

Market Insights & Strategy

Global Markets

2nd September 2020

MIDDLE EAST & AFRICAN MONITOR

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REGIONAL COMMENTARY

Bankruptcies Set To Continue In US Energy Sector.

Despite a rebound in crude prices during the second half of this year, the US oil and gas sector is still struggling and more bankruptcies are anticipated in the months ahead. This was highlighted in a report published by Rystad Energy which suggested that at least 150 producers could enter chapter 11 over the next year or so. You can read more on this specific subject [here](#). Meanwhile many of the larger M&A transactions executed within the North American shale oil sector between 2016-2019 will only add value if the price per barrel is above US\$50 according to a recent study by Wood Mackenzie. It's not just exploration and production firms that are struggling either, the world's largest oilfields service companies Schlumberger, announced earlier this week that it was selling its North American fracking business to Liberty Oilfield Services for a minority stake in a new combined company.

Saudi Aramco Discovers Two New Fields.

Saudi Arabia's Minister of Energy, Prince Abdulaziz bin Salman, announced this past Sunday that Saudi Aramco had discovered two new oil and gas fields in the northern Al Jouf region of the country. The 'Hadabat Al Hajrah' field, is estimated to have a flow rate of 16 mio cf of gas per day in addition to nearly 1,944 bpd of condensate, whilst the 'Abraq Al Talul' discovery is believed to hold reserves of "unconventional super light Arabian oil" and produce flow rates of 1.1 mio cf per day of gas as well as 3,189 bpd of condensate, the minister was quoted as saying by the Saudi Press Agency.

US Prepares For Further Troop Reduction In Iraq.

The United States plans to reduce the number of its military personnel in Iraq from a current level of 5,200 to around 3,500 by November this year, US officials were quoted as saying by the 'Military Times' news site. "We look forward to the day when we don't have to be there. We were there and now we're getting out. We'll be leaving shortly and the relationship is very good. We're making very big oil deals. Our oil companies are

Glenn Wepener

Executive Director & Geopolitical Analyst,
Middle East & Africa

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making massive deals. We're going to be leaving and hopefully we're going to be leaving a country that can defend itself," President Trump stated last week after a meeting with the Iraqi Prime Minister Mustafa al Khadimi in Washington. Meanwhile the US ambassador to Iraq, Mathew Tuller, has condemned the ongoing attacks by militia groups on coalition forces based in the Middle Eastern country. *"There are extremist voices that prompt the targeting of the US's military and diplomatic presence, and this does not represent the Iraqi people or the interest of Iraq. If such attacks continue then it will prompt a review of many issues, not between Iraq and America, rather, between Iraq and the international coalition in general,"* Tuller was quoted as saying by the 'National' newspaper yesterday. This past Sunday two Katyusha rockets were fired towards Baghdad airport, where a number of US personnel are based and is the third such attack to target coalition forces this past week.

Lebanon Must Enact Economic Reforms ASAP – Macron.

During his latest trip to Beirut the French President, Emmanuel Macron, has promised to host an aid conference on Lebanon, but this all hinges on the country's politicians being able to form a cohesive government and swiftly enact much needed reforms. *"What I have asked for, what all political parties without exception have committed to this evening right here, is that the formation of this government will not take more than 15 days,"* Macron was quoted as saying by the 'Arab News' media outlet yesterday, adding that if reforms, including an audit of the central bank, were not passed within a strict deadline, international aid would be withheld. *"If your political class fails, then we will not come to Lebanon's aid,"* he stated. His comments come after Mustapha Adib, was named as Lebanon's new Prime Minister.

Nigeria's CB Resumes Sale Of FX To BDCs.

The Nigerian Central Bank announced this week that it has resumed the *"gradual"* sale of hard currencies to authorized bureau de change operators in the country. This news has provided the Naira with a boost in the unofficial 'kerb' market with the USD/NGN exchange rate dipping to 465.00 yesterday from 477.00 last Friday.

Paris Club Agrees To Debt Relief Program For Angola.

