

# Market Insights & Strategy

Global Markets

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## MIDDLE EAST & AFRICAN MONITOR

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### REGIONAL COMMENTARY

#### ***Shell Expects Global Oil Demand To Return To Normal By 2022.***

The CEO of Royal Dutch Shell, Ben van Beurden, has said he expects global demand for crude to return to pre-pandemic levels by 2022, although adding that this recovery will depend heavily on a rebound in travel. *"The recovery will probably have to wait until we also see a recovery in the aviation sector, which is a significant driver of demand growth. Aviation will be a very significant contributor to that remaining recovery that we need to see,"* van Beurden was quoted as saying by the 'Argus Media' outlet. He also pointed out that some regions are already recovering faster than others, saying *"We see a recovery in China, for instance. If you look at January 2021 versus January 2020, we actually not only see a recovery, we see 15% growth in our retail business."* Recent data published by Refinitiv confirms this picture, estimating that China's crude oil imports reached 12 mio bpd last month, a more than 30% rise compared to December 2020.

#### ***Sumitomo Offloads Its Shale Oil & Gas Businesses.***

Sumitomo Corporation announced yesterday, that it was exiting the shale oil business and has sold its entire stake in a Texas shale oil producer to a US firm due to difficulty in securing profitability from the project. This latest move, follows the Japanese company's sale of a stake in a shale gas development project in Pennsylvania last year, according to the 'Japan Times' newspaper.

#### ***Nigeria Plans To Build US\$3 Bio Methanol Plant.***

The Nigerian National Petroleum Corporation has announced, that it plans to build a US\$3 bio methanol plant on Brass Island in the Niger Delta. The country's Oil Minister, Timipre Sylva, said that this plant would be operational by 2024, create 30,000 jobs and end Nigeria's reliance on imports of methanol. The majority of funding for the project will come from a

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range of international lenders, including the China Export-Import Bank and the African Development Bank, according to the 'Global Construction Review' website.

### **US & France Call For 'Effective' Lebanese Government.**

A joint statement, issued by the French Foreign Minister and the US Secretary of State yesterday, calls on Lebanon's political leaders to form a "*credible and effective government*" and for "*rapid results*" to be published from the ongoing investigation into the cause behind last August's devastating explosion at Beirut's main port. "*The six-month anniversary of this tragic event underscores the urgent and vital need for Lebanese stakeholders to finally act upon the commitments they have made to form a credible and effective government, and to pave the way for the implementation of necessary reforms, in accordance with the aspirations of the Lebanese people. Such concrete actions remain absolutely crucial for the engagement of France, the United States and their regional and international partners to provide additional, longer-term structural support to Lebanon,*" their official statement read and which you can access in full [here](#).

### **Egypt's FX Reserves Remain Healthy.**

Egypt's foreign exchange reserves rose to US\$ 40.10 bio last month, according to the country's Central Bank. Continued foreign investor inflows, as well as a jump in remittances over the past eight months has helped to support this rebound.

### **Saudi Arabia's PMI Rises Again.**

IHS Markit's PMI Index for Saudi Arabia's non-oil private sector rose to 57.1 last month compared to 57.0 in December 2020, its fifth monthly rise in a row. This was also the highest PMI level recorded since November 2019 and indicates a marked improvement in business conditions within the non-oil sectors of the economy.

### **BMW Signs New Deal To Purchase Aluminum From UAE.**

The German automaker BMW AG has agreed to purchase aluminum produced using solar power, under a new contract with its current supplier Emirates Global Aluminum. According to the 'renewables now' website, BMW will receive 43,000 tons of aluminum this year, which will be produced using electricity from the Mohammed Bin Rashid Al Maktoum Solar Park.

### **CEVA Acquires Logistics Firm In Morocco.**

Swiss based CEVA Logistics recently bought the ASTI Group in order to establish reefer services and contract logistics in Morocco. "*The acquisition of ASTI further enhances our standing in the African market and shows our ambition for the continent as a whole. We believe there is enormous potential across a range of freight services and extending the CEVA brand in its own right in Morocco will set us on the road to further success,*" the CEVA Logistics CEO was quoted as saying by the 'loadstar' website.

### **Halliburton Wins Digital Contract In Kuwait.**

The Kuwait Oil Company, has reportedly awarded Halliburton a contract to provide digital technologies, in order to support KOC's goal of increasing production at its North Kuwait asset. "*We are excited to collaborate with KOC on their digital transformation initiatives and build on our previous work to increase reservoir recovery and production,*" a senior vice president of Landmark, Halliburton Digital Solutions and Consulting, was quoted as saying this week by the 'rigzone' website.

### **Zambia Buys Glencore's Mopani Mine.**

According to a recent 'Reuters' report, Zambia's state-run mining investment arm has agreed to buy Glencore's stake in Mopani Copper Mines for US\$1.50 bio.

Continued...

## 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/+3	2/5	3/6	7/12	12/17	18/28	80/110
USD/SAR	3.7511/14	1/4	3/6	3/8	6/11	10/20	18/28	70/100
USD/KWD	0.30290/310	15/25	30/50	45/65	100/130	170/200	225/255	330/430
USD/OMR	0.38496/499	14/24	30/45	55/70	110/140	190/220	280/330	725/1025
USD/BHD	0.37699/702	8/18	15/30	28/43	55/85	80/110	110/140	300/500
USD/MAD	8.9850/9.0050	150/300	300/500	500/700	900/1300	1300/2300	1800/2800	3000/6000
USD/EGP NDF	15.73	15.74/15.79	15.86/15.91	15.98/16.03	16.33/16.38	16.70/16.75	17.09/17.14	-
USD/JOD	0.7080/7090	70/120	80/180	130/280	250/450	400/700	700/1300	1000/2000
USD/NGN NDF	395.57	407.00/410.00	417.00/422.00	424.00/429.00	441.00/446.00	457.00/467.00	472.00/482.00	(NAFEX)
USD/GHS NDF	5.8100	5.82/5.87	5.87/5.94	5.95/6.02	6.14/6.24	6.37/6.47	6.59/6.69	-
USD/TND	2.7200/7350	80/220	150/350	300/500	600/1600	1000/3000	1500/2500	4000/8000
<b>Crude Oil</b>	<b>Futures</b>							
WTI	56.60							
Brent	59.20							

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

## AED AND SAR IRS SPREADS

Currency	1Y	2Y	3Y	4Y	5Y	6Y	7Y	10Y
AED SPREAD	+23/29	+30/36	+41/47	+52/58	+62/68	+70/76	+75/81	+93/99
SAR SPREAD	+62/68	+71/77	+81/87	+91/97	+101/107	+111/117	+119/125	+144/150

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

## AND FINALLY...

*Did you know that the US was once the world's largest producer of copper? Chile is now number one followed by Peru and China.*

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