

Market Insights & Strategy

Global Markets

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MIDDLE EAST & AFRICAN MONITOR

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REGIONAL COMMENTARY

Oil Prices Up Again Ahead Of OPEC Meeting.

Crude prices rebounded somewhat yesterday, on the back of talk that signatories to the OPEC+ output cut accord may agree to reduce their production levels yet again in the coming months at the upcoming OPEC meeting which is scheduled to take place this Thursday and Friday. These rumours were supported by comments from the Iraqi Oil Minister who claimed yesterday that a further reduction of at least 400,000 bpd will be on the table. The market also got a boost from better than expected manufacturing data out of China. The official Chinese manufacturing PMI index rose to 50.2, which is the first time the reading has been above 50 since April 2019.

Number Of Shale Sector Bankruptcies Rises.

The number of producer bankruptcies within the North American shale sector rose again this year, with 33 such filings between January and September 2019 according to the Haynes & Boone legal firm. The overall number of shale bankruptcies recorded (since Haynes & Boone began monitoring such events in 2015) has reached 199, and involved a total amount of US\$108.85 bio. You can access more details on these figures [here](#).

Iran Says It May 'Reconsider' Its IAEA Commitments.

The speaker of Iran's parliament, Ali Larijani, claimed this week that the government may consider abandoning its JCPOA linked commitments to the UN's Atomic Agency if further sanctions were implemented on his country. *"If they use the trigger mechanism, Iran would be forced to seriously reconsider some of its commitments to the International Atomic Energy Agency. If they think doing so is more beneficial to them, they can go ahead,"* Larijani was quoted as saying on Sunday by the UK's 'Guardian' newspaper. Last month the IAEA's acting Director-General, Cornel Feruta, warned that its investigators had detected *"natural uranium particles of anthropogenic origin at a location in Iran not declared to the Agency. We have continued our interactions with Iran since then, but have not received any additional information and the matter remains unresolved. It is essential that Iran works with the Agency*

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to resolve this matter promptly. I call upon Iran to provide full and timely cooperation with the Agency in implementing its Safeguards Agreement and Additional Protocol."

GCC Leaders Due To Meet In KSA Next Week.

The Secretary-General of the Gulf Cooperation Council, Dr Abdullatif bin Rashid Al Zayani, has confirmed that the 40th official meeting of the GCC's Supreme Council will take place in Riyadh on the 10th of December 2019, according to an article published on the UAE's WAM news site yesterday. Al Zayani stated that the six GCC leaders planned to discuss a number of key topics in order to enhance the process of cooperation and integration amongst the member states within the political, defence, security, economic and social spheres. The summit will be chaired by King Salman bin Abdulaziz Al Saud. You can read the full WAM statement on this topic [here](#).

US Releases US\$105 Mio Security Package To Lebanon.

The US administration announced yesterday that it had released its latest US\$105 mio annual aid package payment to Lebanon's military. *"The United States remains committed to strengthening the capacity of the Lebanese Armed Forces to secure Lebanon's borders, defend its sovereignty and preserve its stability,"* a senior US official was quoted as saying by the UAE's 'National' newspaper. This year's payment had reportedly been delayed last month for as yet unknown reasons, but the US has provided an estimated US\$2.29 bio in military support to Lebanon since 2005.

Syrian Pound Hits Fresh Lows.

The Syrian Pound has fallen sharply in recent weeks, and allegedly touched a record low of SYP 920 per one US dollar yesterday in the 'kerb' market, compared to 600.00 in September. Various media reports have suggested that this latest decline is linked to both tighter sanctions and Lebanon's financial crises, which has seen access to hard currency bank accounts there severely limited. According to a recent 'Gulf News' [article](#) Lebanon had historically been a safe haven for many Syrian businessmen who placed some of their US dollar savings in banks there.

Saudi Arabia's PMI Index Edges Higher.

The IHS Markit PMI Index on KSA edged higher to 58.3 last month from 57.8 in October supported by a decent expansion in company order books.

