

# Market Insights & Strategy

Global Markets

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## MIDDLE EAST & AFRICAN MONITOR

- **Major Energy Firms Begin To Introduce Vaccination Mandates.**
- **Libya Needs To Increase Its Crude Output Sharply – CB Governor.**
- **Angolan Oil Exports Generated US\$6.73 Bio During Q2 2021.**
- **Iran Says Its Willing To Enter Into ‘Reasonable’ Nuclear Negotiations.**
- **Tunisian President Extends Suspension Of Parliament.**
- **Saudi Arabia & Russia Sign Military Cooperation Agreement.**
- **Lebanon Raises Fuel Prices By 66%.**
- **ADNOC Signs US\$1 Bio In Project Engineering Contracts.**
- **ART Wins Catalyst Management Contract In Bahrain.**

### REGIONAL COMMENTARY

#### **Major Energy Firms Begin To Introduce Vaccination Mandates.**

Following the US FDA's full and final approval of the Pfizer COVID-19 vaccine, a large number of oil and gas firms have reportedly begun to introduce coronavirus vaccine mandates on their employees. In a statement published by 'Fox News' yesterday, Hess Corporation said that all of its US operations employees working in the Gulf of Mexico will be required to be fully vaccinated by the 1<sup>st</sup> of November in order to enter the company's offshore facilities. Chevron is apparently following a similar process, although it may also make it mandatory for some of its key onshore staff to be vaccinated. "*Chevron is committed to protecting the health of our people, and vaccinations are the strongest safeguard against this virus. We will continue to carefully monitor the medical data and follow the guidance of health authorities in order to protect our workforce,*" a Chevron spokesperson was quoted as saying by the 'Fox Business' channel. In a separate development, the oilfield services company Schlumberger, has said that most oil firms are now requiring that a contractor's personnel must be both vaccinated and tested before they will be allowed into their work sites. Earlier this month the US refining company Valero, imposed vaccination as a hiring condition for new workers at both its Louisiana and Texas facilities.

#### **Libya Needs To Increase Its Crude Output Sharply – CB Governor.**

The head of Libya's Central Bank, Sadiq al Kabir, claimed yesterday that his country needed to increase its crude oil production to at least 1.80 mio bpd in 2022, in order to cover public spending needs and rebuild the economy. "*It is of course imperative that production rates in 2022 have to go higher,*" Al Kabir was quoted as saying by 'Bloomberg', adding that 1.80 mio bpd per day would generate US\$35 bio in revenues next year if oil prices were to average US\$60 per barrel. Libya's production levels have ranged between 1.00 to 1.30 mio bpd thus far this year, but raising output further is still constrained by aging infrastructure, strike action and cash flow issues.

### **Angolan Oil Exports Generated US\$6.73 Bio During Q2 2021.**

Angola's Oil and Gas Minister, Alexandre Barroso, announced late last week that Angola's oil exports had generated US\$6.73 bio during the second quarter of this year. *"In terms of destination, the largest volume of crude oil was exported to China, with 72.85%, followed by India and Singapore with 5.85% and 3.88% respectively. The average export price recorded an increase of 151.85% compared with that of the year 2020, which at the time was US\$27.24 per barrel,"* Barroso was quoted as saying by the 'Xinhuanet' media outlet.

### **Iran Says Its Willing To Enter Into 'Reasonable' Nuclear Negotiations.**

Iran's newly nominated Foreign minister said yesterday that *"We will never run away from a reasonable negotiation table where there is authority and wisdom, but we will not tie the Ministry of Foreign Affairs to the 2015 nuclear agreement."* His comments were made during a speech to the Iranian parliament, adding that he would work towards getting US sanctions lifted but not waste time in *"erosive negotiations"* or talks that *"fail to serve the Iranian people's interests."* Meanwhile the Israeli Prime Minister, Naftali Bennet, is reportedly preparing to present the US President with not only his government's continued concerns over the possible revival of the JCPOA accord, but also a new joint-strategy in dealing with Iran, when he visits Washington later this week. *"It was important for the Prime Minister to make it clear that when we say we think it is a mistake to return to the 2015 nuclear deal, it is not an automatic continuation of the Netanyahu government's policy and that we have a different approach,"* the 'Times of Israel' newspaper cited a senior Israeli official as saying.

### **Tunisian President Extends Suspension Of Parliament.**

The Tunisian President's office yesterday announced an indefinite extension to the suspension of parliament and that the President will address the nation in the coming days. Last month President Saied assumed executive authority, dismissed Prime Minister Hichem Mechichi and suspended the legislature, saying that his intervention was needed in order to save Tunisia from collapse. This move appears to have been supported by many Tunisians, although it remains to be seen what other actions may be taken and when a roadmap towards the reopening of parliament will be unveiled.

