

## News Updates

**S&P: EMEA Emerging Mkt Sovereigns Remain on Downward Trajectory** – Ratings on emerging market sovereigns in Europe, the Middle East, and Africa (EMEA) remain on a downward trajectory, with the number of ratings at 'CCC' and below exceeding 'BBB' for the first time, S&P said in a statement. Negative outlooks exceed positive ones by seven to three, but the majority of these predate the invasion of Ukraine and reflect country-specific fundamentals. The number of emerging EMEA countries projected to operate current account deficits of 4% of GDP or above during 2022 is the highest in almost a decade, including Serbia, Romania, North Macedonia, and Hungary. Other emerging EMEA countries with that level of current account deficits include Egypt, Georgia, Jordan, Morocco, Turkey, Ukraine, Uzbekistan, and much of sub-Saharan Africa (*Source: Bloomberg*)

**Fitch places Tunisia on UCO on final sovereign rating criteria** – Fitch Ratings placed Tunisia's 'CCC' Long-Term Foreign- (FC) and Local-Currency Issuer Default Ratings (IDRs) and debt instruments Under Criteria Observation (UCO), following the conversion of the agency's exposure draft of its Sovereign Rating Criteria into final criteria, according to a statement by the rating agency on July 15. The move would allow the rating agency to assign to the country a rating of 'CCC-' or 'CCC+'. Fitch has previously lowered FC and IDRs of Tunisia on March 18 this year from 'B-' with a negative outlook to 'CCC', as the talks between the North African country and the IMF on a \$4bn lifeline loan package to support the ailing economy were delayed several times. The ratings can however change as a result of the final criteria. This will affect the underlying credit profile or the existing outlook, Fitch explained, noting it will resolve Tunisia's UCO status within six months. (*Source: Bloomberg*)

**Oil Returns Above \$100 With Saudis Cautious About More Output** – Oil rallied above \$100 after the Saudis declined to make any promises regarding future output increases, while a weaker dollar also helped put wider commodity markets on firmer footing. West Texas Intermediate rose 5.1% to settle above \$102 a barrel on Monday. Saudi ministers insisted at the conclusion of President Joe Biden's visit last week that oil policy decisions would be dictated by market logic and with coalition agreement. Iraq's oil minister told Bloomberg he sees oil trading above \$100 for the rest of the year. Crude has slumped since mid-June as concerns about a potential recession ripped through commodity markets. Biden remains eager to get OPEC to add supplies to bring prices down further and help quell inflation. OPEC and its allies next meeting is on Aug. 3 after members agreed to revive the crude supplies that were halted during the coronavirus pandemic. (*Source: Bloomberg*)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.28	-8.00	KSA	2027	3.41	-7.10
Abu Dhabi	2031	3.62	-12.03	KSA	2032	3.87	-11.94
Abu Dhabi	2050	4.45	-22.70	KSA	2050	5.06	-22.66
Bahrain	2028	6.91	-10.36	Oman	2027	6.38	-8.97
Bahrain	2032	8.40	-18.17	Oman	2032	7.18	-13.49
Bahrain	2051	9.40	-25.57	Oman	2051	8.49	-20.40
Dubai	2029	4.02	-9.34	Qatar	2026	3.29	-6.71
Dubai	2050	6.07	-27.07	Qatar	2030	3.73	-11.06
Kuwait	2027	3.25	-7.53	Qatar	2050	4.58	-22.49

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.81	8.08	0.08	-11.10
S&P MENA Bond and Sukuk Index	4.29	NA	-0.08	-10.97
Bloomberg Emerging Markets USD Index	7.45	6.80	0.13	-18.35
Bloomberg Global Aggregate Index	2.88	7.42	0.27	-14.18

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	19/07/2022	31/12/2021	19/07/2022	31/12/2021	19/07/2022	31/12/2021
KIBOR	2.1875	1.5000	2.4375	1.7500	2.7500	2.0000
SAIBOR	2.8710	0.9057	3.2223	0.9829	3.6316	1.0600
BHIBOR	3.7450	1.5167	4.2417	1.6233	4.8756	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	2.4750	0.3645	2.9743	0.7000	3.4150	0.7396
EURIBOR	0.0720	-0.5730	0.5320	-0.5460	1.0570	-0.4980
LIBOR	2.7376	0.2144	3.3113	0.3451	3.8964	0.5888

USD Swap Rates					Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)	
1-Year	3.5020	-0.77	554.6	KWD	0.3078	-0.1300	-1.69	Crude Oil	105.85	41.51	
2-Year	3.4002	-1.99	261.2	SAR	3.7557	-0.0053	0.01	Gold	1,707.00	-7.02	
5-Year	3.0750	-1.90	124.5	EUR	1.0134	-0.0986	-10.88	Silver	18.60	-20.72	
7-Year	3.0354	-1.60	105.7	GBP	1.1942	-0.0920	-11.75	Copper	328.55	-25.84	
10-Year	3.0414	-1.32	92.4	JPY	137.9600	0.1305	-16.58	Nat. Gas	7.42	103.01	
30-Year	2.8829	-0.34	66.5	CNH	6.7552	0.0799	-5.89	Aluminum	2,417.44	-13.49	
US Treasuries					UK Gilts			German Bunds			
	Yield %		1D Δ (%)		Yield %		1D Δ (%)		Yield %		1D Δ (%)
2-Year	3.16		0.04		1.95		-0.10		NA		NA
5-Year	3.08		0.10		1.86		-0.29		0.50		-0.12
10-Year	2.97		0.16		2.15		-0.66		0.97		-0.52
30-Year	3.15		0.21		2.63		-0.82		1.41		-1.47

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	19-Jul 2022	31-Dec 2021
Kuwait	65.86	40.53
KSA	73.27	50.97
Abu Dhabi	71.78	43.09
Dubai	133.21	89.58
Qatar	71.36	42.55
Bahrain	344.74	286.32
Oman	304.75	254.42
Iraq	704.67	507.35
Egypt	365.52	496.58
Morocco	318.61	85.91
Turkey	850.78	555.46
US	20.22	10.01
UK	15.11	8.91
China	85.40	39.86
Japan	29.12	16.23
Germany	15.40	7.53
France	27.39	17.87