

# Market Insights & Strategy

Global Markets

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## MIDDLE EAST & AFRICAN MONITOR

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### REGIONAL COMMENTARY

#### **Iraq Lowers Its Crude Output.**

Iraq's state-run oil company has lowered its overall crude output to 3.60 mio bpd until the end of February this year, in order to make up for breaching its OPEC+ quota last year. This is the country's lowest production level since 2015 and is down from 3.85 mio bpd last month.

#### **Delay In Salary Payments Triggers Port Shutdown In Libya.**

Libya's Petroleum Facilities Guard have reportedly shutdown operations at the Marsa el Hariga terminal in protest over a delay in salary payments, according to the Argus media outlet. Similar strike action has been threatened at other important oil export terminals in the east of the country, including Es Sider and Ras Lanuf. The PFG, who are responsible for guarding facilities owned by the National Oil Company, claim that their members wages have been delayed for months.

#### **BP Downsizes Its Oil Exploration Division.**

BP's oil exploration division, which employed over 700 engineers and geologists just a few years ago has been downsized to less than 100 staff members, following a major overhaul of the firm last year, a Reuters report published yesterday claims. BP publically announced in the middle of last year that it planned to cut 10,000 jobs across the company, in order to lower costs and slowly move away from its reliance on oil and gas operations.

#### **Indonesia Detains Iranian Tanker Off Its Coast.**

The Indonesian coast guard reportedly detained an Iranian-flagged tanker (MT Horse) and a Panamanian registered vessel on suspicion of conducting illegal fuel transfers off the country's coastline this past Sunday. "The tankers, first detected at 5.30am local time concealed their identity by not showing their national flags, turning of automatic identification systems and did not respond to a radio call," a statement

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issued by the Indonesian Coast Guard read, adding that both ships have since been escorted to Batam island for further investigation. A separate news article published by Reuters yesterday, claims that the Iranian tanker in question was almost fully loaded with crude oil whilst the Panamanian flagged vessel, was empty.

### **Still No Agreement Over Ethiopian Dam.**

Egypt, Sudan and Ethiopia have still not been able to reach a final agreement over Ethiopia's controversial Grand Renaissance Dam project, after the most recent trilateral talks were suspended. Egypt's Water Resources Minister, Mohammed Abdel Aaty, was quoted by the Daily News Egypt website as stating on Sunday, that four meetings had been held under the auspices of the African Union, in addition to five multi-party meetings that took place in the presence of the Ministers of Irrigation and Foreign Affairs from the three involved countries, and he suggested that *"unfortunately there is Ethiopian intransigence on this."* You can access more details on this story [here](#).

### **Tunisia's Parliament Debates Cabinet Reshuffle.**

This past weekend, Tunisia's Prime Minister Hichem Mechichi, announced a major cabinet reshuffle affecting twelve ministries (including interior and justice), just four months after his government was formed. This reshuffle comes as demonstrators reportedly clashed with security forces in several cities on Saturday in protest over the country's difficult economic situation. *"The aim of this reshuffle is to achieve greater efficiency in the work of the government,"* Mechichi was quoted as saying by the Arab News media outlet. Tunisia's parliament is due to hold a plenary session today to discuss the Prime Minister's new cabinet nominees.

### **KSA's PIF Unveils New Five-Year Strategy.**

According to Saudi Arabia's Crown Prince, Mohammed bin Salman, a newly unveiled five-year strategy will see the country's Public Investment Fund inject a minimum of US\$40 bio per annum into the domestic economy, double its assets to US\$1.07 trio, contribute US\$320 bio to non-oil GDP and create 1.8 mio jobs by 2025. *"We've launched many vital sectors and investment projects in Saudi Arabia and the private sector is a strategic partner for the PIF. The new strategy comes to represent a major pillar in achieving the aspirations of our country and aims to achieve the concept of comprehensive development,"* the Crown Prince, who is also chairman of the PIF was quoted as saying by the Arab News platform, adding that, *"Our goal is to make our country a pioneer for the new human civilization. PIF will contribute to supporting development and economic diversification efforts in the Kingdom, in addition to consolidating its position as the preferred global investment partner."*

