

Market Insights & Strategy

Global Markets

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MIDDLE EAST & AFRICAN MONITOR

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REGIONAL COMMENTARY

Oil Prices At One Month High.

Oil prices have had a positive week with the primary benchmarks sitting close to a four-week high overnight, following strong growth figures out of China, another drop in US crude inventories for the third week in a row and a report that road traffic in the UK was now around 91% of its pre-pandemic levels.

Guyana Aims To Increase Its Crude Production To One Mio Bpd.

The South American state of Guyana is planning to produce up to 1 mio bpd of crude oil by 2027 according to its minister of natural resources, Vickram Bharrat. "By 2027, we are hoping that there will be at least seven floating production, storage and offloading (FPSO) vessels in the country, and that we will be producing either close or even over one million bpd," Bharrat was quoted as saying by the 'Argus Media' site. ExxonMobil has made 18 major oil discoveries at the Stabroek Block, which is located off the coast of Guyana. The company estimates that these discoveries contain more than 9 bio barrels of oil equivalent. ExxonMobil, is the operator of the Stabroek Block and holds a 45% stake. Its partner Hess Corporation owns a 30% interest, whilst the remaining 25% stake is controlled by a subsidiary of CNOOC Ltd.

Private Investors Continue To Exit The Shale Energy Sector.

Despite the rebound in oil prices over the past few months, the North American shale sector is struggling to source fresh funds from private investors whose once strong interest in the fracking industry continues to dissipate due to poor returns. "Private equity has been decimated in this downturn. The total quantum of money available out there to private companies has shrunk and is going to stay much, much smaller," the head of Quantum Energy Partners, Wil VanLoh, was quoted as saying by the 'Financial Times' newspaper this week.

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The US & Iran Are 'Walking On Thin Ice' – Austria's Foreign Minister.

As indirect talks between the US and Iran continue over a possible return to the JCPOA agreement, the Austrian Foreign Minister, Alexander Schallenberg, warned that the window of opportunity to reach a deal was getting smaller. *"The pressure on both sides is enormous, they know that they are walking on thin ice and that the clock is ticking loudly. They are very aware of their responsibility, and it is clear that there are forces on all sides who have an interest in seeing these negotiations fail. But I have the understanding that the commitment is there from both sides to make progress. It is perhaps the last diplomatic rescue effort,"* Schallenberg, stated yesterday according to the UAE's 'National' newspaper. Meanwhile Saudi Arabia's Foreign Ministry issued a statement on Wednesday, warning that Iran must never be allowed to develop a nuclear weapon or the ability to build one. *"Any renegotiated deal must be stronger and longer, and ensure that Iran is prevented from acquiring nuclear weapons or developing the necessary capabilities,"* the statement read according to 'Arab News', adding that a new agreement must also *"take into account the deep concern of the countries of the region about Iran's escalatory steps to destabilize regional security and stability, including its nuclear program."*

Saudi Arabia Intercepts Another Missile & Drone Attack.

Saudi Arabia's air-defence units intercepted four missiles and five armed-drones that had been launched from the Sa'dah governorate in Yemen towards the Kingdom's southern city of Jazan yesterday, according to a statement issued by the Arab Coalition. You can access more details on this story [here](#).

Egypt's Energy Sector Contributed 24% Of GDP In 2020.

Egypt's oil and gas sector made up 24% of the country's GDP in 2020 according to the Petroleum & Mineral Resources Minister, Tariq El-Molla earlier this week. The minister also revealed that sixty international companies are currently operating within this sector in Egypt. In February last year, El Molla said during an interview with the 'Pipeline oil & gas news' platform, that Egypt had awarded 28 new blocks for oil and gas exploration to foreign firms over the past five years, and had signed more than 100 agreements with international companies covering oil and gas exploration and development since November 2013, totaling minimum investments of around US\$17 bio.

FITCH Raises LC-IDR Rating On Zambia.

FITCH announced this week that it had raised Zambia's Long-term Local-Currency Issuer Default Rating to CCC from CC. In a statement the agency said that; *"The upgrade of the LTLC IDR reflects that the government has continued to service its local currency debt and has made no indication that it plans to include domestic debt in any potential debt restructuring. This means an eventual re-structuring of external debt could improve the overall public finance position and support local-currency debt sustainability. However, the 'CCC' rating still reflects a real possibility of a local-currency default, given Zambia's weak public finances and tight domestic financing conditions. Fitch estimates the 2020 general government deficit widened to 12% of GDP and forecasts a 2021 deficit of 10.3%. General government debt reached an estimated 114% of GDP at end-2020, versus the current 'B' median of 66%."* You can access the full FITCH statement [here](#).

