MENA Daily Fixed Income Report – 14 July 2026

Kuwait Financial Centre "Markaz"

News Update

Local Currency Issuance Is Offsetting Foreign Currency Retreat To Keep Sukuk Growth On Track- Sukuk issuance increased in the first half of 2026 and this momentum is likely to continue in the second half, consistent with S&P Global Ratings' earlier forecasts. That growth has been underpinned by local currency markets--notably in Malaysia, Qatar, Saudi Arabia and Türkiye. S&P expects local markets will remain the engine of growth amid ongoing geopolitical tensions and a more restrictive interest rate environment, than previously anticipated, which will temper foreign-currency denominated issuance. The ceasefire between U.S. and Iran in April 2026 followed by the memorandum of understanding (MOU) in June 2026, created a window for issuers that had been preparing to access the market prior to the outbreak of the Middle East conflict in late February 2026. While some GCC issuers rushed to the market, the resultant momentum failed to return foreign currency-denominated issuances to 2025 levels. Declines in the UAE, Bahrain, and Saudi Arabia were partially offset by increased issuance in Malaysia, led by the International Islamic Liquidity Management Corporation (IILM).

Iran War Shock to Region's Bond Market Sees Opportunities, Risks- The resilience of Middle East debt markets to conflict in Iran provides opportunities for investors. Gulf Cooperation Council sovereigns and banks led a 16% rise in regional G3 bond sales this year. Sovereign credit-default swap costs have largely fallen to pre-war levels, as oil prices stay above fiscal breakevens. Yet GCC bank yield premiums are still wide on concern over economic disruption. MENA bond & sukuk G3 currency issuance rose 16% YTD to $113 billion. Click the chart symbol next to total. 2026 got off to a strong start, slowed in March and revived in April. Click Historical Issuance. Last year's $171 billion record is within reach. "Just to speak of resilience, we've had issuance across every country grow," Basel Al-Waqayan, a Bloomberg Intelligence credit analyst, said in a July 7 seminar. Bonds in Saudi Arabia, UAE and Qatar are cheap relative to the broader EM aggregate, while Kuwait and Bahrain have even more potential depending on how the conflict resolves, he wrote.

Brent Tops $85, Rate-Hike Bets Rise Before US CPI- Oil advanced for a second day as the standoff between the US and Iran intensified, reigniting inflation concerns and boosting bets on an interest-rate hike. Asian equities edged higher after a volatile session for semiconductor stocks. Brent rose as much as 2.8% to $85.64 a barrel after President Donald Trump reinstated the US blockade of Iranian ships transiting the Strait of Hormuz. Trump also demanded a 20% reimbursement on all other cargo shipped through the waterway. Treasuries held losses from the US session as traders awaited inflation data due Tuesday. Sovereign bonds fell on Monday as money markets boosted bets on a July interest rate hike to about 50% after Federal Reserve Governor Christopher Waller said officials may need to raise borrowing costs to tame price pressures. A Bloomberg gauge of the dollar slipped 0.1%.Elsewhere, MSCI's gauge of Asia Pacific shares rose 0.5% after oscillating between gains and losses throughout the session. South Korea's Kospi Index at one point fell more than 5%, and then recovered to rise as much as 2.5%. Equity-index futures indicated a modest loss for European shares, while contracts for the Nasdaq 100 erased earlier declines to climb 0.4%.

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2029	4.66	-2.69	KSA	2029	4.90	-
Abu Dhabi	2031	4.79	-2.12	KSA	2031	4.96	-
Abu Dhabi	2035	4.94	-4.12	KSA	2036	5.24	-
Abu Dhabi	2054	5.75	-5.26	KSA	2056	6.24	-
Bahrain	2029	7.15	-4.17	Oman	2029	5.05	-2.33
Bahrain	2031	7.21	-6.22	Oman	2031	5.01	-2.24
Bahrain	2036	7.54	-7.94	Oman	2051	6.07	-2.09
Dubai	2029	4.50	-2.93	Qatar	2029	4.53	-1.98
Dubai	2050	6.18	-6.55	Qatar	2034	4.68	-3.45
Kuwait	2035	5.16	-3.44	Qatar	2050	5.61	-4.89