### **Saudi Arabia & Russia Sign Military Cooperation Agreement.**

Saudi Arabia and Russia signed a bilateral agreement to develop military cooperation yesterday, according to the Kingdom's Deputy Defence Minister. *"Met with Russian Defense Minister Sergey Shoygu to explore ways to strengthen the military and defense cooperation between our two countries. We discussed our common endeavor to preserve stability and security in the region, and reviewed shared challenges facing our countries,"* Prince Khalid bin Salman tweeted yesterday. The agreement was signed during the minister's attendance at the International Military-Technical Forum (ARMY ) which is currently being held in the town of Kubinka which is located about 60km from Moscow.

### **Lebanon Raises Fuel Prices By 66%.**

The Lebanese authorities announced yesterday, that there would only be a partial reduction in fuel subsidies after the government reached a compromise following discussions with the Central Bank. However this still means that Lebanon's official gasoline prices will rise by 66% this week, and the gap between the global market price and the local retail price will still have to be financed by the government somehow. According to 'Al Arabiya' the Central Bank will open a special account for this purpose up to a maximum of US\$225 mio until the end of September 2021, funds that the government will have to pay back out of its 2022 budget. Chronic fuel shortages have forced many businesses in Lebanon to close, and could lead to power blackouts at hospitals should it continue.

### **ADNOC Signs US\$1 Bio In Project Engineering Contracts.**

The Abu Dhabi National Oil Company recently signed US\$1 bio worth of project engineering agreements with a number of contractors according to a report in 'The National' newspaper. These contractors include: the Wood Group company, AMEC International, Fluor, McDermott, Mott MacDonald, SNC-Lavalin International Arabia Limited-Abu Dhabi, Technip Energies, Worley and a joint venture between Tecnicas

Reunidas and the NPCC. The projects form a key part of the UAE's drive to increase its oil production capacity to 5 mio bpd by 2030. "These framework agreements follow a very competitive tender process and the smart nature of the deals will deliver substantial cost savings, optimize project delivery schedules and provide ADNOC with increased flexibility to drive its growth targets and proactively respond to the demands of the fast-evolving energy landscape," Abdulmunim Al Kindy, ADNOC's Executive Director of People, Technology & Corporate Support, was quoted as saying. You can access more on this topic [here](#).

### ART Wins Catalyst Management Contract In Bahrain.

The Bahrain Petroleum Company (BAPCO) has reportedly awarded a US\$240 mio hydrocracking catalyst management contract, to the US-based clean fuels group specialist Advanced Refining Technologies. According to the 'Zawya' media outlet, the exclusive, five-year agreement includes an option to renew for an additional five years and is the largest catalyst management agreement ever signed in BAPCO's history.

### 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	3.67295/305	Par/+1	Par/+1.5	Par/+2	2/5	3/8	8/13	40/60
USD/SAR	3.7502/04	9/14	17/22	22/27	42/52	60/70	73/83	160/190
USD/KWD	0.30085/105	20/25	40/50	65/75	130/150	200/230	265/295	420/520
USD/OMR	0.38499/504	3/13	10/20	20/35	60/75	100/130	160/190	425/525
USD/BHD	0.37697/702	18/23	32/42	50/65	100/130	150/180	200/250	375/525
USD/MAD	8.8700/9000	50/100	100/200	150/300	350/750	400/800	600/1500	1800/3800
USD/EGP NDF	15.7035	15.81/15.86	15.91/15.96	16.04/16.09	16.40/16.45	16.81/16.86	17.20/17.25	-
USD/JOD	0.7079/84	30/80	40/140	70/170	150/400	250/550	400/800	700/1700
USD/NGN NDF	411.26	413.00/416.00	417.00/420.00	419.50/424.50	431.00/441.00	442.00/452.00	455.00/465.00	(NAFEX)
USD/GHS NDF	6.0050	6.06/6.12	6.10/6.17	6.15/6.25	6.35/6.45	6.55/6.70	6.80/6.95	-
USD/TND	2.7850/8050	150/350	300/700	500/1000	600/1600	1200/2200	1700/3000	4000/6000
<b>Crude Oil</b>	<b>Futures</b>							
WTI	66.30							
Brent	69.65							

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

### AED AND SAR IRS SPREADS

Currency	1Y	2Y	3Y	4Y	5Y	6Y	7Y	10Y
AED SPREAD	+19/25	+24/30	+28/34	+31/37	+33/39	+37/43	+41/47	+48/54
SAR SPREAD	+68/74	+72/78	+81/87	+90/96	+100/106	+103/109	+114/120	+130/136

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

### AND FINALLY...

Did you know that in the past 60 years, vaccines helped eradicate one disease (smallpox) and are close to eradicating another (polio)?

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