

# Market Insights & Strategy

Global Markets

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### REGIONAL COMMENTARY

#### ***OPEC+ Members Agree To Keep Production Levels Steady.***

Contrary to general market expectations, signatories to the OPEC+ output cut accord agreed yesterday, to keep their current levels of production mostly unchanged into April, despite the rebound in crude prices since January. The only exception was Russia and Kazakhstan, who will be allowed to raise their output by 130,000 and 20,000 bpd respectively. Meanwhile Saudi Arabia will extend its additional 1 mio bpd cut into next month. In a statement issued after the meeting OPEC said that, although their members *"recognized the recent improvement in the market sentiment by the acceptance and the rollout of vaccine programs and additional stimulus packages in key economies,"* they also *"cautioned all participating countries to remain vigilant and flexible given the uncertain market conditions, and to remain on the course."* You can read the full OPEC statement [here](#). In reaction to this news, the primary benchmarks jumped by 5% yesterday.

#### ***Saudi Aramco CEO Sees Oil Demand Recovery In 2021.***

Saudi Aramco's President & CEO, Amin Nasser, said this week that he expects the demand for crude to continue to improve in 2021, especially during the second half of the year, although he remained concerned about the level of global unemployment caused by the COVID-19 pandemic. *"There has been a huge impact on small- and medium-sized businesses, and more on employment. Rapid technology advances were already having an impact on jobs, especially low-skill repetitive-type jobs, reducing jobs and creating inequality in the market in different parts of the world. Today we are seeing a recovery taking place and usually this is linked to job creation and higher employment. My big worry over the long term is a jobless recovery where certain jobs are not going to return,"* Nasser was quoted as saying by the 'Arab News' media outlet.

#### ***Oman Aims To Expand Its Renewable Energy Sector.***

Oman is planning to expand its renewable energy sector in order to generate 11% of its power needs from 'green' sources by 2023 and 30% by

2030, according to a report published by the 'Oman News Agency'. The Ministry of Energy & Minerals is *"devising various plans and policies to boost renewable energy production in the country. Projects of renewable energy contribute to economic diversification plans espoused by the Sultanate at a time the country strives to regulate sources of energy, conserve the environment and limit harmful fossil fuel emissions,"* the article read.

#### ***Any Fresh Nuclear Accord With Iran Must 'Be Dramatically Improved' – Israeli Minister.***

Israel's Energy Minister, Yuval Steinitz, warned earlier this week that any new agreement over Iran's nuclear program must contain stricter conditions. *"All countries in the Middle East see eye to eye that this is a devastating threat that should be prevented in advance. Iran is a big shadow, they are violating all their commitments and the previous agreement is far from being sufficient,"* he was quoted as saying by 'Reuters', adding that any eventual new agreement *"should be dramatically improved."* Meanwhile the IAEA announced yesterday, that Tehran had agreed to meet with international experts investigating the discovery of uranium particles at several undeclared sites and hoped to clarify *"a number of outstanding issues"*. This announcement led France, Germany and the UK to pause a proposed resolution to the IAEA which would have criticized Iran for recently suspending the inspection of its nuclear sites by the international body.

#### ***IMF Says Progress Made In Talks With Zambia.***

The IMF said in a statement yesterday that decent headway has been made during its recent talks with Zambia, over a potential support program for the southern African country and as such discussions are set to continue. *"Significant progress has been made and discussions are expected to continue in the next few weeks, following additional technical work on the appropriate policy package,"* the IMF statement read, although it warned that work towards implementing fiscal reforms to correct large fiscal imbalances, ramping up revenues and improving governance was still required. Zambia has accumulated over US\$12 bio in debt over the last few years, half of which is owed to private creditors.

#### ***Bahrain Remains 'Committed To Fiscal Balance Program'.***

Bahrain's Finance Ministry expects the country to post a deficit of BHD 1.20 bio this year before easing slightly to BHD 1.10 bio in 2022, it also said the government remained committed to the 'Fiscal Balance Program' targets and the economy should expand by 5% this year, according to the state news agency 'BNA'. Meanwhile Bahrain's 2021/22 state budget will be based on an average oil price of US\$50. You can read more details on this subject [here](#).

#### ***DP World Officially Launches Operations In Angola.***

UAE based DP World has begun operations at the multipurpose terminal in Angola's Luanda port, according to the 'Trade Arabia' website. DP World plans to invest up to US\$190 mio in order to upgrade the terminal and the company now manages and operates eight such facilities across Africa and the Middle East.

#### ***Samsung Wins US\$2 Bio EPC Contract In Qatar.***

South Korea's Samsung C & T has won a US\$2 bio contract to expand the storage and loading facilities at an LNG plant in Qatar's Ras Laffan Industrial City, according to the 'Global Construction Review' website.

#### ***Metito Lands Wastewater Treatment Contract In Egypt.***

UAE based Metito has been awarded a contract covering the design, supply, construction, operation and maintenance of the El Hammam agricultural wastewater treatment plant in Egypt, according to the 'Trade Arabia' website. The plant will have a capacity of 6 mio cu/m of water per day, making it the largest of its type in the world.

*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	-1/+1	Par/+3	1/4	3/6	8/13	14/19	70/90
USD/SAR	3.7512/15	-3/Par	-2/+1	-2/+1	-1/+4	2/7	8/13	70/90
USD/KWD	0.30270/320	15/25	30/40	53/63	100/130	170/220	230/280	400/500
USD/OMR	0.38498/501	8/13	20/30	30/50	75/95	130/160	190/240	575/675
USD/BHD	0.37710/20	10/15	13/23	20/35	45/65	70/100	95/125	175/275
USD/MAD	8.9700/9900	150/300	300/500	500/700	900/1300	1300/2300	1800/2800	3000/6000
USD/EGP NDF	15.69	15.85/15.90	15.99/16.04	16.13/16.18	16.55/16.60	16.95/17.00	17.35/17.40	-
USD/JOD	0.7078/7088	70/120	70/170	130/280	250/450	400/700	700/1200	1000/2500
USD/NGN NDF	409.64	414.00/418.00	420.00/425.00	424.00/429.00	438.50/453.50	450.00/455.00	461.00/468.00	(NAFEX)
USD/GHS NDF	5.7250	5.78/5.83	5.83/5.88	5.89/5.99	6.08/6.18	6.30/6.40	6.50/6.65	-
USD/TND	2.7300/7600	80/220	150/350	300/500	600/1600	1000/3000	1500/2500	4000/8000
<b>Crude Oil</b>	<b>Futures</b>							
WTI	64.65							
Brent	67.65							

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

## AED AND SAR IRS SPREADS

Currency	1Y	2Y	3Y	4Y	5Y	6Y	7Y	10Y
AED SPREAD	+22/28	+30/36	+38/44	+47/53	+56/62	+60/66	+65/71	+86/92
SAR SPREAD	+59/65	+67/73	+75/81	+83/89	+92/98	+101/107	+108/114	+132/138

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

## AND FINALLY...

*Did you know that the oldest known pearl in the world was discovered on Marawah Island, off the coast of Abu Dhabi in 2019? It is estimated to be around 8,000 years old.*

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