

Market Insights & Strategy

Global Markets

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MIDDLE EAST & AFRICAN MONITOR

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REGIONAL COMMENTARY

UK Fuel Sales Rise To Highest Level In Over A Year.

According to a report issued by the UK’s department for Business, Energy & Industrial Strategy, the country’s average daily fuel sales per forecourt reached 19,377 litres on Friday the 30th of April 2021. This is highest daily sales level reported since 19th March 2020, whilst sales for the week ending May 2nd 2021 equaled 92% of pre-pandemic levels.

Major US Pipeline Shutdown After Cyberattack.

The operator of the largest refined fuels pipeline in the US, was forced to temporarily suspend all operations last Friday due to a cyberattack. The artery which is run by Colonial Pipeline, is 5,500 miles long and normally carries around 2.50 mio bpd of petrol and other fuel supplies to the east coast. “*This is what businesses now have to worry about and unfortunately, these sorts of attacks are becoming more frequent, they’re here to stay,*” the Commerce Secretary Gina Raimondo, was quoted as saying by ‘CNBC’ adding that “*It’s all hands on decks effort right now. We’re working closely with the company, state and local officials to make sure that they get back up to normal operations as quickly as possible and there aren’t disruptions to supply.*” Her comments were echoed by the President of Lipow Oil Associates, who warned that; “*The major takeaway is the bad guys are very adept at finding new ways to penetrate infrastructure. Infrastructure has not developed defences that can offset all the different ways that malware can infect one’s system.*” It is not clear yet who was behind this attack and as at last night operations had still not been fully restored.

US Navy Boards Ship Smuggling Arms In Arabian Sea.

The US Navy announced yesterday that it had seized an arms cache containing 3,000 Chinese Type 56 assault rifles, hundreds of heavy machine guns, sniper rifles and RPG launchers, as well as dozens of advanced, Russian-made anti-tank guided missiles hidden aboard a dhow

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in the Arabian Sea. The vessel was reportedly heading towards Yemen before it was intercepted late last week. *"The original source and intended destination of the materiel is currently under investigation. The materiel is in US custody awaiting final disposition. After all illicit cargo was removed, the dhow was assessed for seaworthiness, and after questioning, its crew was provided food and water before being released,"* a statement by the US Fifth Fleet read. You can access more details on this story [here](#).

Better KSA-Iran Relations Depend On "Verifiable Deeds" – Saudi Official.

A senior official from Saudi Arabia's Foreign Ministry, said late last week that recent talks between the Kingdom and Iran were aimed at reducing regional tensions, but added that it was still too early to predict the outcome of these discussions. *"As to current Saudi-Iranian talks they aim to explore ways to reduce tensions in the region. We hope they prove successful, but it is too early, and premature, to reach any definitive conclusions. Our evaluation will be based on verifiable deeds, and not proclamations,"* Ambassador Rayed Krimly, head of policy planning at the Saudi Foreign Ministry was quoted as saying by the 'Khaleej Times' newspaper. You can access more details [here](#).

Lebanon's CB Considers New Plan For US Dollar Withdrawals.

Lebanon's Central Bank announced yesterday, that it is currently in negotiations with the local banking sector over *"a mechanism under which the banks would begin to gradually give clients access to their deposits in all currencies."* If this mechanism is introduced then depositors would apparently be able to access up to US\$25,000 of their hard currency accounts from the 30th of June 2021. However, it is not clear yet what exchange rate would be used, and according to various media reports such a mechanism would also first need *"legal approval"*. You can find more details on this topic [here](#).

Nigeria Extends Inward Remittance Initiative.

The 'Naira 4 Dollar' initiative, which was instituted by the Central Bank of Nigeria earlier this year and that rewards recipients with NGN 5.00 for every US\$ 1.00 they receive via licensed IMTOs and commercial banks, was due to end last week. However, according to an article on the 'Nairametrics' website the CBN has now decided to extend this initiative for an indefinite period. The system was introduced in March 2021 and is aimed at encouraging hard currency recipients in Nigeria to use formal banking channels and in turn boost liquidity within the domestic foreign exchange market.

S&P Affirms Egypt Ratings.

S&P has affirmed its B/B sovereign credit rating on Egypt with a stable outlook. *"We expect that Egypt's foreign exchange reserves and access to domestic and external debt markets will allow it to cover higher external financing needs and coming maturities,"* the ratings agency said in a statement, adding that *"We see strong medium-term growth prospects for Egypt, barring the pandemic's near-term impact, underpinned by the ongoing implementation of fiscal and economic reforms."*

Dubai's PMI Rises Again As Do Real Estate Transactions.

The IHS Markit Dubai Purchasing Managers' Index rose to 53.5 last month from 51 in March, its highest level since November 2019 as business activity in the non-oil sector continues to improve. Meanwhile, according to the 'Property Finder' website, the value of property sales transactions in Dubai totaled AED 10.97 bio in April this year, a four-year high. The listings site also reported that 60% of all real estate transactions executed in Dubai last month were for secondary/ready properties, while 40% were for off-plan properties. You can read more on this latter topic [here](#).

Sungrow Power Wins Supply Contract In Egypt.

China's Sungrow Power Supply Company has reportedly signed an inverter supply contract on the 200MW Kom Ombo photovoltaic project in Egypt. According to the 'Power Technology' website, Sungrow will supply the project with a 250kW inverter solution and a MVS6650-LV medium-voltage turnkey station.

Leighton O'Brien Seals Testing Contract in Ghana.

The fuel analytics technology provider Leighton O'Brien, has been awarded the contract to conduct integrity testing at more than 1,800 fuel retail sites in Ghana, according to the 'Petrol Plaza' website.

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	-0.5/+0.5	-1/+1	-1/+2	-1/+3	2/7	6/11	55/75
USD/SAR	3.7502/04	4/7	6/11	7/12	12/17	16/21	22/27	90/120
USD/KWD	0.30810/1010	20/30	45/55	60/75	130/160	200/230	260/290	410/510
USD/OMR	0.38495/500	7/17	15/30	25/40	55/75	95/125	150/180	375/475
USD/BHD	0.37697/702	15/20	28/38	37/52	75/95	100/130	130/160	225/375
USD/MAD	8.8150/8350	50/120	100/200	125/275	250/550	400/800	600/1500	1800/3800
USD/EGP NDF	15.6700	15.78/15.83	15.90/15.95	16.03/16.08	16.43/16.48	16.83/16.88	17.21/17.26	-
USD/JOD	0.7085/7095	50/150	70/270	200/350	400/700	500/900	600/1200	1000/2500
USD/NGN NDF	410.47	412.50/415.50	415.25/419.25	418.25/422.25	430.00/435.00	442.00/447.00	453.00/460.00	(NAFEX)
USD/GHS NDF	5.7709	5.78/5.83	5.83/5.89	5.90/5.96	6.06/6.16	6.28/6.38	6.50/6.65	-
USD/TND	2.7250/7450	80/180	150/350	300/500	600/1600	1000/2000	1500/2500	4000/6000
Crude Oil	Futures							
WTI	65.27							
Brent	68.70							

**** (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	+23/29	+27/33	+31/37	+36/42	+37/43	+38/44	+48/54
SAR SPREAD	+59/65	+64/70	+69/75	+74/80	+79/85	+84/90	+88/94	+104/110

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

AND FINALLY...

Did you know, If the technology existed to capture every single ray of light delivered across the planet by the sun, we could collect enough energy to power the world in just one hour?

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