

**Qatar LNG Output Falls Despite Surging Demand Amid Energy Crisis** - Qatar's liquefied natural gas production dropped this year, despite requests from European countries hungry for bigger deliveries to replace Russian fuel. European utilities are scrambling to secure the commodity from producers around the world to reduce dependence on their top supplier after the invasion of Ukraine. The drop in output is partly due to several liquefaction trains being unavailable due to scheduled maintenance. Qatar exported less than 35 million tons of LNG between January and May, down from 36 million tons a year earlier. Qatar Energy didn't respond to a request for comment. (Source: Bloomberg)

**Egypt finance minister says financing in next FY will be partly via sukuk** - Sukuks, or Islamic bonds, will be part of Egypt's funding in the next financial year, the state news agency (MENA) reported on Saturday, quoting Finance Minister Mohamed Maiit. Egypt's coming financial year kicks off on the first of July. Maiit added that the value of the sukuk had not been fixed so far and, regarding green sukuk, he said "we're not there yet". (Source: Reuters)

**Turkish inflation hits 23-year high of 73.5%** - Turkey's official inflation rate hit a 23-year high last month as President Recep Tayyip Erdogan's unorthodox strategy for managing the country's \$790bn economy continued to backfire. The consumer price index rose 73.5 per cent year on year in May, according to data from the country's statistical agency, the highest level since October 1998 when Turkey was reeling from a period marred by unstable coalition governments and economic turmoil. Food prices, which have become a growing source of discontent among the Turkish public, rose 91.6 per cent year on year. Erdogan had ordered the central bank to repeatedly slash borrowing costs in the final months of last year, despite rising inflation. (Source: Financial Times)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.04	-6.86	KSA	2027	3.14	-6.19
Abu Dhabi	2031	3.41	-10.80	KSA	2032	3.55	-9.62
Abu Dhabi	2050	4.18	-19.28	KSA	2050	4.74	-18.79
Bahrain	2028	5.69	-5.04	Oman	2027	5.25	-4.64
Bahrain	2032	6.66	-6.78	Oman	2032	5.97	-5.44
Bahrain	2051	7.65	-9.30	Oman	2051	7.35	-9.20
Dubai	2029	3.99	-9.15	Qatar	2026	3.11	-5.98
Dubai	2050	5.40	-19.30	Qatar	2030	3.44	-9.02
Kuwait	2027	2.97	-6.34	Qatar	2050	4.30	-18.80

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.35	8.08	-0.13	-8.78
S&P MENA Bond and Sukuk Index	3.98	NA	-0.24	-9.54
Bloomberg Emerging Markets USD Index	6.37	6.80	-0.10	-13.41
Bloomberg Global Aggregate Index	2.67	7.42	-0.13	-11.62

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	05/06/2022	31/12/2021	05/06/2022	31/12/2021	05/06/2022	31/12/2021
KIBOR	1.9375	1.5000	2.1875	1.7500	2.5000	2.0000
SAIBOR	2.8987	0.9057	3.2322	0.9829	3.3269	1.0600
BHIBOR	2.7483	1.5167	3.1189	1.6233	3.6851	1.7667
QATAR	1.1500	1.1250	1.3000	1.2000	1.8500	1.3250
AEIBOR	1.7179	0.3645	2.1978	0.7000	2.6350	0.7396
EURIBOR	-0.3280	-0.5730	-0.0080	-0.5460	0.4860	-0.4980
LIBOR	1.6260	0.2144	2.1093	0.3451	2.7754	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.7092	2.12	406.4	KWD	0.3061	-0.0817	-1.16	Gold	1,850.20	0.78
2-Year	3.0321	3.05	222.1	SAR	3.7510	0.0000	0.12	Silver	21.91	-6.43
5-Year	2.9827	2.60	117.8	BHD	0.3770	0.0027	0.01	Copper	447.20	0.66
7-Year	2.9853	2.69	102.3	QAR	3.6414	0.0055	0.01	Nat. Gas	8.52	134.28
10-Year	3.0175	2.81	90.9	OMR	0.3850	0.0000	-0.07	Aluminum	2,703.00	-3.55
30-Year	2.8760	0.53	66.1	AED	3.6730	0.0000	-0.01	Crude Oil	119.72	58.95

US Treasuries			UK Gilts		German Bunds	
Yield %	1D Δ (%)		Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.65	-0.04	1.65	-0.17	NA	NA
5-Year	2.93	-0.11	1.75	-0.36	0.66	-0.06
10-Year	2.93	-0.20	2.15	-0.56	1.12	-0.25
30-Year	3.09	-0.16	2.41	-0.44	1.49	-0.73

## 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	05-Jun 2022	31-Dec 2021
Kuwait	65.00	40.53
KSA	62.77	50.97
Abu Dhabi	59.14	43.09
Dubai	113.18	89.58
Qatar	60.35	42.55
Bahrain	300.10	286.32
Oman	248.95	254.42
Iraq	407.51	507.35
Egypt	754.68	496.58
Morocco	193.54	85.91
Turkey	709.97	555.46
US	16.87	10.01
UK	10.21	8.91
China	60.11	39.86
Japan	17.38	16.23
Germany	10.63	7.53
France	20.30	17.87