

Market Insights & Strategy

Global Markets

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MIDDLE EAST & AFRICAN MONITOR

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REGIONAL COMMENTARY

Pay Dispute Threatens Oil Output In Libya.

Security guards protecting Libya's largest oil field have reportedly threatened to disrupt production unless their pay demands are met. According to a report published by 'Argus Media', members of the Petroleum Facilities Guard who are based at the El Sharara field issued the two-week ultimatum yesterday, after claiming that their field allowance compensation has been interrupted. El Sharara is currently producing around 280,000 bpd.

US Crude Production Has Peaked – Occidental.

Earlier this week the CEO of Occidental, Vicki Hollub, repeated her view that US oil production has peaked, while the EIA has adjusted downwards its forecast for US output. "It would be very hard for the US oil and gas industry to get back to over 13 mio bpd. I don't think that's going to happen, too much investment would be required," Hollub was quoted as saying by 'Bloomberg' on Tuesday. Meanwhile the EIA has lowered its forecast for US crude production this year and now expects its to average 11.04 mio bpd, down from a previous forecast of 11.15 mio bpd.

Iran Vows To Retaliate For Ship Attack In The Red Sea.

Iran has said it will retaliate against those found to have been responsible for an apparent limpet mine attack on one of its ships anchored in the Red Sea earlier this week. "We will respond without any doubt to the attack on our ship Saviz in the Red Sea once we identify those involved," a spokesman for Iran's military, was quoted as saying yesterday by the 'Sputnik' news agency, adding that his country currently suspects that Israel and/or the US was responsible. Iran claims that the MV Saviz was a supply ship that had been supporting "anti-piracy" efforts in the Red Sea and the Bab El-Mandeb strait, while some western sources, including the Washington Institute for Near East Policy, have alleged that it is an intelligence/armoury vessel for the IRGC. This event is just the latest in a

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string of similar attacks on Israeli and Iranian-owned cargo ships in recent months over which both countries have accused the other of being responsible. Meanwhile, indirect talks between the US and Iran over resuscitating the JCPOA agreement are set to continue, but an early breakthrough seems unlikely as both sides demands are still quite far apart.

EU Ponders Travel Ban On Lebanese Politicians.

According to a 'Reuters' report published yesterday, France and a number of other EU nations are considering implementing asset freezes and travel bans on Lebanese politicians in an apparent attempt to break the ongoing stalemate over the formation of a new government in Beirut. *"Concrete proposals are being developed against the very people who have abandoned the general interest in favour of their personal interests,"* France's Foreign Minister, Jean-Yves Le Drian, was quoted as saying on Tuesday.

Uganda & Egypt Sign Security Pact.

According to a statement issued by the Ugandan military on Wednesday, Cairo and Kampala have signed an intelligence sharing agreement. *"Given that Uganda and Egypt share the Nile, cooperation between the two countries is inevitable because what affects the Ugandans will affect Egypt in one way or another,"* Egypt's General Sameh Saber El-Degwi, was quoted as saying by the 'Africa News' website. This pact comes as Egypt, Sudan and Ethiopia continue to try and seal an agreement on future usage of the Nile's waters following the completion of Ethiopia's 'Grand Renaissance Dam'. You can access more details on this story [here](#).

Oman Broadens VAT Exemptions & Increases Subsidies.

According to various news outlets, Oman is set to broaden the number of food products exempted from VAT and increase subsidies on electricity, water and fuel for those families who qualify. The 'Oman News Agency' reported that these measures, formed part of a social security package aimed at assisting families during the COVID-19 pandemic, and would also exempt low-income citizens from reimbursing housing loans provided by the ministry of housing. Oman is due to implement VAT from the 16th of April 2021. You can access more details on this story [here](#).

Ghana Raises US\$3 Bio Via Discounted Eurobond Issuance.

Last week, Ghana became the first African country to conduct a sovereign Eurobond issuance which includes a zero-coupon bullet tranche. According to 'Bloomberg' the sale was comprised of four tranches; US\$525 mio via a 4-Year Zero Coupon bond, US\$1 bio through an 7-year bond priced at 7.75%, US\$1 bio in a 12-year bond at 8.75% and US\$500 mio via a 20-year bond with a coupon of 9.25%. *"This historic bond issuance is a strong signal that investors have confidence in our plan for debt sustainability, economic recovery and growth,"* Ghana's Finance Minister, Ken Ofori-Atta, was quoted as saying by the 'African Markets' website. The country raised US\$3.025 bio from this issuance which reportedly received around US\$6 bio in bids.