Maire Tecnimont Wins US\$1.5 Bio Contract In Nigeria.

Italy's Maire Tecnimont has reportedly secured a US\$1.50 bio EPC contract to rehabilitate Nigeria's Port Harcourt Refinery Complex which closed two years ago. Under the contract, Maire Tecnimont's subsidiary Tecnimont will undertake the work to restore at least 90% of the Port Harcourt refinery complex's nameplate capacity, according to the 'hydrocarbons-technology' website.

Larsen & Toubro Awarded Solar Power Contract in KSA.

India's Larsen & Toubro, has been awarded a turnkey EPC contract on the 1.5GW Sudair Solar PV Project in Saudi Arabia. *"With several GWs of solar EPC experience, L&T has emerged as a global technology player for solar plants. L&T has been a provider of EPC services for several green projects in recent years. We are India's largest EPC company to build hydel power plants, the largest market player to build nuclear power plants with a total capability of 9360MWe, including some ongoing projects, on an EPC turnkey basis with the capacity to make important critical components like steam turbines, generators, end shields and other critical equipment,"* L&T's CEO was quoted as saying by the 'construction week online' website.

UAE & Japan Sign Lunar Rover Agreement.

The UAE's Mohammed Bin Rashid Space Centre reportedly signed a contract this week with Japan's ispace, for payload delivery services for the Emirates Lunar Mission. "MBRSC's commitment towards space research and development has garnered the attention of the world through our various projects. We are now leveraging our advanced scientific and technological hub by partnering with international entities that will aid in creating a new space economy landscape in the country. Our mission through scientific endeavours such as the Emirates Lunar Mission is to keep the UAE flag flying high and be at the forefront of countries contributing to scientific achievements that will change the face of humanity," the Director-General of MBRSC was quoted as saying by the 'Arabian Aerospace' website. You can read more details on this story [here](#).

FX/RATES & CRUDE MARKETS:

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Currency	Spot	1M	2M	3M	6M	9M	12M	2Y
USD/AED	3.67295/305	-1.5/+0.5	-2/+1	-2/+1	-2/+1	1/6	7/12	55/75
USD/SAR	3.7505/07	2/5	3/6	4/9	9/14	12/17	18/28	80/110
USD/KWD	0.30140/160	20/30	40/50	60/75	125/150	190/220	260/290	400/500
USD/OMR	0.38500/505	5/15	13/28	25/40	57/87	110/140	170/220	410/510
USD/BHD	0.37696/701	15/20	25/35	33/48	67/82	90/120	120/150	200/350
USD/MAD	8.9150/9350	50/150	100/250	150/350	300/600	400/900	600/1500	1800/3800
USD/EGP NDF	15.67	15.75/15.80	15.87/15.92	15.99/16.04	16.39/16.43	16.80/16.85	17.20/17.25	-
USD/JOD	0.7087/7097	70/120	170/270	250/350	475/675	600/1000	850/1350	1000/2500
USD/NGN NDF	408.54	410.00/415.00	415.50/419.50	419.50/423.50	433.00/438.00	446.00/452.00	457.00/467.00	(NAFEX)
USD/GHS NDF	5.7700	5.78/5.83	5.83/5.89	5.89/5.95	6.05/6.15	6.27/6.37	6.48/6.63	-
USD/TND	2.7550/7750	80/180	150/350	300/500	600/1600	1000/2000	1500/2500	4000/6000
Crude Oil	Futures							
WTI	63.40							
Brent	66.90							

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

AED AND SAR IRS SPREADS

Currency	1Y	2Y	3Y	4Y	5Y	6Y	7Y	10Y
AED SPREAD	+16/22	+21/27	+26/32	+30/36	+34/40	+37/43	+39/45	+54/60
SAR SPREAD	+58/64	+63/69	+70/76	+75/81	+80/86	+85/91	+90/96	+110/116

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

AND FINALLY...

Did you know that Libya has 48 bio barrels of proven oil reserves which is the largest such reserves in Africa?

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