

Market Insights & Strategy Global Markets

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REGIONAL COMMENTARY

US Calls For New UN Sanctions On Iran.

The US administration has called on the UN Security Council to re-implement sanctions on Tehran due to its recent medium-range missile and satellite launches. "Iran has carried out these three launches in defiance of the expressed will of the UN Security Council, and such provocations continue to destabilize the entire Middle East region," Trump's acting ambassador to the world body, Jonathan Cohen, wrote in a letter to the Security Council this week according to an AFP report, adding that the UN should "join us in imposing real consequences on Iran for its flagrant defiance of the council's demands and bring back tougher international restrictions to deter Iran's missile program." The US has claimed that Iran's missile activity is a breach of UN Security Council Resolution 2231, which was adopted in 2015 and that warned Tehran not to conduct any ballistic missile activity that could provide the country with a platform to launch a nuclear weapon.

Big Gas Discovery In KSA – Aramco IPO Still On The Cards.

Saudi Arabia's Energy Minister, Khalid Al Falih, announced yesterday that "large" gas deposits had been discovered just off the Red Sea coast of the Kingdom. He also said that Saudi Aramco was currently looking into new LNG related acquisitions in the US and investing in a petrochemical project in South Africa. Meanwhile the minister confirmed that plans to sell a 5% stake in Aramco via an IPO were still active, and that he expects the sale to take place within the next 2 years.

Nigeria Prepares To Hold State Elections.

Nigerians are due to return to the polls tomorrow in order to vote for their relevant state governors and representatives in the National Assembly. This follows last month's Presidential election which saw the incumbent, Muhammadu Buhari, come out on top. Turnout is expected to be low especially after the drop in voter participation for the Presidential election, but the outcome is still very important for the main political parties especially in the resource-rich states of Akwa Ibom, Delta, Lagos, and Rivers.

Egypt Aims To Reduce Its Debt Levels.

Egypt's Finance Minister, Mohamed Maait, has said that his country is aiming to reduce its public debt level to 80% of GDP by 2022 from 97% last year. His department was also committed to slashing the total budget deficit to 7% of GDP during the 2019/20 fiscal year. Meanwhile foreign investors held US\$15.8 bio worth of Egyptian local currency debt at the end of last month, compared to US\$13.1 bio in January this year.

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Saudi Arabia Denies Bank Tax Plan.

Saudi Arabia's General Tax Authority has today dismissed a Bloomberg report published earlier in the week, which suggested that the government was considering raising its 'Zakat' levy, (which local banks pay on their profits), from 10% to 20%. This official denial was carried by the Al Arabiya news network.

Bahrain's Introduction Of VAT Is "A Significant Step" – IMF.

Bahrain's introduction of value-added tax at the beginning of this year, together with the government's 'Fiscal Balance Program' have been described by the IMF as "particularly significant" steps. The head of the IMF mission to the Kingdom, Bikas Joshi, added however that additional reforms will be required. "The measures envisaged under the FBP are expected to further reduce the fiscal deficit over the medium term, but public debt will continue to increase. Thus, additional reform efforts, anchored in a more transparent medium-term agenda, will be needed to ensure fiscal sustainability and support the currency peg, which continues to provide a clear and credible monetary anchor. Further revenue measures, including a direct taxation system such as corporate income tax, could be considered and spending reforms should be designed to protect the most vulnerable," Joshi was quoted as saying by the Arabian Business magazine.

UAE's Rail Network Project Moves Forward.

The UAE's 605km national rail project resumed last year and is "moving forward" according to Etihad Rail's CEO, Shadi Malak. "We signed a number of key agreements with key beneficiaries and partners, including Abu Dhabi Ports Company and Zones Corp Abu Dhabi," Malak was quoted as saying earlier this week by the 'Logistics Middle East' website, and is referring to the project to establish a freight station at Port Khalifa as well as an inland container depot. Meanwhile a federal law has reportedly been drafted which covers all legal and operational aspects of the railway.

ADCB & UNB To Officially Merge In May 2019.

The merger between Abu Dhabi Commercial Bank and Union National Bank is set to officially take place on May 1st this year according to a statement issued by both parties this week. The merged entity, named ADCB, will have an estimated AED 420 bio in assets, and service around one million customers. Under the terms of the deal, UNB shareholders will get 0.5966 new ADCB shares for every share they currently hold.

CPECC Wins Gas Contract In Iraq.

China's Petroleum Engineering & Construction Corporation has been awarded the contract to build a natural gas liquids plant in Basra.

Oman & Kuwait May Host Some FIFA World Cup Games In 2022.

According to a New York Times article, Football's governing body is considering expanding the number of teams participating in the next world Cup from 32 to 48. The NYT report also suggests that with this expansion in mind, FIFA may then allow some of the matches to be hosted in Oman and Kuwait. A final decision on this subject is due to be made next week.

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	3.7502/04	-1/+2	Par/+3	3/8	11/21	25/35	55/70	170/220
USD/QAR	3.6550/70	-7/-2	-12/-2	-15/-5	-25/-10	-30/-10	-35/-10	-55/+45
USD/KWD	0.30410/430	-10/-3	-15/-5	-15/-5	-20/-5	-25/Par	-30/Par	-50/+50
USD/OMR	0.38500/505	8/18	30/50	50/80	125/155	240/290	340/390	700/800
USD/BHD	0.37699/704	5/15	15/35	25/45	60/90	100/150	140/190	320/470
USD/MAD	9.6200/6400	50/150	150/350	300/700	900/1400	1600/2600	2000/2500	4000/7000
USD/EGP NDF	17.4500	17.59/17.64	17.73/17.78	17.89/17.94	18.33/18.38	18.82/18.87	19.32/19.37	-
USD/JOD	0.7088/7098	40/90	50/150	100/200	175/375	250/550	350/650	500/1500
USD/NGN NDF	360.00	361.50/362.50	363.30/364.80	365.50/367.00	373.00/376.00	381.00/385.00	390.50/394.50	(NAFEX)
USD/GHS NDF	5.4800	5.54/5.59	5.59/5.69	5.65/5.75	5.80/5.90	5.98/6.08	6.15/6.25	-
USD/TND	3.0750/1150	450/950	700/1700	1300/2300	2000/3500	2500/4500	3000/5000	5000/7500
Crude Oil	Futures							
WTI	55.75							
Brent	65.10							

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

AED AND SAR IRS SPREADS

Currency	1Y	2Y	3Y	4Y	5Y	6Y	7Y	10Y
AED SPREAD	+18/24	+24/30	+36/42	+47/53	+57/63	+67/73	+77/83	+107/113
SAR SPREAD	+30/36	+40/46	+50/56	+59/65	+69/75	+79/85	+89/95	+119/125

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

AND FINALLY...

Did you know that Sumerians, who were former inhabitants of the area now known as Iraq, invented the first written language over 5,000 years ago?

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