

Market Insights & Strategy

Global Markets

1st October 2021

MIDDLE EAST & AFRICAN MONITOR

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REGIONAL COMMENTARY

All Eyes Focus On Upcoming OPEC+ Meeting.

Traders are keenly awaiting next week's OPEC+ meeting to see if the grouping agrees to release additional crude supplies into the market, over and above their current planned increases, especially after the surprise energy squeeze in both China and Europe gave oil prices an extra boost in recent days. However, despite Brent's brief break above US\$80 a barrel and fresh ultra-bullish calls by certain analysts, the near term fundamental picture is not as clear as it may seem, and thus OPEC+ might just decide to remain cautious for now. Firstly the US dollar is strengthening, production in the Gulf of Mexico is now almost back to its pre-hurricane Ida levels, US crude inventories rose for the first time in eight weeks, the actual knock-on effect on physical oil demand from high LNG prices is somewhat overstated and there are further signs that the economy of the world's second largest oil importer (China) is slowing. This latter issue was most recently underlined by China's official Manufacturing PMI index reading for September which came in at 49.6 compared to 50.1 the previous month. Meanwhile, the Biden administration continues to fret about the economic (and domestic political) impact of high gasoline prices. These concerns were highlighted on Tuesday this week when the White House Press Secretary, Jen Psaki, was quoted as saying during a press briefing that; *"Obviously the price of oil is a concern. We continue to speak to international partners, including OPEC, on the importance of competitive markets and setting prices and doing more to support the recovery."* Her comments echoed those made a few weeks prior by the US National Security Advisor, Jake Sullivan, who warned that; *"Higher gasoline costs, if left unchecked, risk harming the ongoing global recovery."* Therefore, even if OPEC+ decides to keep its current production plan unchanged for now, the US could again release some of its strategic oil reserves.

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CNOOC Makes Fresh Oil Discovery In China.

The Chinese National Offshore Oil Corporation announced yesterday, that it had made a relatively large sized discovery at the Kenli 10-2 oilfield in Bohai Bay. *"The successful discovery of the Kenli 10-2 oil field marked the breakthrough in discovery of lithological oilfield with reserve of 100 million tons in the shallow depression zone of the Bohai oilfields, demonstrated the broad prospects for exploration of lithological structures in the Bohai, and has great significance as a guide for exploration in similar basins,"* the General Manager of CNOOC's Exploration Department was quoted as saying by the 'Offshore Engineer' website.

Major LNG Project In Mozambique Remains On Hold.

France based Total-Energies has said, that its US\$20 bio LNG project in Mozambique remains suspended for the time being, at least until the security situation in the African country's Cabo Delgado province has fully stabilized. *"There are some positive evolutions on the ground, but it has to be consolidated there is a war. What we will not do on Mozambique LNG is remobilize to demobilize,"* the French energy giant's CEO, Patrick Pouyanne, was quoted as saying by 'The Guardian' newspaper, adding that *"If we are not able to remobilize at the beginning of next year, then the project start-up could be delayed to 2027."* Total declared a Force Majeure at its LNG operations in Northern Mozambique earlier this year, following a deadly attack by Islamist militants on a town close to its facilities. A joint SADC reaction force, including soldiers from South Africa, Rwanda, Botswana and Zimbabwe has made progress in reclaiming certain areas of Cabo Delgado which had previously been held by the insurgents and is also helping to train their Mozambican counterparts.

DP World Says Global Supply Disruptions Will Not End Soon.

Thee Chairman and CEO of DP World, Sultan Ahmed Bin Sulayem, was quoted by 'Bloomberg' as saying earlier today that the ongoing disruption of global supply chains could last for some time yet *"The global supply chain was in crisis in the beginning of the pandemic. Maybe in 2023 we'll see an easing"* Bin Sulayem stated. DP World is one of the world's largest operators of marine ports and inland cargo terminals.

Iran Conducts Military Drills On Border With Azerbaijan.

The Iranian military announced yesterday, that it would conduct wide-ranging maneuvers close to its border with Azerbaijan *"with the aim of improving combat readiness."* These drills come at a time of increased tension between the two countries over various issues including; what Baku claims is the unapproved movement of Iranian trucks into the sensitive Karabakh region via Azerbaijani territory and the recent joint military exercises carried out by Azerbaijan and Turkish forces in the Caspian Sea, which Iran's Foreign Ministry alleged had violated international conventions in the area. According to 'The National' newspaper, Azerbaijan's President Ilham Aliyev, described Iran's army drills along the border as *"a very surprising event,"* adding that *"Every country can carry out any military drill on its own territory it's their sovereign right. But why now, and why on our border?"* In response, an Iranian Foreign Ministry spokesperson was quoted as saying that *"The drills carried out by our country in the north-west border areas are a question of sovereignty."*

Oman Unveils Long-Term Residency Scheme.

