

Market Insights & Strategy

Global Markets

25th March 2019

MIDDLE EAST & AFRICAN MONITOR

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REGIONAL COMMENTARY

Iranian Crude Exports Continue To Fall.

Iranian oil exports continue to slip ahead of the impending expiry of a US sanctions waiver on eight of Iran's key crude buyers in April. According to the latest data published by Refinitiv, Iran's oil exports declined to 1.1 mio bpd in January and February from 1.50 mio bpd at the end of last year. In our opinion we find it hard to believe that the Trump administration will agree to extending all eight waivers past their expiry date, especially considering current US policy which is aimed at placing as much economic pressure on Tehran as possible. However a couple of countries may be able to secure a short extension from Washington, albeit with a likely reduced allocation allowance. Meanwhile the US recently unveiled a fresh set of targeted sanctions on 14 Iranian citizens and 17 entities linked to Iran's 'Organization Of Defensive Innovation & Research.' "Our maximum pressure campaign on Iran continues with today's sanctions on targets involved in the regime's nuclear program, including former nuclear weapons scientists. We'll be relentless in denying Iran the ability to engage in WMD proliferation and all its outlaw activities," the US Secretary of State stated on this topic via his Twitter account last week.

Environmental Reforms Pose New Challenge For US Shale Firms.

Bill 181, which has already passed through the US Senate, is aimed at giving the local authorities in Colorado a greater say over shale development in their state, and will result in much tighter environmental protection rules around the controversial sector. Meanwhile conservation groups in Utah are reportedly preparing to sue the Trump administration for approving the proposed establishment of a shale oil utility corridor. The groups claim that this project would drain needed water from the Green River, threaten endangered species, add to ozone problems and generate large volumes of greenhouse gas emissions.

Algeria's Opposition Parties Seek 6 Month 'Transition Period'.

A number of Algerian opposition parties, together with local labour unions have issued a proposal in an attempt to end the current political

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crises in the country. According to the Al Arabiya network, their proposal calls for the establishment of a 'credible Presidential body' which would run the country for a six-month period whilst discussions on a way forward and involving all sides, took place. The plan was announced after protestors staged marches across the country for the 5th week in a row last Friday, calling for a change to Algeria's political system and for President Bouteflika to step down.

US Navy Gains Access To Omani Ports.

The US signed a final agreement with Oman yesterday, giving its navy access to the Gulf State's major ports of Duqm and Salalah. This agreement follows one signed between the UK and Oman last month granting the Royal Navy access to Duqm, and allows both navies to have easier access to the Gulf region. Oman is located close to the strategically important Strait of Hormuz.

Kuwait's Budget Deficit Dips In 2018/19.

According to a report published by the Al Rai newspaper, Kuwait's general budget deficit for the 2018/19 fiscal year is set to total KD 4.3 bio compared to KWD 4.84 bio in 2017/18, and includes an additional allocation of KWD 1.3 bio towards the oil and education ministries.

Egypt's Tourism Sector Grew By 16.50% In 2018.

Egypt's important tourism sector continued to recover last year, and this is underlined in a recent study conducted by the World Travel & Tourism Council which estimated that the sector had expanded by 16.50% last year and contributed US\$29.60 bio towards the North African country's GDP.

Ivory Coast Cancels Eurobond Plans.

The Ivory Coast government has cancelled its plan to issue up to US\$2.4 bio in Eurobonds this year due to unfavourable "market conditions" according to a statement by the Prime Minister late last week. The country now aims to raise the CFA 900 bio it needs via local issuances and direct loans.

Saudi Arabia Adds Mandarin To Its Education Curriculum.

Saudi Arabia's Education Ministry has begun hiring teachers in order to establish a Chinese language program for high school and university students in the Kingdom. "When we say China or the Chinese economy is expected to be the primary world economy in eight years, this means establishing a strong relationship with this economy based on the common interests of the two countries," the Education Minister, Hamad Al-Asheikh, was quoted as saying by the Arab news outlet, adding that the department's overall strategic goal on teaching Chinese, was to make it the country's third language after Arabic and English.

Indian Oil Firms Win Concession In Abu Dhabi.

The Indian Oil Corporation and Bharat Petro Resources have been awarded full exploration rights on Abu Dhabi's 'Onshore Block One.' If the exploration proves successful, Abu Dhabi National Oil Company holds an option for a 60% share of the consequent production. "The consortium of Bharat Petroleum Corporation and Indian Oil Corporation, both of whom ADNOC already partners with offshore, was selected after a very competitive bid round. The open bidding process represents a major advance in how ADNOC is accelerating the exploration and development of Abu Dhabi's substantial untapped hydrocarbon resources as we continue to maximize value, in line with the UAE leadership's directives," ADNOC's Group CEO, Dr Sultan Ahmad Al Jaber, was quoted as saying about the deal by Gulf News.

Asian Consortium Seals Rail Construction Contract In UAE.

A JV led by the China State Construction Engineering Corporation and South Korea's SK Engineering have been awarded a US\$400 mio contract covering the design and construction of a rail network linking the towns of Ruwais and Ghuweifat in the UAE.

Continued...

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	3.67295/305	1/3	3/5	5/8	10/20	15/25	30/40	90/120
USD/SAR	3.7502/04	-1/+2	Par/+3	2/5	9/14	25/35	48/63	160/190
USD/QAR	3.6540/60	2/5	3/8	4/14	7/17	10/25	10/30	10/70
USD/KWD	0.30367/387	Par/+7	Par/+10	-2/+8	-5/+10	-5/+15	-5/+15	-25/+25
USD/OMR	0.38498/503	20/30	40/55	65/85	140/180	225/275	350/400	800/900
USD/BHD	0.37696/701	5/15	15/35	25/45	60/90	90/140	110/160	270/370
USD/MAD	9.5900/6100	50/150	150/350	300/700	900/1400	1600/2600	2000/2500	4000/7000
USD/EGP NDF	17.2900	17.45/17.50	17.61/17.66	17.80/17.85	18.27/18.32	18.75/18.80	19.25/19.30	-
USD/IOD	0.7080/90	40/90	50/150	100/200	175/375	250/550	350/650	500/1500
USD/NGN NDF	360.00	361.50/362.50	363.50/365.00	365.50/367.00	372.00/374.50	379.50/381.50	388.50/391.50	(NAFEX)
USD/GHS NDF	5.2000	5.21/5.26	5.26/5.36	5.29/5.39	5.35/5.45	5.62/5.72	5.81/5.91	-
USD/TND	3.0150/0550	450/950	700/1700	1300/2300	2000/3500	2500/4500	3000/5000	5000/7500
Crude Oil	Futures							
WTI	59.00							
Brent	67.00							

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

AED AND SAR IRS SPREADS

Currency	1Y	2Y	3Y	4Y	5Y	6Y	7Y	10Y
AED SPREAD	+15/21	+19/25	+30/36	+41/47	+54/60	+64/70	+74/80	+103/109
SAR SPREAD	+30/36	+40/46	+48/54	+56/62	+66/72	+74/80	+81/87	+109/115

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

AND FINALLY...

Did you know that Ethiopia is acknowledged as the birthplace of the Rastafarian movement?

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