

News Updates

Egypt expects to reach a agreement with IMF 'within months' - Egypt expects to reach a new programme with the International Monetary Fund "within months", Prime Minister Mostafa Madbouly said on Sunday. In March, Egypt said it was in talks with the IMF about potential funds in addition to technical support to hedge against the economic effects of the Russia-Ukraine crisis, should it be prolonged. The Ukraine crisis cut into tourism revenue, pushed up the cost of commodity imports and prompted foreign investors to flee, but Cairo has since received billions of dollars in financial support from several Gulf Arab states. *(Source: Reuters)*

Central Bank of Tunisia raises key interest rate to 7% - The Executive Board of the Central Bank of Tunisia (BCT) decided to raise the key interest rate of the BCT by 75 basis points, 7.0 pc. The decision followed an assessment of the risks surrounding the inflation dynamics and the external trade balance in the period ahead, the BCT said in a statement Tuesday. *(Source: Reuters)*

Oil Rebounds After Two-Day Drop as Traders Weigh Products, China - Oil rebounded amid strength in product markets following a two-day slump that was driven by concerns over a global economic downturn. West Texas Intermediate erased early losses to trade above \$110 a barrel after shedding 4% over the previous two sessions. Investors have shunned equities and many commodities after Federal Reserve officials reaffirmed much tighter monetary policy lies ahead to cool an overheating economy and tame inflation. Crude's outlook has also been clouded as China struggles to contain a wave of Covid-19 infections. *(Source: Bloomberg)*

Worst of Treasuries Rout Is Over For Now, JPMorgan Asset Says - The worst of the selloff bulldozing the world's biggest bond market is likely over for now, according to JPMorgan Asset Management. That's the view of Seamus Mac Gorain, head of global rates at the \$2.5 trillion investment giant, who said markets have now largely priced in expectations for aggressive US interest rate hikes to combat the highest inflation in four decades. Even if yields inch higher from here, the bulk of painful losses has already been inked, he said. Treasuries can still "get somewhat higher yields, maybe you get to as high as 3.25%," London-based Mac Gorain said of the 10-year benchmark, which traded around 2.9% Thursday. Yields on 10-year Treasuries have climbed more than 200 basis points to their May 9 peak of 3.20%, while those on more interest-rate sensitive two-year notes have jumped more than 250 basis points. *(Source: Bloomberg)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.29	-7.91	KSA	2027	3.31	-6.83
Abu Dhabi	2031	3.66	-12.59	KSA	2032	3.84	-11.81
Abu Dhabi	2050	4.42	-22.42	KSA	2050	4.88	-20.55
Bahrain	2028	5.87	-5.98	Oman	2027	5.66	-6.26
Bahrain	2032	7.14	-10.20	Oman	2032	6.39	-8.27
Bahrain	2051	8.14	-14.35	Oman	2051	7.75	-13.40
Dubai	2029	4.08	-9.49	Qatar	2026	3.24	-6.54
Dubai	2050	5.73	-23.12	Qatar	2030	3.67	-10.32
Kuwait	2027	3.21	-7.32	Qatar	2050	4.52	-21.86

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.51	8.08	0.01	-10.22
S&P MENA Bond and Sukuk Index	4.10	NA	0.21	-10.70
Bloomberg Emerging Markets USD Index	6.56	6.80	0.10	-14.65
Bloomberg Global Aggregate Index	2.61	7.42	0.24	-11.80

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	19/05/2022	31/12/2021	19/05/2022	31/12/2021	19/05/2022	31/12/2021
KIBOR	1.9375	1.5000	2.1875	1.7500	2.4375	2.0000
SAIBOR	2.6098	0.9057	2.7666	0.9829	3.1637	1.0600
BHIBOR	2.5858	1.5167	2.9655	1.6233	3.5417	1.7667
QATAR	1.1500	1.1250	1.3000	1.2000	1.8500	1.3250
AEIBOR	1.5138	0.3645	2.0750	0.7000	2.6090	0.7396
EURIBOR	-0.3800	-0.5730	-0.1660	-0.5460	0.2400	-0.4980
LIBOR	1.4476	0.2144	2.0051	0.3451	2.6777	0.5888

USD Swap Rates				Currencies				Commodities		
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	2.5813	0.58	382.5	KWD	0.3066	0.1142	-1.31	Gold	1,818.40	-0.95
2-Year	2.9549	0.84	213.9	SAR	3.7513	0.0000	0.11	Silver	21.38	-8.69
5-Year	2.9425	1.05	114.9	BHD	0.3770	-0.0027	0.01	Copper	420.25	-5.40
7-Year	2.9407	1.09	99.3	QAR	3.6414	0.0055	0.01	Nat. Gas	8.22	129.62
10-Year	2.9622	0.87	87.4	OMR	0.3850	-0.0026	-0.06	Aluminum	2,847.01	1.59
30-Year	2.8198	1.17	62.9	AED	3.6730	0.0027	0.00	Crude Oil	110.48	45.68

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	2.67	0.01	1.44	-0.03	NA	NA
5-Year	2.90	-0.05	1.57	-0.09	0.41	0.00
10-Year	2.90	-0.09	1.86	0.16	0.87	0.00
30-Year	3.08	-0.25	2.09	-0.02	1.12	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	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	19-May 2022	31-Dec 2021
Kuwait	60.37	40.53
KSA	66.78	50.97
Abu Dhabi	65.82	43.09
Dubai	118.58	89.58
Qatar	66.79	42.55
Bahrain	312.67	286.32
Oman	250.15	254.42
Iraq	402.58	507.35
Egypt	857.41	496.58
Morocco	105.04	85.91
Turkey	709.43	555.46
US	16.00	10.01
UK	10.01	8.91
China	82.89	39.86
Japan	18.45	16.23
Germany	11.61	7.53
France	20.43	17.87