Oman has launched a new investment scheme which will offer 10-year renewable residency visas to foreign investors, provided they meet certain qualifying conditions. These include: the purchase of a home or homes with a total minimum value of OMR 500,000, establish a company which employs at least 50 Omanis, hold OMR 500,000 worth of Omani bonds which have a remaining term life of at least 2 years, have worked in Oman for at least 2 years and have a monthly income of at least OMR 4,000 or have set-up an Oman based company and hold shares in the firm with a market value of OMR 500,000 or more. You can read more details about this new scheme [here](#).

New Cape Town Bourse Eyes Firms Beyond SA.

The Cape Town Stock Exchange has said it was hoping to *"become the NASDAQ of Africa"* by attracting more SMEs, both within the country and across the continent, to list on the recently launched bourse which is now posing strong competition to the Johannesburg Exchange by charging lower fees and offering new technology. *"We reduce the cost, risk, time and complexity for companies looking to list. This, and owning our technology, enables us to target small and medium firms of between ZAR 25 mio to ZAR 2 bio market capitalization,"* the CTSE's CEO, Eugene Booysen, was quoted as saying by 'Bloomberg', adding that it will be the only bourse, aside from the JSE, which is able to offer companies equity and debt trading. The CTSE, (which is the first

stock exchange to be based in Cape Town since 1906) is also reportedly in discussion with other African bourses to share its technology and cooperate on a revenue sharing basis.

FITCH Rates The UAE's GMTN Program.

FITCH Ratings yesterday assigned a 'AA-' rating on the UAE's global medium-term notes program, in line with the agency's long-term issuer rating of the UAE.

Another Renewable Power Project In Morocco.

A 10.50GW solar and wind power project is currently being developed in the Guelmim Oued Noun region of Morocco. Once complete the facility will also be home to a 5GW battery, while up to 3.60GW of the total power produced will be exported to the UK. This means that four high-voltage undersea cables will be laid and then connected to the UK's electricity grid, according to the 'Energy Storage News' website.

Sun Africa To Invest US\$1.50 Bio In Angola.

The American renewable energy firm, Sun Africa, has reportedly signed an agreement with the Angolan government which will see the company invest up to US\$1.50 bio into installing drinking-water supply systems in the arid southern region of the SSA country as well as 'green' municipal electrification projects. Funding will come from the US Export Credit Agency according to the 'Afrik 21' news site.

Petrofac Wins Gas Contract In Bahrain.

UK based Petrofac has been awarded an EPCC contract to support Tatweer Petroleum's gas distribution network project in Bahrain. The scope of work includes the installation of high-pressure gas pipelines and fibre-optic cabling according to the 'Natural Gas World' 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	Par/+1.5	Par/+2	0.5/2.5	2/7	4/9	8/13	30/50
USD/SAR	3.7506/09	7/10	13/18	20/25	40/45	62/67	78/88	155/175
USD/KWD	0.30150/170	12/17	30/40	46/56	100/110	150/170	190/220	280/380
USD/OMR	0.38496/501	5/15	17/27	25/40	65/80	100/130	160/190	425/525
USD/BHD	0.37697/702	18/23	38/48	60/70	120/140	180/210	240/270	380/480
USD/MAD	9.0300/0500	50/150	100/200	250/400	500/700	800/1100	1000/1500	2500/4500
USD/EGP NDF	15.7124	15.83/15.87	15.96/16.01	16.09/16.14	16.49/16.54	16.92/16.97	17.34/17.39	-
USD/JOD	0.7079/84	30/80	50/150	100/200	250/450	400/700	500/900	700/1700
USD/NGN NDF	413.05	416.00/421.00	420.50/425.50	425.00/430.00	436.00/443.00	447.00/457.00	459.00/469.00	(NAFEX)
USD/GHS NDF	6.0400	6.0750/6.1150	6.1400/6.1900	6.2050/6.2550	6.3900/6.4900	6.5800/6.6800	6.7800/6.8800	-
USD/TND	2.8300/8500	150/350	300/700	500/1000	600/1600	1200/2200	1700/3000	4000/6000
Crude Oil	Futures							
WTI	74.85							
Brent	78.25							

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

AED AND SAR IRS SPREADS

Currency	1Y	2Y	3Y	4Y	5Y	6Y	7Y	10Y
AED SPREAD	+26/32	+30/36	+35/41	+40/46	+45/51	+47/53	+52/58	+64/70
SAR SPREAD	+68/74	+73/79	+81/87	+86/92	+90/96	+96/102	+107/113	+124/130

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

AND FINALLY...

Did you know that Zimbabwe has five UNESCO World heritage sites? They are: The Khami Ruins, Great Zimbabwe Ruins, Victoria Falls, Mana Pools and the Matobo Hills.

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