

News Updates

Saudi shipping firm Bahri issues \$1bn SAR-denominated Sukuk - National Shipping Co. of Saudi Arabia, better known as Bahri, has started the issuance of SAR 3.9 billion (\$1.04 billion) Sukuk, denominated in Saudi Riyals. The offering started on June 16, and will end on July 21, the Saudi-listed firm said. Al Rajhi Capital Co., HSBC Saudi Arabia, and SNB Capital Co. have been selected to act as lead managers and book runners. The company will use proceeds to refinance the existing Sukuk which will mature later this year in July. Bahri is a joint venture between Saudi Aramco and the Public Investment Fund, operating a fleet of 89 tankers and container ships that transport oil, petrochemicals, and other types of cargo. (Source: Arab News)

Goldman sees Turkey inflation of near 80% before relief comes - Goldman Sachs said on Friday it expects annual inflation in Turkey to reach almost 80% before easing to 60% by the end of 2022, thanks to so-called favourable base effects. Inflation in Turkey hit 73.5% in May, stoked by a currency crisis last year and soaring energy costs due to Russia's invasion of Ukraine. The lira lost 44% against the dollar in 2021 in addition to another 24% so far this year. It remains under pressure as real yields in Turkey are deeply negative amid a global tightening cycle. (Source: Reuters)

Oil slumps 6% to four-week low on recession worries - Oil prices tumbled about 6% to a four-week low on Friday on worries that interest rate hikes by major central banks could slow the global economy and cut demand for energy. Also pressuring prices, the U.S. dollar this week rose to its highest level since December 2002 against a basket of currencies, making oil more expensive for buyers using other currencies. Brent futures fell \$6.69, or 5.6%, to settle at \$113.12 a barrel, while U.S. West Texas Intermediate (WTI) crude fell \$8.03, or 6.8%, to settle at \$109.56. That was the lowest close for Brent since May 20 and the lowest for WTI since May 12. It was also the biggest daily percentage decline for Brent since early May and the biggest for WTI since late March. (Source: Reuters)

Fed Says Commitment to Restoring Price Stability 'Unconditional' - The Federal Reserve said it would do what is needed to get prices under control, reiterating that price stability is necessary to support a strong labor market and calling its commitment to reining in inflation "unconditional." "The committee is acutely aware that high inflation imposes significant hardship, especially on those least able to meet the higher costs of essentials," the Fed said in its semi-annual report to Congress released Friday. "The committee's commitment to restoring price stability, which is necessary for sustaining a strong labor market, is unconditional." (Source: Bloomberg)

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2027	3.55	-9.23	KSA	2027	3.75	-8.38
Abu Dhabi	2031	3.91	-14.19	KSA	2032	4.10	-13.65
Abu Dhabi	2050	4.55	-24.03	KSA	2050	5.09	-22.89
Bahrain	2028	6.24	-7.55	Oman	2027	6.04	-7.77
Bahrain	2032	7.25	-10.93	Oman	2032	6.78	-10.99
Bahrain	2051	8.24	-15.45	Oman	2051	7.94	-15.36
Dubai	2029	4.07	-9.60	Qatar	2026	3.72	-8.08
Dubai	2050	5.49	-20.80	Qatar	2030	3.99	-12.10
Kuwait	2027	3.44	-8.28	Qatar	2050	4.68	-23.65

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	4.78	8.08	0.21	-11.29
S&P MENA Bond and Sukuk Index	4.36	NA	0.03	-11.73
Bloomberg Emerging Markets USD Index	7.06	6.80	-0.14	-16.61
Bloomberg Global Aggregate Index	3.08	7.42	-0.31	-14.80

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	19/06/2022	31/12/2021	19/06/2022	31/12/2021	19/06/2022	31/12/2021
KIBOR	2.1250	1.5000	2.3750	1.7500	2.6875	2.0000
SAIBOR	3.1827	0.9057	3.4566	0.9829	3.7836	1.0600
BHIBOR	3.3353	1.5167	3.5433	1.6233	4.2112	1.7667
QATAR	1.1500	1.1250	1.3000	1.2000	1.8500	1.3250
AEIBOR	1.7525	0.3645	2.5075	0.7000	3.2829	0.7396
EURIBOR	-0.1690	-0.5730	0.2910	-0.5460	1.1240	-0.4980
LIBOR	2.0959	0.2144	2.7804	0.3451	3.5859	0.5888

USD Swap Rates				Currencies			Commodities			
	Yield %	1D Δ (bps)	YTD Δ (%)		USD	1D Δ (bps)	YTD Δ (%)		USD	YTD Δ (%)
1-Year	3.3940	1.47	534.4	KWD	0.3069	-0.0489	-1.42	Crude Oil	113.12	50.19
2-Year	3.6000	5.59	282.4	SAR	3.7525	-0.0027	0.08	Gold	1,840.60	0.26
5-Year	3.3860	6.44	147.2	EUR	1.0510	-0.4740	-7.66	Silver	21.68	-7.57
7-Year	3.3222	5.51	125.1	GBP	1.2271	-0.8986	-9.54	Copper	402.95	-9.05
10-Year	3.2906	4.74	108.1	JPY	135.2300	-2.0812	-14.77	Nat. Gas	6.94	90.87
30-Year	3.0008	6.79	73.3	CNH	6.7167	-0.3711	-5.25	Aluminum	2,483.25	-11.26

US Treasuries			UK Gilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	3.18	-0.15	2.17	-0.15	NA	NA
5-Year	3.34	-0.24	2.19	-0.15	1.13	0.17
10-Year	3.23	-0.23	2.49	0.17	1.53	0.45
30-Year	3.28	-0.51	2.66	0.13	1.81	0.02

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-Jun 2022	31-Dec 2021
Kuwait	59.89	40.53
KSA	61.85	50.97
Abu Dhabi	60.83	43.09
Dubai	112.27	89.58
Qatar	61.37	42.55
Bahrain	303.12	286.32
Oman	249.95	254.42
Iraq	450.91	507.35
Egypt	908.91	496.58
Morocco	216.52	85.91
Turkey	821.11	555.46
US	15.61	10.01
UK	10.64	8.91
China	84.09	39.86
Japan	19.91	16.23
Germany	10.71	7.53
France	19.64	17.87