MENA Daily Fixed Income Report – 22 June 2026

Kuwait Financial Centre "Markaz"

News Update

Qatar Central Bank issues Government Ijara Sukuk worth $1.78bln- Qatar Central Bank (QCB) issued yesterday Government Ijara Sukuk on behalf of the Ministry of Finance with a value amounting to QR6.5bn. In a post on X, QCB said that the maturity periods of the Sukuk varied as per the following details: QR3.250bn (an addition to an existing issuance) with a maturity date of September 3, 2028, and a yield of 4.450 percent, and QR3.250bn (an addition to an existing issuance) with a maturity date of August 24, 2030, and a yield of 4.450 percent. The QCB clarified that total bids for the Sukuk reached approximately QR14.5bn.

Bloomberg: The Fed, Not Iran War, Sets Saudi Rate Path-The Iran war strengthens the case for lower Saudi interest rates, but the dollar peg constrains policy. The conflict is slowing growth by lifting defense costs, weakening sentiment, and cutting oil output. Inflation remains below its long-term average of 2%. Normally, this mix would call for rate cuts. But Riyadh doesn't set its own interest rates; it imports them from Washington. The dollar peg forces this alignment to avoid destabilizing the currency. Since 2024, Saudi Arabia has mirrored 1.75 percentage points of Fed rate reductions. Bloomberg's US team now expects no rate changes this year.

FAB tests Europe's appetite for GCC issuance- First Abu Dhabi Bank achieved a similar book coverage to pre-Iran War Gulf bank euro trades on Thursday as it brought the first issuance in the single currency from the region since the conflict started. FAB, the UAE's largest bank, set the spread at 75bp over mid-swaps for a senior unsecured December 2029 euro note. The bank is a gold standard Gulf Co-operation Council issuer, with credit ratings of Aa3/AA-/AA-. It chose BBVA, FAB, HSBC, ICBC, Société Générale and Standard Chartered as bookrunners. FAB had a book of over €1.4bn when it set the spread, allowing tightening to the 75bp spread from initial price talk of 100bp-105bp over swaps. FAB launched a short while later for €750m, and investors stuck around, with books holding at €1.4bn. "The book is of good quality," said a banker involved. "It's exciting to have this one out, reopening the GCC euro market. Because of the conflict, there were questions over whether different investor bases, away from the typical dollar or emerging markets buyers, would still be keen on the region. This is a good test, and it's looking good so far." One banker in the Gulf was less convinced that FAB's trade would be a true test of international demand, even if it was not the sort of bond that would be bought by UAE banks. "FAB is a super savvy issuer and the fact it is doing euros, the kind of stuff that isn't on a fixed timeline, shows confidence," he said. "And this will be genuinely distributed. But having said that I'm not sure I'd call it a test of appetite. It's a three year for a government-owned bank, so about as safe as you can get."

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2029	4.53	-2.33	**KSA**	2029	4.70	-
Abu Dhabi	2031	4.62	-1.56	**KSA**	2031	4.77	-
Abu Dhabi	2035	4.74	-2.91	**KSA**	2036	5.06	-
Abu Dhabi	2054	5.57	-3.16	**KSA**	2056	6.06	-
Bahrain	2029	6.29	-2.49	**Oman**	2029	4.86	-1.67
Bahrain	2031	6.50	-3.32	**Oman**	2031	4.86	-1.46
Bahrain	2036	6.97	-4.37	**Oman**	2051	5.90	0.05
Dubai	2029	4.41	-2.67	**Qatar**	2029	4.45	-1.83
Dubai	2050	6.09	-5.38	**Qatar**	2034	4.56	-2.68
Kuwait	2035	4.94	-2.04	**Qatar**	2050	5.43	-2.56

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	5.32	6.11	-0.01	0.44
S&P MENA Bond and Sukuk Index	5.15	6.23	-0.14	0.36
Bloomberg Emerging Markets USD Index	5.99	5.87	0.00	2.04
Bloomberg Global Aggregate Index	3.83	6.20	-0.23	-0.27

Interbank Rates (%)	3 Months		6 Months		12 Months	
	22/06/2026	31/12/2025	22/06/2026	31/12/2025	22/06/2026	31/12/2025
KIBOR	3.56	3.56	3.75	3.75	3.94	3.94
SAIBOR	4.70	4.86	5.18	5.23	4.86	5.08
BHIBOR	5.14	4.98	5.22	4.91	5.36	4.78
QATAR	3.90	3.98	3.85	3.90	3.75	3.75
AEIBOR	3.82	3.47	3.87	3.52	4.19	3.61
EURIBOR	2.33	2.03	2.62	2.11	2.79	2.24
LIBOR	4.85	-	4.68	-	6.04	-
SOFR	3.70	5.33	3.79	3.57	3.94	3.42

USD Swap Rates	Yield %	1D Δ (bps)	YTD Δ (%)	Currencies	USD	1D Δ (bps)	YTD Δ (%)	Commodities	USD	YTD Δ (%)
1-Year	4.08	0.02	18.91	**KWD**	0.31	-0.05	-	**Crude Oil**	79.05	31.33
2-Year	4.08	0.04	23.31	**SAR**	3.75	0.00	0.00	**Gold**	4212.30	-5.14
5-Year	3.99	0.03	15.07	**EUR**	1.15	-0.10	-0.02	**Silver**	66.95	-7.37
7-Year	4.01	0.03	11.09	**GBP**	1.32	-0.12	-0.02	**Copper**	640.25	9.62
10-Year	4.07	0.02	7.13	**JPY**	161.68	-0.24	-0.03	**Nat. Gas**	3.28	-10.65
30-Year	4.20	0.01	0.78	**CNH**	6.78	0.06	0.03	**Aluminum**	3412.43	13.35

Yield Curves	US Treasuries		UK Guilts		German Bunds	
	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
1-Year	3.99	0.00	4.10	-0.02	NA	NA
2-Year	4.22	-0.07	4.25	-0.12	2.36	0.00
5-Year	4.27	-0.15	4.40	-0.37	2.57	0.00
10-Year	4.48	-0.20	4.84	-0.64	2.76	0.00
30-Year	4.91	-0.23	5.54	-1.24	3.54	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	22-Jun 2026	31-Dec 2025
Kuwait	56.19	53.51
KSA	60.81	68.34
Abu Dhabi	36.19	28.71
Dubai	68.07	51.84
Qatar	31.18	28.49
Bahrain	230.12	187.27
Oman	69.10	74.43
Iraq	356.81	223.27
Egypt	280.17	278.36
Morocco	76.86	72.65
Turkey	221.16	206.51
US	44.51	32.09
UK	19.74	17.94
China	38.43	44.14
Japan	27.75	25.40
Germany	9.07	8.76
France	29.62	32.04

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