Paris Club creditors have agreed to grant Angola a debt payment suspension until the end of this year. *"In application of the term sheet of the debt service suspension Initiative also endorsed by the G20, the Paris Club recognized that the Republic of Angola is eligible to benefit from the initiative. Angola is committed to devote the resources freed by this initiative to increase spending in order to mitigate the health, economic and social impact of the Covid-19 crisis,"* a Paris Club statement read. This decision should see the sub-Saharan country save around US\$310 mio in deferred debt-servicing payments for May to December 2020.

Saudi Arabia Postpones Its Future Investment Initiative Conference.

Saudi Arabia has decided to move its annual 'Davos in the Desert' conference from October this year to late January 2021 due to the COVID-19 pandemic. The gathering has been delayed *"after careful consideration and assessment of the global travel and airline outlook, as well as the regulations imposed by a significant number of countries,"* a statement issued by the Future Investment Initiative Institute read.

IKEA To Expand Its Presence In The MENA Region.

The Swedish retail group IKEA, has said that it plans to open a number of new stores across the MENA region over the next 12 to 18 months. These include a second outlet in both Abu Dhabi and Cairo and the first such store in Muscat. You can read more on this story [here](#).

RATP Dev Wins Major Metro Contract In Egypt.

The French transport operator RATP Dev has signed a 15-year agreement to manage Cairo's third metro line, Egypt's transport ministry announced yesterday. The new EUR 1.10 bio contract between RATP Dev and the National Tunnels Authority aims *"to alleviate the pressure on the Egyptian Company for the Management and Operation of the metro, which is in charge of the first and second lines,"* the ministry was quoted as saying by the 'Arab News' website.

Botswana Aims To Reduce Reliance On Imported Power.

Botswana's Energy Minister said this week that his country planned to add more than 600MW of power to the national grid via new domestic solar and coal fired projects over the next six years, as part of a concerted effort to reduce its heavy reliance on imported electricity from South Africa.

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	3.67285/295	Par/+3	2/7	5/10	12/22	20/35	35/50	130/180
USD/SAR	3.7505/07	4/7	8/13	15/25	30/40	50/65	75/95	210/240
USD/KWD	0.30545/565	20/30	38/48	50/70	110/130	155/185	200/230	250/400
USD/OMR	0.38499/504	20/35	45/65	80/100	185/215	320/370	480/580	1000/1300
USD/BHD	0.37697/702	13/23	20/35	30/50	65/85	80/110	110/140	375/575
USD/MAD	9.1300/1600	50/150	100/300	200/500	350/850	800/1800	1300/2700	3000/6000
USD/EGP NDF	15.86	15.95/16.00	16.07/16.12	16.19/16.24	16.55/16.60	16.95/17.00	17.38/17.43	-
USD/JOD	0.7085/95	65/115	80/180	130/280	250/450	325/525	425/725	1000/1800
USD/NGN NDF	385.78	389.50/392.50	394.50/397.50	400.00/405.00	417.00/423.00	436.00/442.00	454.50/462.50	(NAFEX)
USD/GHS NDF	5.7600	5.81/5.86	5.87/5.94	5.95/6.04	6.18/6.30	6.42/6.54	6.68/6.82	-
USD/TND	2.7000/7500	150/350	300/600	500/1000	1000/2000	1700/2700	2500/4000	4500/8500
Crude Oil	Futures							
WTI	43.15							
Brent	45.97							

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

AED AND SAR IRS SPREADS

Currency	1Y	2Y	3Y	4Y	5Y	6Y	7Y	10Y
AED SPREAD	+33/39	+46/52	+61/67	+74/80	+82/88	+89/95	+93/99	+116/122
SAR SPREAD	+64/70	+80/86	+98/104	+111/117	+123/129	+135/141	+143/149	+169/175

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

AND FINALLY...

Did you know that Libya's 1,770 km of Mediterranean Sea coast is the longest of any North African country?

Glenn Wepener

Executive Director

Market Insights & Strategy

FAB Global Markets

Email: Marketinsights&strategy@bankfab.com

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