

Market Insights & Strategy

Global Markets

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MIDDLE EAST & AFRICAN MONITOR

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REGIONAL COMMENTARY

Protestors Burn Down Iranian Consulate In Iraq.

Iraqi protestors reportedly stormed and burnt down the Iranian consulate in the city of Najaf last night, with the demonstrators apparently chanting "Victory to Iraq" and "Iran Out" according to the 'Deutsche Welle' media outlet. This is not the first time an Iranian diplomatic post in the country has been targeted, earlier this month their consulate in Karbala was also attacked. Anti-government protests have been taking place across Iraq for over two months now, with demonstrators complaining about various issues including; unemployment, corruption, poor service delivery and the involvement in Iraqi affairs by foreign governments especially Iran. A recent enquiry suggested that Iraq had lost around US\$450 billion since 2003 via corrupt practices including, fake contracts and 'ghost' employees.

Hopes For Shale Oil Deposits In India Dissipates.

The 'Oil & Natural Gas Corporation' has reportedly ended its shale oil exploration project in India after its studies appeared to conclude that the country may not have enough commercially extractable shale reserves. *"The US has Permian shale while India has much younger, tertiary shale. The US shale rocks are brittle and so easier to hydro-frack while those in India are elastic with more clay content, resulting in little yield from fracking. The general assessment after drilling wells and data analysis was that it may not be a productive idea to sink more capital into shale projects,"* an unnamed ONGC executive was quoted as saying by India's 'Economic Times' newspaper.

Libyan Oilfield Suspends Production As Clashes Break Out.

The El Feel (Elephant) oilfield in southern Libya reportedly suspended its production earlier this week after clashes broke out in the area between the Libyan National Army, led by Field Marshal Haftar, and groups linked to the 'Government of National Accord.' The field which is located within the country's 'Murzuq' basin produces around 70,000 bpd and is jointly managed by the NOC and ENI. *"There have been air strikes at the gates of the El Feel oilfield and inside a housing compound at the field used by NOC personnel. Production will remain shuttered until military activity*

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ceases and all military personnel withdraw from NOC's area of operations," the NOC Chairman, Mustafa Sanalla, was quoted as saying by Reuters.

UAE & KSA Continue To Expand Their Bilateral Relations.

A number of issues were discussed during the Saudi Arabian Crown Prince, Mohammed bin Salman's official visit to the UAE this week, where he attended the second meeting of the Saudi-Emirati Coordination Council in Abu Dhabi. Amongst the four MOUs signed, and seven strategic initiatives reviewed by both governments were; an agreement by ADNOC and Saudi Aramco to build a 1.2 mio bpd oil refinery in India, closer coordination in the field of cyber security and the trial of a cryptocurrency. *"The deep-rooted ties between the two countries are clearly reflected on the Saudi-Emirati Coordination Council's vision, which aligns with the national strategies of both countries and the marked harmony between Saudi Vision 2030 and UAE Vision 2021. 2020 is the year of international achievements. We are preparing to host major international events, Saudi Arabia taking over the G20 presidency and the UAE playing host to Expo 2020, reflecting the rising international stature enjoyed by the two countries,"* the Saudi Crown Prince was quoted as saying by the UAE's 'WAM' media outlet, adding, *"At this Council, we aim at presenting an exceptional model for joint cooperation that builds on the strength, determination and the potentials of the two brotherly peoples."*

Egypt Receives Most FDI Flows In Africa.

According to a recent UNCTAD report, Egypt attracted the largest amount of foreign direct investment flow in Africa during the first half of this year, and is on track to be the largest recipient of such flows in Africa for FY 2019 (as it was last year). Total FDI flows into the continent during H1 2019 was estimated to be US\$23 billion of which Egypt received US\$3.6 bio. The North African country is currently one of the most investment-attractive countries globally due to its successful economic reform program, improved legislation and strong macro performance, the Director of Investment and Enterprise at UNCTAD, James Zahn, was quoted as saying by the 'Ahram' website. Meanwhile Egypt moved up by six places to number 19 on the World Bank's latest 'Ease of Doing Business Index' and is ranked amongst the world's five fastest growing economies on the Harvard Index.

The Recent Dip In Nigeria's FX Reserves Is 'Not Concerning' – CB Governor.

The recent fall in Nigeria's level of foreign currency reserves should not be concerning, according to the country's Central Bank Governor, Godwin Emefiele. *"A marginal drop in reserves below US\$40 billion is not enough to create fears in any mind. Our policy of sustaining the stable foreign-exchange regime will continue,"* Emefiele was quoted as saying by Bloomberg earlier this week. Nigeria's FX reserves have fallen by US\$5.3 bio since June this year and currently stand at US\$39.87 billion its lowest level in almost two years. Meanwhile the CBN's official PMI index rose to 59.3 this month from 58.2 in October.

