

## News Updates

**GCC fixed income issuances drop by 40%** - Fixed income issuances in the Gulf Cooperation Council (GCC) declined during 2021 compared to 2020 and the trend this year also points to a second consecutive year of decline, according to a new report. "Total issuances during the first five months of the year declined by 40 per cent year-on-year to \$37.2 billion compared to \$61.9 billion during the first five months of 2021," the Kuwait-based Kamco Invest, an Investment Strategy & Research firm said in its GCC Fixed Income Market Update. "The decline this year comes mainly on the back of better fiscal position of the regional governments backed by elevated oil prices as well as a pick up in economic activity," the report added. Also limiting issuances this year includes factors like higher interest rates as well as record fundraising activity in the equity markets which saw significant demand from local and global investors, the report added. Bonds and Sukuk maturities are expected at \$24.4 billion for the remainder of 2022 and the refinancing of these is expected to account for the bulk of the issuances by corporates and governments in the region. That said, the higher cost of borrowing is expected to discourage some refinancing activity in the near term. For the full year of 2022, we are expecting a steep decline in issuances as a result of a decline in issuances from both the government as well as corporates. *(Source: Zawya)*

**Saudi Investment Bank completes \$533mln sukuk issue** - Saudi Investment Bank (SAIB) has completed its sukuk offering worth 2 billion riyals (\$533 million), the specialist corporate lender said in a bourse filing on Wednesday. The Tier 1 sukuk denominated in Saudi riyals offers a 6 percent a year fixed rate that is payable semi-annually from (including) the issue date. The Saudi lender had announced last March its intention to issue a sukuk programme through a private placement. SAIB's net profit for the first quarter of the year rose by 34.4 percent to 287 million riyals, driven by an increase in total operating income. *(Source: Zawya)*

**Gold Heads for Third Monthly Decline on Rising Interest Rates** - Gold headed for a third straight monthly decline as investors weighed rising interest rates against recession fears, with central bankers warning of a longer-lasting inflation shock. Federal Reserve Chair Jerome Powell and his European counterparts may be forced to tear up their playbook of the last 20 years as they debate how to tackle persistent price pressures and slower growth. Speaking at the European Central Bank's annual forum Wednesday, President Christine Lagarde said it's unlikely that the world will soon go back to a low-inflation environment as a result of the pandemic and geopolitics. This could portend even more aggressive policy tightening than expected. *(Source: Zawya)*

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.51	-9.04	KSA	2027	3.65	-7.95
Abu Dhabi	2031	3.88	-13.92	KSA	2032	4.09	-13.51
Abu Dhabi	2050	4.54	-23.93	KSA	2050	5.08	-22.81
Bahrain	2028	6.29	-7.70	Oman	2027	5.85	-7.12
Bahrain	2032	7.53	-12.71	Oman	2032	6.74	-10.68
Bahrain	2051	8.47	-17.66	Oman	2051	7.90	-14.98
Dubai	2029	4.04	-9.39	Qatar	2026	3.49	-7.31
Dubai	2050	5.74	-23.87	Qatar	2030	3.92	-11.82
Kuwait	2027	3.51	-8.57	Qatar	2050	4.64	-23.24

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.76	8.08	-0.03	-11.06
S&P MENA Bond and Sukuk Index	4.29	NA	0.27	-11.24
Bloomberg Emerging Markets USD Index	7.16	6.80	-0.11	-17.07
Bloomberg Global Aggregate Index	2.97	7.42	0.30	-14.29

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021	30/06/2022	31/12/2021
KIBOR	2.1250	1.5000	2.4375	1.7500	2.6875	2.0000
SAIBOR	2.9166	0.9057	3.3168	0.9829	3.5581	1.0600
BHIBOR	3.5571	1.5167	4.0214	1.6233	4.7566	1.7667
QATAR	2.4500	1.1250	2.5000	1.2000	2.7500	1.3250
AEIBOR	1.9896	0.3645	2.6480	0.7000	3.3135	0.7396
EURIBOR	-0.2110	-0.5730	0.2250	-0.5460	1.0220	-0.4980
LIBOR	2.2504	0.2144	2.8769	0.3451	3.6073	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	3.3579	1.74	527.6	KWD	0.3068	-0.0815	-1.37	Crude Oil	116.07	54.10
2-Year	3.3886	0.66	260.0	SAR	3.7527	0.0027	0.09	Gold	1,816.90	-1.03
5-Year	3.1930	0.68	133.2	EUR	1.0452	0.0862	-8.08	Silver	20.69	-11.79
7-Year	3.1662	0.71	114.6	GBP	1.2142	0.1402	-10.28	Copper	375.95	-15.15
10-Year	3.1798	0.69	101.1	JPY	136.4500	0.1099	-15.66	Nat. Gas	6.50	77.60
30-Year	2.9884	0.02	72.6	CNH	6.7007	0.1149	-5.13	Aluminum	2,457.50	-12.18

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	3.04	0.00	2.00	0.13	NA	NA
5-Year	3.15	-0.02	2.06	0.32	0.89	0.00
10-Year	3.10	-0.04	2.38	0.77	1.35	0.00
30-Year	3.22	0.03	2.66	0.72	1.71	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	30-Jun 2022	31-Dec 2021
Kuwait	61.50	40.53
KSA	68.61	50.97
Abu Dhabi	68.53	43.09
Dubai	118.56	89.58
Qatar	67.16	42.55
Bahrain	302.05	286.32
Oman	260.47	254.42
Iraq	485.24	507.35
Egypt	966.30	496.58
Morocco	230.57	85.91
Turkey	825.99	555.46
US	17.00	10.01
UK	11.55	8.91
China	81.34	39.86
Japan	24.64	16.23
Germany	11.81	7.53
France	21.28	17.87