

Market Insights & Strategy

Global Markets

17th September 2020

MIDDLE EAST & AFRICAN MONITOR

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- China Reconsiders Timetable For Conventional Vehicle Ban.
- New Gas Discovery In Egypt.
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REGIONAL COMMENTARY

Hurricane Sally Disrupts Crude Output In Gulf Of Mexico.

WTI and Brent have risen slightly again overnight, supported by the impact of Hurricane Sally on oil production in the Gulf of Mexico. The category-two storm has forced the closure of many platforms in the area for safety reasons and resulted in a 500,000 bpd drop in output. Prices received a further minor boost after the EIA reported that US crude inventories fell by 4.40 mio barrels last week to 496.05 mio barrels, their lowest level recorded this year since April.

China Reconsiders Timetable For Conventional Vehicle Ban.

The Chinese authorities are unlikely to implement a set timetable for an eventual ban on the sale and use of vehicles powered by fossil fuels, a senior official was quoted as saying recently by the 'Automotive News' site. "We don't want to kill fuel cars. Some countries have a policy banning fuel cars and we are against such moves," Wang Binggang, the head of China's new-energy innovation committee stated, adding that conditions were not yet suitable for setting a target date for any sort of ban on conventional vehicles, but that his country will continue to push forward with the development of hybrid technologies.

New Gas Discovery In Egypt.

The Italian energy company Eni, together with its partner BP, says its teams have made a fresh gas discovery in the 'Great Nooros Area' which lies within Egypt's Nile Delta. "The Nidoco NW-1 exploratory well discovered gas-bearing sands for a total thickness of 100 meters, of which 50 meters within the Pliocene sands of the Kafr-El-Sheik formations and 50 meters within the Messinian age sandstone of the Abu Madi formations, both levels with good petro-physical properties. The preliminary evaluation of the well results, considering the extension of

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the reservoir towards north and the dynamic behavior of the field, together with the recent discoveries performed in the area, indicates that the Great Noor Area gas in place can be estimated in excess of 4 Tcf," an Eni statement read. You can read more details on this discovery [here](#)..

US Prepares Secondary Sanctions On Iran Ahead Of UN Arms Embargo Expiry.

With the UN embargo on arms sales to Iran set to expire next month, the Trump administration is reportedly preparing to implement new measures, which could essentially prevent access to the US market by any firm that provides weapons to Tehran. *"It's time for peace-loving nations to recognize this reality and join us in imposing sanctions on Iran. It is astonishing that anyone would think or have thought it sensible to allow the arms embargo on Iran to expire next month, given that regime's role in destabilizing Iraq, Syria, Yemen, and Lebanon and its continuing support for terrorism,"* the US Special Representative for Venezuela and Iran, Elliot Abrams, was quoted as saying by 'Fox News' yesterday.

Lebanese Pound Weakens Again.

Attempts to form a new government in Lebanon, failed to meet the 15-day deadline local political leaders had previously agreed to with the French President. *"France regrets that Lebanese political leaders have not managed to keep the commitments made to President Macron on September 1st 2020, according to the announced timeframe. It is not yet too late: everyone must assume their responsibilities and finally act in the sole interest of Lebanon by allowing Mustapha Adib to form a government that is up to the seriousness of the situation,"* a senior French official was quoted as saying by Reuters yesterday. Macron had described his initiative on Lebanon, which includes a road map and a timetable for reforms, as *"the last chance for this system."* According to the 'Daily Star' newspaper, one major obstacle in forming a new cabinet was the alleged insistence by both the Amal Party and Hezbollah, that someone from their sect be appointed to the key post of Finance Minister. This news has put further pressure on the Lebanese Pound which was reportedly trading around LBP7,600 to the US Dollar in the unofficial 'kerb' market yesterday.

IMF Agrees To Provide Additional Funding To Angola.

The IMF's executive board announced yesterday, that it has approved the immediate disbursement of US\$1 bio to Angola under an existing US\$3.70 bio program and increased its total funding access by US\$765 mio, in order *"to support the Angolan authorities' efforts to control the spread of COVID-19 pandemic, mitigate its economic impact, and persevere with the implementation of structural reforms"*. You can access the official IMF statement in full [here](#).

