

News Updates

Kuwait witnesses huge rise in inflation - Capital Economics, in its recent report, affirmed that Kuwait has benefited from the Russian war on Ukraine, reports Al-Anba daily. When commenting on the Gulf countries' benefit from the global geopolitical situation, which pushed the oil prices to rise to record levels, it indicated that Kuwait increased its oil production during the first quarter of this year, and that increase was reinforced during the month of April in conjunction with the high prices. The report highlighted the significant rise in inflation in Kuwait, as it rose to its highest level in nearly a decade on an annual basis, reaching 4.4 percent, thereby recording the highest inflation level among the Gulf countries that were compared in the report. (Source: Arab Times)

Turkey Credit Default Swaps Jump to 19-Year High Amid Lira Woes - The cost to insure against a debt default by Turkey's government in the next five years surged, heading for the highest closing level in almost two decades. Credit default swaps rose as high as 870 basis points on Monday, reflecting investor concerns over a deepening rout in the lira and the government's reliance on unorthodox monetary policies to support it. The advance took the CDS contracts above the level reached during the 2008 global financial crisis and all the way back to 2003, the year Recep Tayyip Erdogan became Turkey's prime minister. Under rising CDS pressure, the yield on the country's 10-year dollar bonds rose to an all-time high of 10.6% on Monday. (Source: Bloomberg)

Yields rise to decade highs, curve inverts on growth fears - Benchmark 10-year Treasury yields hit their highest level since 2011 on Monday and a key part of the yield curve inverted for the first time since April as investors braced for the prospect that the Federal Reserve's attempts to stem soaring inflation will dent the economy. Yields jumped after data on Friday showed that U.S. consumer prices accelerated in May as gasoline prices hit a record high and the cost of food soared, leading to the largest annual increase in nearly 40-1/2 years. The Fed is expected to hike rates by 50 basis points when it concludes its two-day meeting on Wednesday, with traders now seeing a 75 basis point increase as having a 27% probability. The two-year, 10-year Treasury yield curve briefly inverted on Monday. Two-year yields reached 3.250%, the highest since Dec. 2007. Five-year yields rose to 3.434%, the highest since July 2008, Benchmark 10-year yields hit 3.295%, the highest since April 2011. (Source: Reuters)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.51	-9.06	KSA	2027	3.71	-8.42
Abu Dhabi	2031	3.90	-14.14	KSA	2032	4.04	-13.26
Abu Dhabi	2050	4.55	-24.06	KSA	2050	5.06	-22.63
Bahrain	2028	6.29	-7.83	Oman	2027	6.04	-7.76
Bahrain	2032	7.27	-11.31	Oman	2032	6.93	-11.87
Bahrain	2051	8.36	-16.59	Oman	2051	8.00	-15.91
Dubai	2029	4.09	-9.58	Qatar	2026	3.61	-7.81
Dubai	2050	5.55	-21.24	Qatar	2030	3.99	-12.03
Kuwait	2027	3.30	-7.73	Qatar	2050	4.68	-23.69

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.71	8.08	-1.28	-11.00
S&P MENA Bond and Sukuk Index	4.28	NA	-0.96	-11.37
Bloomberg Emerging Markets USD Index	7.02	6.80	-1.80	-16.44
Bloomberg Global Aggregate Index	3.11	7.42	-1.55	-14.96

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	14/06/2022	31/12/2021	14/06/2022	31/12/2021	14/06/2022	31/12/2021
KIBOR	1.9375	1.5000	2.1875	1.7500	2.5000	2.0000
SAIBOR	3.1601	0.9057	3.3547	0.9829	3.5205	1.0600
BHIBOR	2.9250	1.5167	3.3083	1.6233	3.8083	1.7667
QATAR	1.1500	1.1250	1.3000	1.2000	1.8500	1.3250
AEIBOR	1.5899	0.3645	2.1758	0.7000	2.8939	0.7396
EURIBOR	-0.2980	-0.5730	0.0830	-0.5460	0.6800	-0.4980
LIBOR	1.7447	0.2144	2.3116	0.3451	3.0054	0.5888

USD Swap Rates					Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)	
1-Year	3.4773	7.83	550.0	KWD	0.3067	-0.1468	-1.34	Crude Oil	122.10	62.11	
2-Year	3.7938	5.93	303.0	SAR	3.7522	-0.0027	0.09	Gold	1,828.40	-0.41	
5-Year	3.5468	1.77	159.0	EUR	1.0431	0.2114	-8.26	Silver	21.20	-9.48	
7-Year	3.4704	0.23	135.2	GBP	1.2189	0.4450	-9.93	Copper	423.85	-4.33	
10-Year	3.4271	-0.85	116.8	JPY	134.5400	-0.0892	-14.46	Nat. Gas	8.68	138.59	
30-Year	3.0820	-1.83	78.0	CNH	6.7490	0.5053	-5.80	Aluminum	2,611.50	-6.67	
US Treasuries					UK Gilts			German Bunds			
	Yield %	1D Δ (%)			Yield %	1D Δ (%)			Yield %	1D Δ (%)	
2-Year	3.38	-0.04			2.10	-0.13			NA	NA	
5-Year	3.49	-0.04			2.22	-0.39			1.18	-0.39	
10-Year	3.36	0.07			2.53	-0.79			1.54	-0.89	
30-Year	3.33	0.31			2.64	-1.18			1.69	-0.98	

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	14-Jun 2022	31-Dec 2021
Kuwait	60.74	40.53
KSA	64.13	50.97
Abu Dhabi	63.11	43.09
Dubai	116.12	89.58
Qatar	62.68	42.55
Bahrain	307.51	286.32
Oman	229.88	254.42
Iraq	413.60	507.35
Egypt	885.70	496.58
Morocco	203.37	85.91
Turkey	848.48	555.46
US	16.00	10.01
UK	9.21	8.91
China	83.78	39.86
Japan	17.40	16.23
Germany	10.36	7.53
France	20.15	17.87