### **Lebanon's Economy Needs 'Extensive Restructuring' – Former Minister.**

A former Lebanese minister for economy and trade, Nasser Saidi, was quoted as saying recently by the VOA, that his country needs to enact drastic reforms soon if it is to survive. *"If you look at other countries that have been in crisis, Greece, Argentina, Iceland, this goes well beyond that. We are seeing real GDP declining in 2020 by about 20%. It had already declined by 7% in 2019. So, this is a massive depression, even greater than that in the 1930s, in the Great Depression,"* Saidi warned, adding that corrupt politicians *"need to be held accountable for what they have done"* to the country. Meanwhile there were reports of clashes between the police and demonstrators in the Lebanese city of Tripoli last night, which the country's National News Agency claims was triggered by public anger over the COVID-19 *"lockdown, fines against those who flout it and the suffocating economic crisis."*

### **Oman To Expand Its 'Omanization' Program.**

Oman's Labour Ministry, announced this past Sunday that it is planning to earmark a number of private sector professions for Omani nationals only, in an effort to create more employment opportunities for its citizens. According to a report published in the Gulf News; activities related to financial and administrative professions in insurance companies and those engaged in the insurance of brokerage activities, consumer-related activities in malls such as selling, accounting, money exchange, management and arranging goods in merchandise stores, will be restricted to citizens. Similarly in the vehicle sales industry, activities such as accounts, auditing, sale of new and used vehicles as well as sale of spare parts for new vehicles by agencies are earmarked for Omani nationals. The ruling also states that expatriates who are currently employed with proper work permits in the aforementioned professions are permitted to continue until the expiry date of such permit. You can read the full story [here](#).

## DP World To Modernize Angolan Port.

DP World has signed an agreement with the Angolan government, which will see the UAE based firm invest up to US\$190 mio in upgrading and modernizing the African nation's main port in Luanda.

## McDermott Wins FEED Contract In Qatar.

US based McDermott International, has been awarded the contract to provide front-end engineering and design services to Qatar Petroleum's North Field South project. The company will also replicate five offshore wellhead platforms, according to a report published on the Offshore-Technology website.

## FX/RATES & CRUDE MARKETS:

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Currency	Spot	1M	2M	3M	6M	9M	12M	2Y
USD/AED	3.67295/305	Par/+2	1/4	2/5	7/10	10/15	17/27	85/115
USD/SAR	3.7509/12	2/5	3/6	4/9	7/12	10/15	18/28	80/110
USD/KWD	0.30260/280	11/16	28/38	40/55	100/120	150/180	210/240	290/390
USD/OMR	0.38498/501	13/23	40/50	55/65	120/150	200/230	310/340	750/950
USD/BHD	0.37697/700	18/28	30/45	35/50	70/90	100/130	130/160	300/500
USD/MAD	8.9500/9700	150/300	300/500	500/700	900/1300	1300/2300	1800/2800	3000/6000
USD/EGP NDF	15.73	15.85/15.90	15.99/16.04	16.11/16.16	16.48/16.53	16.85/16.90	17.23/17.28	-
USD/JOD	0.7080/7090	70/120	80/180	130/280	250/450	400/700	700/1300	1000/2000
USD/NGN NDF	393.67	397.00/400.00	403.00/406.00	407.00/412.00	423.00/428.00	437.50/442.50	451.00/458.00	(NAFEX)
USD/GHS NDF	5.8300	5.84/5.89	5.89/5.99	5.95/6.05	6.15/6.25	6.38/6.48	6.60/6.75	-
USD/TND	2.6950/7150	80/220	150/350	300/500	600/1600	1000/3000	1500/2500	4000/8000
<b>Crude Oil</b>	<b>Futures</b>							
WTI	52.50							
Brent	55.50							

**\*\* (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	+61/67	+69/75	+73/79	+94/100
SAR SPREAD	+66/72	+76/82	+86/92	+97/103	+110/116	+122/128	+129/135	+158/164

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

## AND FINALLY...

*"It is the voyage not the ship that matters" – Angolan proverb.*

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