

## News Updates

### Egypt Inflation Rate at Highest This Year After Price Hikes –

Consumer prices in urban parts of Egypt rose at their fastest pace since December as food costs climbed and recent hikes of electricity and tobacco took their toll. The annual inflation rate accelerated to 5.4% in July compared with 4.9% the previous month, according to data from the state-run statistics agency CAPMAS on Tuesday. Prices rose 0.9% on a monthly basis, from 0.2% in June. The quickening followed increases in power bills and cigarette costs in the North African nation in recent weeks against a backdrop of surging global commodity prices. Food and beverages costs, the largest single component of the inflation basket, climbed an annual 4.8%. Transport was up 6.6% and alcohol and tobacco 2.9%. Despite the acceleration, inflation is at the lower end of the central bank's 5%-9% target range and analysts such as those at HSBC Holdings Plc see it remaining at similar levels into next year. A closely watched factor will be a mooted rise in prices for subsidized bread, a move President Abdel-Fattah El-Sisi urged last week. The government is studying the hike, although there have been no official estimates yet of the new costs. (Source: Bloomberg)

### Treasury yields rise; three-year auction sees solid demand – U.S.

Treasury yields hit their highest levels since mid-July on Tuesday, rising on the long end of the curve after the U.S. Senate passed a massive infrastructure bill, while a three-year note auction produced strong results. The benchmark 10-year Treasury yield reached 1.349%, its highest since July 15, and last was up 3 basis points at 1.3473%. The 30-year bond yield, which rose as high as 1.992%, rose 2.9 basis points to 1.9895%. The 10-year yield, up for a fifth straight session on Tuesday, was set for its longest daily rising streak since late January-early February. That sharp climb took yields from 1% to 1.776% by the end of March. The \$58 billion of three-year notes were sold at a high yield of 0.465% and with a bid-to-cover ratio, a gauge of demand, of an above-average 2.54. The three-year yield was last up 2.4 basis points at 0.4503%. Jim Vogel, senior rates strategist at FHN Financial, said yields rose after the U.S. Senate passed a \$1 trillion infrastructure bill and opened debate on a \$3.5 trillion spending plan. (Source: Reuters)

### Fed officials say tapering is near, advancing discussion on rate hike

– Two Federal Reserve officials said on Monday that the U.S. economy is growing rapidly and that while the labor market still has room for improvement, inflation is already at a level that could satisfy one leg of a key test for the beginning of interest rate hikes. Atlanta Federal Reserve Bank President Raphael Bostic said he is eyeing the fourth quarter for the start of a bond-purchase taper but is open to an even earlier start if the job market keeps up its recent torrid pace of improvement. Moreover, he and Richmond Fed President Tom Barkin both said they believe inflation has already achieved the Fed's 2% threshold, according to their separate assessments. That is one of two requirements to be met before rate hikes can be considered. (Source: Reuters)

## GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.72	-0.70	KSA	2025	1.07	-0.50
Abu Dhabi	2030	1.87	-2.81	KSA	2030	2.18	-1.80
Abu Dhabi	2050	3.03	-5.29	KSA	2050	3.48	-3.85
Bahrain	2026	3.88	-3.84	Oman	2025	3.23	2.60
Bahrain	2030	5.61	-6.27	Oman	2029	4.86	3.30
Bahrain	2047	6.97	-10.22	Oman	2048	6.57	2.11
Dubai	2029	2.46	-0.47	Qatar	2025	0.93	-1.51
Kuwait	2022	0.07	-1.44	Qatar	2030	1.95	-3.28
Kuwait	2027	1.27	-1.92	Qatar	2050	3.14	-5.64

## Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.58	8.08	-0.03	0.53
S&P MENA Bond and Sukuk Index	2.18	NA	-0.10	0.00
Bloomberg Emerging Markets USD Index	3.95	6.80	-0.02	-0.45
Bloomberg Global Aggregate Index	1.04	7.42	-0.14	-2.61

