

News Updates

Saudi Arabia's inflation records 22-month high in June – The headline seasonally adjusted S&P Global Saudi Arabia Purchasing Managers' Index (PMI) increased to 57.0 in June from 55.7 in May, marking the highest level since October 2021 and reflecting a strong improvement across Saudi Arabia's non-oil private sector economy. Despite the sharpest rise in new businesses for eight months, inflation pressures hiked to a 22-month high in June amid increases in fuel and raw material prices, according to a press release on Tuesday. The improved business conditions were driven by a surge in new order inflows and a strong boost in output. *(Source: Mubasher)*

Fitch Affirms Oman Reinsurance Company at IFS 'BB+'; Outlook Stable – Fitch Ratings has affirmed Oman Reinsurance Company SAOG's (Oman Re) Insurer Financial Strength (IFS) Rating at 'BB+'. The Outlook is Stable. The affirmation reflects Oman Re's moderately weak investment risk and business profile but good financial performance and capitalisation. *(Source: Fitch Ratings)*

Oil tumbles 9% on recession demand destruction fears – Oil plummeted about 9% on Tuesday in the biggest daily drop since March on growing fears of a global recession and lockdowns in China that could slash demand. Global benchmark Brent crude settled at \$102.77 a barrel, losing \$10.73, or 9.5%. U.S. West Texas Intermediate (WTI) crude ended 8.2%, or \$8.93, lower at \$99.50 a barrel. There was no WTI settlement on Monday because of a U.S. holiday. Both benchmarks logged their biggest daily percentage decline since March 9 and hit share prices of major oil and gas companies. *(Source: Reuters)*

Fed Minutes Could Bolster Bets for 75 Basis-Point Hike in July – The Federal Reserve will unveil details of what policy makers debated last month that may shed light on how they view the near-term path for interest rates amid surging inflation and signs of a slowing economy. Chair Jerome Powell has said the Fed could hike by either 50 basis points or 75 basis points in July. He made the remarks at a June 15 press conference after policy makers raised rates by 75 basis points in the largest hike since 1994. The Fed will publish minutes of the meeting at 2 p.m. in Washington on Wednesday. Several policy makers since the June decision have said they are open to going big again at their meeting later this month to curb the hottest price pressures in 40 years. Updated quarterly projections of the 18 policy makers show the median participant on the Federal Open Market Committee sees rates rising to 3.4% at year's end and 3.8% next year, from a current target range of 1.5% to 1.75%. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.22	-7.73	KSA	2027	3.37	-6.94
Abu Dhabi	2031	3.66	-12.35	KSA	2032	3.90	-12.17
Abu Dhabi	2050	4.39	-22.03	KSA	2050	4.98	-21.65
Bahrain	2028	6.19	-7.28	Oman	2027	5.85	-7.00
Bahrain	2032	7.54	-12.84	Oman	2032	6.71	-10.52
Bahrain	2051	8.48	-17.72	Oman	2051	7.91	-14.95
Dubai	2029	3.98	-9.07	Qatar	2026	3.20	-6.41
Dubai	2050	5.68	-23.16	Qatar	2030	3.68	-10.67
Kuwait	2027	3.21	-7.39	Qatar	2050	4.53	-21.97

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.66	8.08	0.20	-10.45
S&P MENA Bond and Sukuk Index	4.19	NA	0.67	-10.52
Bloomberg Emerging Markets USD Index	7.10	6.80	-0.12	-16.76
Bloomberg Global Aggregate Index	2.80	7.42	-0.14	-13.79

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	06/07/2022	31/12/2021	06/07/2022	31/12/2021	06/07/2022	31/12/2021
KIBOR	2.1250	1.5000	2.4375	1.7500	2.7500	2.0000
SAIBOR	2.9233	0.9057	3.1947	0.9829	3.5557	1.0600
BHIBOR	3.6117	1.5167	4.0387	1.6233	4.7658	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	2.1625	0.3645	2.8000	0.7000	3.1952	0.7396
EURIBOR	-0.1650	-0.5730	0.2410	-0.5460	0.8970	-0.4980
LIBOR	2.3217	0.2144	2.9433	0.3451	3.5513	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	3.2290	1.75	503.6	KWD	0.3069	-0.0326	-1.40	Crude Oil	103.94	38.96
2-Year	3.1149	1.65	230.9	SAR	3.7549	0.0000	0.03	Gold	1,767.40	-3.73
5-Year	2.8741	2.32	109.9	EUR	1.0263	-0.0292	-9.74	Silver	19.08	-18.68
7-Year	2.8715	2.50	94.6	GBP	1.1957	0.0753	-11.65	Copper	336.95	-23.95
10-Year	2.9123	2.68	84.2	JPY	135.4100	0.3323	-15.01	Nat. Gas	5.58	52.58
30-Year	2.8274	2.36	63.3	CNH	6.7095	0.0388	-5.25	Aluminum	2,380.50	-14.93

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.84	-0.04	1.63	0.23	NA	NA
5-Year	2.84	-0.09	1.70	0.67	0.47	0.41
10-Year	2.83	-0.18	2.04	1.45	0.96	1.11
30-Year	3.06	-0.35	2.46	1.79	1.47	2.47

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	06-Jul 2022	31-Dec 2021
Kuwait	62.98	40.53
KSA	71.82	50.97
Abu Dhabi	68.20	43.09
Dubai	124.76	89.58
Qatar	68.91	42.55
Bahrain	323.14	286.32
Oman	267.27	254.42
Iraq	575.17	507.35
Egypt	365.52	496.58
Morocco	302.73	85.91
Turkey	848.00	555.46
US	18.55	10.01
UK	11.35	8.91
China	84.66	39.86
Japan	30.77	16.23
Germany	11.87	7.53
France	23.70	17.87