Ban On FX For Food Imports Hits NGN In Parallel Market.

The USD/NGN rate in the 'kerb' market reportedly rose to 465.00 yesterday, compared to 460.00 on Tuesday due to an increase in demand for FX via unofficial avenues, which in turn has been linked to an announcement made late last week by the Nigerian President, calling on the Central Bank to suspend its supply of FX to importers of food and fertilizer as part of his government's effort to boost local farming production and conserve FX reserves. *"I am restating it that nobody importing food or fertilizer should be given foreign exchange from the Central Bank. We will not pay a kobo of our foreign reserves to import food or fertilizer. We will instead empower local farmers and producers,"* President Buhari tweeted last Thursday. Nigeria's official FX reserves currently stand at around US\$35.70 bio.

AECOM Wins Major Design Project In Saudi Arabia.

The US based consulting firm AECOM has been selected to design the transport and utilities infrastructure for Saudi Arabia's US\$500 bio NEOM project.

Chinese & Local Consortium Win US\$9 Bio High-Speed Rail Contract In Egypt.

The China Civil Engineering Construction Corporation, together with Egyptian based firms Samcrete and the Arab Organization for Industrialization, have reportedly won a US\$9 bio contract to build a 543-km-long high-speed railway in Egypt, according to the 'Egypt Independent' newspaper.

ENBD Signs MOU With Two Israeli Banks.

Dubai based ENBD has announced, that it has signed two separate MOUs with Israel's Bank Leumi and Bank Hapoalim. "Our agreement demonstrates a further strengthening of our relationship with Israel's banking industry, which will benefit our brand, our clients and the UAE economy, through new business and trade opportunities," Emirates NBD's Vice Chairman and Managing Director, Hesham Al Qassim, was quoted as saying by the 'National' newspaper.

Abu Dhabi & Dubai Rise In IMD Smart Cities Index.

Abu Dhabi jumped by 14 positions to rank 42nd amongst the list of 109 cities around the world on the Smart City Index, which was originally created by the Swiss based Institute for Management Development. Dubai rose by two slots to 43rd place, while Singapore, Helsinki and Zurich held the top three positions. The Smart City Index ranks cities based on economic and technological data, as well as by their citizens' perceptions of how "smart" their cities are. You can access the full index [here](#).

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	Par/+3	1/4	3/8	9/14	17/27	30/45	130/180
USD/SAR	3.7507/09	1/4	4/9	8/18	23/33	43/53	65/80	190/240
USD/KWD	0.30570/590	18/28	35/45	50/65	110/130	155/185	210/240	350/450
USD/OMR	0.38499/501	25/40	65/85	100/150	230/280	375/425	525/575	1050/1350
USD/BHD	0.37704/707	8/18	17/33	25/40	55/75	85/115	120/150	400/600
USD/MAD	9.2375/2575	50/150	100/300	200/500	350/850	800/1800	1300/2700	3000/6000
USD/EGP NDF	15.75	15.80/15.85	15.93/15.98	16.06/16.11	16.45/16.50	16.86/16.91	17.32/17.37	-
USD/JOD	0.7080/85	65/115	80/180	130/280	250/450	325/525	425/725	1000/1800
USD/NGN NDF	385.88	387.25/390.25	391.25/394.25	396.25/401.25	413.50/419.50	433.00/439.00	453.00/461.00	(NAFEX)
USD/GHS NDF	5.7800	5.84/5.89	5.90/5.97	5.98/6.07	6.20/6.32	6.45/6.57	6.71/6.85	-
USD/TND	2.200/7400	150/350	300/600	500/1000	1000/2000	1700/2700	2500/4000	4500/8500
Crude Oil	Futures							
WTI	39.60							
Brent	41.70							

**** (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	+60/66	+72/78	+80/86	+87/93	+92/98	+113/119
SAR SPREAD	+65/71	+82/88	+101/107	+115/121	+129/135	+142/148	+150/156	+175/181

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

AND FINALLY...

Human and animal footprints dating back 120,000 years, have been discovered by archaeologists in the Tobuk province of Saudi Arabia. This recent discovery represents the first scientific evidence of the oldest existence of human life in Arabia.

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