## Interbank Rates (%)

	3 Months		6 Months		12 Months	
	11/8/2021	31/12/2020	11/8/2021	31/12/2020	11/8/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7943	0.8175	0.8443	0.8700	0.9143	0.9413
BHIBOR	1.5750	2.2500	1.7167	2.5333	1.8667	2.6833
QATAR	1.0973	1.1206	1.1702	1.1960	1.2847	1.3636
AEIBOR	0.3465	0.5125	0.5875	0.4908	0.5458	0.6538
EURIBOR	-0.5430	-0.5450	-0.5270	-0.5260	-0.5020	-0.4990
LIBOR	0.1273	0.2384	0.1496	0.2576	0.2378	0.3419

## USD Swap Rates

Currencies				Commodities						
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	0.1625	0.11	-15.6	KWD	0.3009	-0.1330	0.80	Gold	1,733.10	-9.32
2-Year	0.3268	0.20	65.2	SAR	3.7508	-0.0080	0.03	Silver	23.36	-12.16
5-Year	0.9144	-0.07	112.7	BHD	0.3770	0.0053	0.00	Copper	432.95	22.75
7-Year	1.1432	-0.06	74.6	QAR	3.6416	-0.0055	-0.01	Nat. Gas	4.11	51.36
10-Year	1.3620	0.02	47.2	OMR	0.3850	0.0000	0.00	Aluminum	2,571.00	28.76
30-Year	1.7100	0.15	22.0	AED	3.6731	0.0000	0.00	Crude Oil	70.45	38.00

## US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.24	0.00	0.14	-0.03	-0.68	0.00
5-Year	0.83	-0.01	0.29	-0.08	-0.80	0.00
10-Year	1.35	-0.03	0.59	-0.07	-0.60	0.00
30-Year	2.00	-0.10	0.95	-0.02	-0.01	0.00

## Currencies

	USD	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)
Gold	1,733.10	-9.32		Silver	23.36	-12.16	
Copper	432.95	22.75		Nat. Gas	4.11	51.36	
Aluminum	2,571.00	28.76		Crude Oil	70.45	38.00	

## UK Gilts

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.24	0.00	0.14	-0.03	-0.68	0.00
5-Year	0.83	-0.01	0.29	-0.08	-0.80	0.00
10-Year	1.35	-0.03	0.59	-0.07	-0.60	0.00
30-Year	2.00	-0.10	0.95	-0.02	-0.01	0.00

## Commodities

	USD	1D Δ (bps)	YTD Δ (%)
Gold	1,733.10	-9.32	
Silver	23.36	-12.16	
Copper	432.95	22.75	
Nat. Gas	4.11	51.36	
Aluminum	2,571.00	28.76	
Crude Oil	70.45	38.00	

## German Bunds

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.24	0.00	0.14	-0.03	-0.68	0.00
5-Year	0.83	-0.01	0.29	-0.08	-0.80	0.00
10-Year	1.35	-0.03	0.59	-0.07	-0.60	0.00
30-Year	2.00	-0.10	0.95	-0.02	-0.01	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	B+	BB-
Egypt	B2	B	B+
Lebanon	C	SD	RD
Jordan	B1	B+	BB-
Turkey	B2	B+u	BB-
Tunisia	B3	NR	B-
Morocco	Ba1	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+
<b>USD 5Yr CDS</b>	<b>11-Aug 2021</b>	<b>31-Dec 2020</b>	
Kuwait	46.06	40.69	
KSA	54.55	63.77	
Abu Dhabi	42.32	36.03	
Dubai	85.71	104.06	
Qatar	42.16	36.70	
Bahrain	245.22	233.58	
Oman	242.23	353.60	
Iraq	536.87	542.74	
Egypt	348.20	330.47	
Morocco	93.91	102.56	
Turkey	392.55	299.47	
US	7.22	11.52	
UK	7.68	15.13	
China	37.39	26.70	
Japan	16.37	14.74	
Germany	8.48	9.09	
France	18.70	14.42	