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.49	5.99	-0.17	-0.29
S&P MENA Bond and Sukuk Index	5.27	6.09	-0.18	-0.29
Bloomberg Emerging Markets USD Index	6.14	5.83	-0.19	1.49
Bloomberg Global Aggregate Index	3.94	6.18	-0.30	-0.99

Interbank Rates (%)	3 Months		6 Months		12 Months	
	14/07/2026	31/12/2025	14/07/2026	31/12/2025	14/07/2026	31/12/2025
KIBOR	3.56	3.56	3.75	3.75	3.94	3.94
SAIBOR	4.87	4.86	5.20	5.23	4.90	5.08
BHIBOR	5.16	4.98	5.26	4.91	5.41	4.78
QATAR	3.90	3.98	3.85	3.90	3.75	3.75
AEIBOR	3.85	3.47	4.00	3.52	4.05	3.61
EURIBOR	2.41	2.03	2.63	2.11	2.83	2.24
LIBOR	4.85	-	4.68	-	6.04	-
SOFR	3.74	5.33	3.86	3.57	4.02	3.42

USD Swap Rates	Yield %	1D Δ (bps)	YTD Δ (%)	Currencies	USD	1D Δ (bps)	YTD Δ (%)	Commodities	USD	YTD Δ (%)
1-Year	4.12	0.00	20.12	KWD	0.31	-0.03	-0.01	Crude Oil	84.51	40.45
2-Year	4.14	0.00	24.89	SAR	3.76	-0.01	0.00	Gold	4037.20	-9.08
5-Year	4.08	0.00	17.82	EUR	1.14	0.09	-0.03	Silver	58.56	-18.98
7-Year	4.11	0.00	13.97	GBP	1.34	0.11	-0.01	Copper	638.10	9.25
10-Year	4.18	-0.01	10.06	JPY	162.30	0.08	-0.03	Nat. Gas	2.88	-23.10
30-Year	4.34	-0.01	4.04	CNH	6.78	0.08	0.03	Aluminum	3168.15	5.24

Yield Curves	US Treasuries		UK Guilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
1-Year	4.09	-0.02	4.17	0.00	NA	NA
2-Year	4.28	0.00	4.35	0.00	2.38	0.00
5-Year	4.38	0.00	4.52	0.01	2.65	0.00
10-Year	4.62	0.04	4.97	0.01	2.86	0.00
30-Year	5.10	0.06	5.67	0.03	3.63	0.00

Sovereign Ratings

	Moody's	S&P	Fitch
Kuwait	A1	AA-	AA-
KSA	Aa3	A+	A+
UAE	Aa2	AA	AA-
Abu Dhabi	Aa2	AA	AA
Qatar	Aa2	AA	AA
Bahrain	B2	B	B
Oman	Baa3	BBB-	BBB-
Egypt	Caa1	B	B
Lebanon	C	SD	WD
Jordan	Ba3	BB-	BB-
Turkey	Ba3	BB-	BB-
Tunisia	Caa1	NR	B-
Morocco	Ba1	BBB-	BB+
US	Aa1	AA+	AA+
UK	Aa3	AA	AA-
China	A1	A+	Au

USD 5Yr CDS	14-Jul 2026	31-Dec 2025
Kuwait	56.63	53.51
KSA	63.65	68.34
Abu Dhabi	35.94	28.71
Dubai	67.62	51.84
Qatar	32.34	28.49
Bahrain	279.62	187.27
Oman	74.13	74.43
Iraq	294.84	223.27
Egypt	288.20	278.36
Morocco	78.48	72.65
Turkey	230.50	206.51
US	42.19	32.09
UK	19.69	17.94
China	37.44	44.14
Japan	27.64	25.40
Germany	8.12	8.76
France	32.34	32.04

A number of sources which include Bloomberg, Zawya, and daily newspapers were utilized in the creation of this report.