Investors Remain Hungry For Yield As Angola Raises US\$3 Bio.

Despite being currently rated at B3 and B- by Moodys and S&P respectively, Angola managed to attract US\$8 bio in investor orders for its most recent 10 and 30 year Eurobond issuance. Angola sold US\$ 3 bio worth of this paper at yields of 8.00% (10Y) and 9.125% (30Y).

Lebanon Repays Maturing Dollar Bond.

Lebanon has reportedly repaid its US\$1.5 bio worth of Eurobonds that were due to mature today, according to some unnamed sources quoted by Reuters. The country has a further US\$2.5 bio in Eurobonds maturing during the first half of next year.

The UAE Tops Prosperity Index.

The UAE is the Arab world's most prosperous country and has retained its spot within the top 40 list of nations globally on the latest 'Legatum Prosperity Index.' This index is now in its 13th year and measures how well 167 countries promote the economic and social well-being of their residents in three areas: inclusive societies, open economies and empowered people. *"It reaches beyond the financial into the political, the judicial and the well-being and character of a nation. The top 40 most prosperous nations are those that have demonstrated over time how to build prosperity,"* the CEO of the Legatum Institute, Philippa Stroud was quoted as saying by the 'National' newspaper. You can read more on this story [here](#).

Honeywell Seals FEED Contract In Kuwait.

Honeywell Process Solutions have been awarded the front-end engineering design and advanced process control technology contract, for KIPIC's new Petrochemicals and Refinery Integration Al Zour Project in Kuwait, according to the 'rigzone' 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	14/19	27/37	40/50	58/68	140/170
USD/SAR	3.7497/7500	3/8	5/10	8/13	12/22	23/33	37/47	190/220
USD/KWD	0.30395/415	7/17	15/30	25/45	70/100	110/140	160/210	280/380
USD/OMR	0.38500/503	8/18	20/35	40/55	110/140	200/230	300/350	780/880
USD/BHD	0.37700/05	Par/+5	3/13	8/18	25/45	50/70	80/110	210/310
USD/MAD	9.6300/6600	20/120	50/250	75/375	250/650	550/1550	900/1900	2000/5000
USD/EGP NDF	16.12	16.24/16.29	16.38/16.43	16.50/16.55	16.89/16.94	17.28/17.33	17.67/17.72	-
USD/JOD	0.7085/95	40/90	50/150	100/200	225/425	300/500	450/700	700/1700
USD/NGN NDF	362.40	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	5.5500	5.63/5.67	5.72/5.77	5.79/5.84	6.03/6.13	6.28/6.43	6.50/6.65	-
USD/TND	2.8400/8700	150/350	300/600	400/900	1000/2000	1500/2500	2000/3500	4000/7000
Crude Oil	Futures							
WTI	57.80							
Brent	63.80							

** (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.

EQUITY MARKETS

				Equity Price Moves				ATM Implied Vols		
Market	Underlying	BBG ticker	Spot	1day %	wtd %	mtd %	ytd %	3 mth	6 mth	1 Yr
Dubai	Index	DFMGI	2,712.70	(0.28)	0.74	(1.56)	6.89	21.0%	21.2%	21.9%
Abu Dhabi	Index	ADSMI	5,049.40	0.04	0.08	(1.21)	2.66	19.6%	19.9%	20.4%
KSA	Index	MISAP	1,150.93	(0.48)	(3.31)	1.38	1.10	23.7%	21.9%	21.6%
Dubai	Equity	EMAAR	4.16	(0.24)	0.73	(3.04)	0.24	32.1%	32.4%	32.8%
Dubai	Equity	EMIRATES	12.10	(0.42)	(0.83)	(0.42)	39.84	29.2%	29.5%	30.3%
Abu Dhabi	Equity	ADCB	7.80	(0.26)	2.67	(1.28)	(5.64)	29.5%	29.7%	30.8%
Abu Dhabi	Equity	ETISALAT	16.36	0.37	(0.97)	(1.21)	(3.65)	18.6%	19.2%	19.5%
KSA	Equity	SABIC	91.00	(0.66)	(4.68)	2.28	(22.81)	22.7%	22.9%	22.9%
KSA	Equity	RJHI	64.50	(0.96)	(4.78)	2.32	8.66	22.9%	23.2%	23.8%

AND FINALLY...

Archaeologists have recently uncovered three painted wooden coffins in Egypt's city of Luxor, which date back over 3,500 years, are well preserved and bear various coloured scenes and hieroglyphic writing.

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