Jadwa Investment Sets Up Real Estate Fund.

The Saudi based asset management and advisory company Jadwa Investment, has reportedly established a Sharia-compliant property fund worth SAR 1 bio to develop prime residential projects within the Kingdom. The Al Dar Investment Fund will develop more than 1,500 residential units in Riyadh, via several apartment complexes aimed at medium- to high-income households. Jadwa's CEO, Tariq Al-Sudairy, was quoted by the 'National' newspaper saying that, the fund was set up in-line with the company's *"policy of pursuing diversified investment opportunities across asset classes,"* adding, *"We have been very active in the local real estate market where we see strong investment fundamentals."* You can access more details on this topic [here](#).

Solar Power Plant Opens In KSA – More Planned.

Saudi Arabia's Crown Prince, Mohammed bin Salman, announced yesterday, that his country had signed agreements for the establishment of seven new solar energy projects across the Kingdom. This announcement was made during his speech at the official opening of the 300-MW Sakaka solar power facility in Jouf. *"During the past weeks, the Saudi Green Initiative and the Middle East Green Initiative have been announced, which showed that we, as a leading global oil producer, are fully aware of our share of the responsibility in advancing the fight against climate change. As part of our pioneering role in stabilizing energy markets, we will continue this role to achieve leadership in the field of renewable energy,"* the Crown Prince was quoted as saying by the 'Arab News' website, adding that the Sakaka plant was only the *"first steps to utilize renewable energy in*

the Kingdom,” and that construction of the Dumat Al-Jandal wind energy plant had almost been completed. You can read more details of his speech [here](#).

ALSTOM Seals Service Contract At Dubai Airport.

Alstom has signed a five-year contract extension for the provision of comprehensive operations and maintenance services for the InnoviaTM APM 300 system at Dubai International Airport, according to the ‘Railway News’ site.

Somagec Wins Storage Terminal Contract In Djibouti.

Morocco’s Somagec has been awarded the contract to build a major storage terminal within the Damerjog Industrial Park in Djibouti, according to the ‘Morocco World News’ website.

FX/RATES & CRUDE MARKETS:

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Currency	Spot	1M	2M	3M	6M	9M	12M	2Y
USD/AED	3.67295/305	-1/+1	-1/+1	-1/+2	Par/+5	3/13	5/15	60/80
USD/SAR	3.7500/03	2/5	3/8	4/9	8/13	13/23	15/25	80/110
USD/KWD	0.30170/200	20/30	40/50	60/75	125/150	190/220	260/290	400/500
USD/OMR	0.38497/502	3/13	15/30	25/40	57/87	120/150	180/230	430/530
USD/BHD	0.37697/702	15/20	25/35	33/48	65/80	90/120	120/150	260/360
USD/MAD	8.9650/9850	50/150	100/250	150/350	300/650	500/1000	700/1700	1800/3800
USD/EGP NDF	15.71	15.81/15.86	15.90/15.98	16.06/16.11	16.46/16.51	16.88/16.93	17.27/17.32	-
USD/JOD	0.7090/7105	70/120	170/270	250/350	475/675	600/1000	850/1350	1000/2500
USD/NGN NDF	407.83	413.00/417.00	418.00/423.00	422.00/427.00	436.00/441.00	448.00/453.00	460.00/470.00	(NAFEX)
USD/GHS NDF	5.7750	5.76/5.82	5.80/5.87	5.86/5.96	6.02/6.12	6.25/6.35	6.46/6.58	-
USD/TND	2.7700/7900	80/180	150/350	300/500	600/1600	1000/2000	1500/2500	4000/7000
Crude Oil	Futures							
WTI	59.25							
Brent	62.75							

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

AED AND SAR IRS SPREADS

Currency	1Y	2Y	3Y	4Y	5Y	6Y	7Y	10Y
AED SPREAD	+17/23	+22/28	+27/33	+32/38	+37/43	+41/47	+44/50	+63/69
SAR SPREAD	+59/65	+65/71	+73/79	+80/86	+86/92	+92/98	+98/104	+117/123

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

AND FINALLY...

Archeologists recently announced the discovery near Luxor of what is believed to be the largest ancient city ever found in Egypt.

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