

Market Insights & Strategy Global Markets

MIDDLE EAST & AFRICAN MONITOR

- **Iran-US Tensions Are Now At A “Maximum” Level – Rouhani.**
- **Russian Bank Freeze’s PDVSA Accounts.**
- **“Debt Servicing Is Putting Pressure On Our Reserves” – Zambia’s CB.**
- **Saudi Aramco Eyes Further Investment Opportunities In India.**
- **Zambia Keeps Interest Rates Unchanged – Tunisia Hikes.**
- **Egypt Conducts Successful US\$ Bond Issuance.**
- **Kuwait Prepares To IPO Its Stock Exchange.**
- **Shell Signs Upstream Gas Agreement In Oman.**
- **DP World Buys P&O Ferries.**
- **L&T Wins UAE Power Contract.**

REGIONAL COMMENTARY

Iran-US Tensions Are Now At A “Maximum” Level – Rouhani.

Iran’s President Rouhani stated earlier today that tensions between his country and the US administration were currently at an extremely high level. “The struggle between Iran and America is currently at a maximum. America has employed all its power against us,” Rouhani was reported as saying by a Iranian state media outlet this morning.

Russian Bank Freeze’s PDVSA Accounts.

Russia’s Gazprombank has allegedly frozen accounts belonging to Venezuela’s state owned oil company PDVSA according to a recent Reuters report. If true, this move is most likely an attempt to reduce the institution’s risk of falling foul of the US sanctions recently implemented on the Maduro regime. However a statement published on PDVSA’s Twitter feed has claimed that this report was “fake news” and “orchestrated by representatives of the right wing and by American media.” Meanwhile a major Venezuelan pumping station caught fire yesterday disrupting the transport of around 300,000 bpd of crude, an event that the local authorities have blamed on sabotage.

“Debt Servicing Is Putting Pressure On Our Reserves” – Zambia’s CB.

Zambia has established a US\$10 mio ‘sinking-fund’ ahead of some sizeable debt servicing payments due over the next few years according to the country’s Finance Minister, Margaret Mwanakatwe. An article published on the ‘Southern Times’ media outlet’s website quotes the minister as saying too that her government owes local and external debtors more than US\$17 billion, of which 30% consists of Chinese loans. Meanwhile the governor of Zambia’s Central Bank, Denny Kalyala, warned today that debt servicing payments were putting a significant amount of pressure on the country’s FX reserves, which stood at just US\$1.6 bio by the end of last year. China is the continent’s largest creditor lending an estimated US\$143 bio to sovereign states and companies in Africa between 2000-2017.

Saudi Aramco Eyes Further Investment Opportunities In India.

Saudi Aramco is currently in talks with India’s Reliance Industries over potential investment opportunities within the country according to a statement made earlier today by Aramco’s CEO Amin Nassar. “India is an investment priority for

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Saudi Aramco. India takes from us almost 800,000 bpd and by 2040 India's total consumption will be around 8.2 mio bpd. We are looking at additional investment in India so we are in discussions with other companies as well, including Reliance and others," he was quoted as saying by Reuters. Last year Saudi Aramco joined a number of Indian refiners in a US\$44 bio refinery project situated along the Asian country's west coast.

Zambia Keeps Interest Rates Unchanged – Tunisia Hikes.

Zambia's Central Bank kept its official lending rate unchanged at 9.75% following its regular MPC meeting today. Meanwhile Tunisia's apex bank lifted its key interest by 100bp to 7.75% this morning in an effort to stem rising inflation.

Egypt Conducts Successful US\$ Bond Issuance.

Egypt sold US\$4 bio worth of bonds across various tenors this week at the following yields: US\$750 mio in the 5Y tenor at 6.20%, US\$1.75 bio of 10Y at 7.60% and US\$1.5 bio of 30Y at 8.70%. The issuance was almost five-times oversubscribed and has in turn helped to push the USD/EGP NDF curve a little lower at the open this morning.

Kuwait Prepares To IPO Its Stock Exchange.

Following on from last Thursday's announcement that a consortium, led by Kuwait National Investment Company, had won a tender to purchase 44% of the country's stock exchange, another 50% of the bourse will be IPO'd towards the end of this year or early in 2020 according to a senior member of the exchange's privatization committee.

Shell Signs Upstream Gas Agreement In Oman.

Royal Dutch Shell has signed an interim agreement to develop a gas acreage within the block 6 area in Oman. According to S&P Platts this deal will integrate Shell and Oman Oil's upstream project with a planned gas-to-liquids plant that both firms will also co-develop. Last year Shell signed an MOU with the Omani government to develop a GTL plant in Duqm.

DP World Buys P&O Ferries.

UAE based DP World has bought the UK holding company of P&O Ferries for GBP 322 mio as it looks to diversify into other areas of the maritime sector. "This transaction is in line with our strategy to grow in complementary sectors, strengthen our product offering and play a wider role in the global supply chain as a trade enabler. It offers compelling value strategically and financially, and we look forward to P&O Ferries contributing to driving shareholder value in the coming years," DP World's chairman Sultan bin Sulayem was quoted as saying by the National newspaper.

L&T Wins UAE Power Contract.

India's Larsen & Toubro have been awarded a contract to build, supply and commission a 132/11kv electric substation in the UAE.

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	1/3	3/5	5/8	10/20	15/25	32/42	90/120
USD/SAR	3.7502/05	1/4	2/7	3/8	13/23	35/45	65/80	200/250
USD/QAR	3.6540/70	-7/-2	-10/Par	-12/-2	-15/-5	-15/-5	-10/+10	10/70
USD/KWD	0.30370/380	2/7	4/14	5/15	15/30	20/40	35/55	Par/+100
USD/OMR	0.38500/503	13/23	30/45	50/70	130/170	240/290	380/430	925/1025
USD/BHD	0.37700/03	10/20	20/40	30/50	70/100	110/160	150/200	400/500
USD/MAD	9.5000/5200	50/150	150/350	300/700	900/1400	1600/2600	2000/2500	4000/7000
USD/EGP NDF	17.5600	17.64/17.69	17.79/17.84	17.93/17.98	18.39/18.44	18.88/18.93	19.38/19.43	-
USD/JOD	0.7088/7098	40/90	50/150	100/200	175/375	250/550	350/650	500/1500
USD/NGN NDF	361.50	363.50/364.50	366.00/367.00	369.00/370.00	378.00/381.00	387.00/392.00	396.00/401.00	(NAFEX)
USD/GHS NDF	5.2800	5.3200/5.3700	5.3800/5.4300	5.4600/5.5100	5.6900/5.7900	5.9200/6.0200	6.1200/6.2200	-
USD/TND	3.1050/1350	500/1000	1000/2000	1300/2300	2500/4000	3000/4500	3500/5500	5000/7500
Crude Oil	Futures							
WTI	56.00							
Brent	66.15							

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

AED AND SAR IRS SPREADS

Currency	1Y	2Y	3Y	4Y	5Y	6Y	7Y	10Y
AED SPREAD	+19/25	+25/31	39/45	+51/57	+63/69	+75/81	+86/92	+115/121
SAR SPREAD	+31/37	+41/47	+51/57	+62/68	+72/78	+83/89	+94/100	+125/131

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

AND FINALLY...

Did you know that taxi fares in Djibouti increase by almost 50% after sunset ?

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