Twitter CEO Says Africa Will 'Define The Future.'

The CEO of Twitter, Jack Dorsey, has revealed that he plans to live in Africa for up to six months next year following his recent one month research trip to Ethiopia, Ghana, Nigeria and South Africa, although he has not yet decided within which country on the continent he will base himself. *"Sad to be leaving the continent...for now. Africa will define the future (especially the bitcoin one!). Not sure where yet, but I'll be living here for 3-6 months mid-2020. Grateful I was able to experience a small part,"* Jack Dorsey said via his Twitter account.

Egypt's CB Governor To Stay On.

Egypt's Central Bank Governor, Tarek Amer, is to stay on for another four-year term after receiving a vote of confidence on the matter from MPs last week. This news will be welcomed by investors as another sign the Egyptian government remains committed to its economic reform plan, despite the recent end of the IMF program. Egypt currently has one of the fastest growing economies in the world.

DP World Subsidiary To Buy Feedertech.

The international shipping container services company, Unifeeder a subsidiary of UAE based DP World, has sealed an agreement to take a 77% stake in Singapore's shortsea operator the Feedertech Group. *"This is yet another strategic step in our vision to build a global presence, offer a broader network of solutions to customers and leverage the way we engage with them to create the most comprehensive and integrated solutions across multiple geographies. We are excited to be joining forces with a company that operates on the same values as us. Feedertech's asset-light business model and approach to preserve the common-user independent platform that focuses on flexibility, reliability and providing sustainable logistic solutions, made it a clear fit for Unifeeder,"* the CEO of Unifeeder, Jesper Kristensen, was quoted as saying by the 'splash247' website.

FX/RATES & CRUDE MARKETS:

Indication Levels Only – Please Contact us on Reuters Dealing Codes FABA/FABU for any live pricing and/or information.

Currency	Spot	1M	2M	3M	6M	9M	12M	2Y
USD/AED	3.6729/30	4/7	8/13	12/17	27/37	42/52	58/68	140/170
USD/SAR	3.7500/02	4/9	5/10	8/13	12/22	23/33	37/47	190/220
USD/KWD	0.30370/390	5/15	10/25	25/40	65/95	100/130	150/200	240/290
USD/OMR	0.38500/503	8/18	20/35	35/50	90/120	180/230	290/340	770/870
USD/BHD	0.37702/07	Par/+5	2/12	8/18	15/45	40/70	60/110	200/300
USD/MAD	9.6000/6200	20/120	50/250	75/375	250/650	550/1550	900/1900	2000/5000
USD/EGP NDF	16.12	16.25/16.30	16.39/16.44	16.51/16.56	16.90/16.95	17.29/17.34	17.68/17.73	-
USD/JOD	0.7090/7100	40/90	50/150	100/200	225/425	300/500	450/700	700/1700
USD/NGN NDF	362.43	363.50/365.50	365.50/367.50	367.75/369.75	376.00/379.00	385.00/389.00	394.50/398.50	(NAFEX)
USD/GHS NDF	5.5900	5.68/5.73	5.77/5.82	5.84/5.89	6.08/6.18	6.30/6.45	6.55/6.70	-
USD/TND	2.8300/8700	150/350	300/600	400/900	1000/2000	1500/2500	2000/3500	4000/7000
Crude Oil	Futures							
WTI	56.30							
Brent	61.20							

**** (GCC FX indications above are offshore levels only)**

AED AND SAR IRS SPREADS

Currency	1Y	2Y	3Y	4Y	5Y	6Y	7Y	10Y
AED SPREAD	+25/31	+28/34	+37/43	+49/55	+60/66	+71/77	+82/88	+109/115
SAR SPREAD	+33/39	+41/47	+49/55	+57/63	+67/73	+77/83	+88/94	+118/124

Note: We can quote options in the AED, SAR & KWD.

AND FINALLY...

Did you know that Masdar City in the Emirate of Abu Dhabi is the world's first zero-carbon, zero-waste, car-free city?

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