

Market Insights & Strategy

Global Markets

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MIDDLE EAST & AFRICAN MONITOR

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REGIONAL COMMENTARY

German Minister Suggests Russian Oil Embargo Possible 'Within Days'.

Germany's Economy Minister, Robert Habeck, said during an interview last night that the EU will likely "reach a breakthrough" on a planned ban of Russian oil imports very soon. "There are only a few states left who have issues, Hungary above all. I think we will achieve a breakthrough within the next few days," Habeck was quoted as saying by the 'ZDF' media outlet, adding that discussions were "continuing". Meanwhile European natural gas prices have fallen to their lowest level since the beginning of the Ukraine conflict as storage levels across the continent returned to normal.

Recent Discoveries To Assist UAE Achieve Its Oil Output Targets.

Late last week the Abu Dhabi National Oil Company (ADNOC) announced the discovery of an additional 650 mio barrels of oil spread across three fields. These latest finds reinforce the country's position as OPEC's third largest producer and home to the world's sixth-largest crude reserves. It will also help ADNOC reach its planned production capacity target of 5 mio bpd by 2030. Meanwhile, the UAE has recorded the largest increase in renewable energy capacity worldwide over the past decade, according to a new 'Green Fuel Index' study conducted by the Australia-based aggregator (Comparethemarket.com). The UAE's renewable energy capacity has jumped from just 13MW in 2011 to 2,540MW in 2020. You can access the study [here](#).

Europe In Talks To Import Gas From Israel.

According to Israel's Director-General of Energy, Lior Schillat, his country and the European Union have been holding negotiations for the past month over the possible supply of Israeli gas to Europe via Egypt. "The Europeans and Americans expect that the energy crisis will influence the continent not only in the next couple of years but for the next decade as they try to reduce

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dependence on Russian gas. Israel, as part of this effort, will have to build infrastructure to send more gas to Egypt and then to Europe. It is a long-term effort. Today, the local market uses 12 billion cubic meters and we export another four to Egypt and three to Jordan. We will start with low numbers of additional exports and increase as Israel's capacity grows." Schillat was quoted as saying by the 'Jerusalem Post' newspaper.

Iran Seeks To Revive Gas Pipeline Project – IRGC Officer Assassinated.

Iran's state-run news agency claimed over the weekend that the country had agreed to restart a long-delayed project to lay an undersea gas pipeline to Oman. This news came ahead of yesterday's visit to Muscat by President Ebrahim Raisi, during which eight MOUs and four cooperation programs were signed, according to 'Reuters'. You can access more details on this topic [here](#). Meanwhile, as the world waits to see whether or not indirect talks between Iran and the US will resume soon, two unknown gunmen reportedly assassinated an IRGC Colonel in Tehran on Sunday. President Raisi blamed his killing on "the hands of global arrogance" according to a 'BBC' report.

Bahrain Looks To Boost Tourism Sector.

Bahrain's Minister of Industry Commerce and Tourism, Zayed Alzayani, said yesterday that his country was confident it will be able to almost double the contribution the tourism sector currently makes towards Bahrain's economy by 2026. "We did it in the first strategy from 2015 to 2019. We went from 3.40% to 6.90% of GDP. Most of it had to do with awareness, attractions, access and accommodation," the minister was quoted as saying by 'The National' newspaper, adding that during the second campaign "we reduced the awareness and went more on tactical. So we expanded the footprint to 19 markets. We brought in Gulf Air as a strategic partner. So, the growth of the Gulf Air network is synchronized with the source markets we feel are important for Bahrain."

S&P Raises Credit Ratings Outlook On South Africa.

S&P announced at the end of last week, that it had amended its ratings outlook on South Africa from 'stable' to 'positive'. It also affirmed the country's long term foreign and local currency debt ratings at BB- and BB, respectively. S&P said in a statement that this decision was taken due to the "expectation that favorable terms of trade, a path toward contained fiscal expenditure, and the implementation of some structural reforms could lead to a continued easing of fiscal and external pressures," adding that "we expect South Africa to post a current account surplus in 2022 (though smaller than in 2021) for the third consecutive year, as prices for key metals and mining exports have risen significantly since the start of the Russia-Ukraine conflict."

African CBs Hike Benchmark Rates As Inflation Bites.

Ghana's Central Bank raised its key lending rate to 19% on Monday, as it attempts to cool inflation which hit an 18-year high of 23.60% y/y last month. Ghana's 200bps hike follows a similar move in Egypt last week where the CBE increased its main deposit and lending rates to 11.25% and 12.25% respectively. Record food prices are a key driver behind the sharp rise in inflation and poses a key socioeconomic risk to many countries around the world especially the SSA region. We discuss this subject in our latest FAB 'Hot Topic' publication titled 'Food Insecurity & Political Risks' which was released yesterday.

Major Expansion Of KSA's Hospitality Sector Underway.

The international property consultancy Knight Frank, sees the addition of 310,000 hotel rooms in Saudi Arabia by 2030 at a cost of approximately US\$110 bio. "We stand at the precipice of a sea-change for Saudi Arabia's hospitality landscape, we are moving from vision to reality. The US\$110 billion herculean task of transforming Saudi Arabia's hospitality landscape goes well beyond the delivery of extra hotel room keys. Care and attention must be taken to deliver the correct quantum of products in the right locations," the head of Knight Frank's Middle East research department, was quoted as saying by the 'Arabian Business' news site.

CSCEC Wins Airport Contract In Iraq.

China State Construction Engineering Corporation is set to begin a US\$370 mio project to build an International Airport near Nasiriyah city in the Dhi Qar Governorate of Iraq, according to the 'Global Construction Review' 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	-3/Par	-5/-2	-6/-3	-10/-5	-13/-8	-14/-9	Par/+30
USD/SAR	3.7505/08	27/34	45/52	60/67	73/83	82/92	92/102	135/175
USD/KWD	0.30575/605	29/34	45/55	60/70	100/120	125/150	150/170	150/250
USD/OMR	0.38498/503	3/13	6/16	8/18	18/33	25/50	30/60	75/175
USD/BHD	0.37698/703	15/20	25/35	40/55	80/95	115/135	145/165	200/400
USD/MAD	9.9400/9700	50/250	150/350	300/600	450/850	700/1500	800/1800	2000/4000
USD/EGP NDF	18.3914	18.85/19.00	18.97/19.12	19.24/19.44	20.16/20.36	21.15/21.35	21.99/22.19	-
USD/JOD	0.7097/7102	40/140	70/170	150/250	300/500	400/700	500/900	700/1700
USD/NGN NDF	417.46	420.00/427.00	424.00/430.00	428.00/435.00	440.00/450.00	454.00/464.00	470.00/480.00	(NAFEX)
USD/GHS NDF	7.7000	8.1500/8.2500	8.4000/8.5500	8.6500/8.8000	9.1500/9.3500	9.5500/9.9000	9.8500/10.2000	-
USD/TND	3.0500/0900	125/325	250/500	400/900	700/1400	1000/2000	2000/3000	4000/6000
Crude Oil	Futures							
WTI	\$109.95							
Brent	\$113.05							

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

AED AND SAR IRS SPREADS

Currency	1Y	2Y	3Y	4Y	5Y	6Y	7Y	10Y
AED SPREAD	+29/37	+32/40	+38/46	+44/52	+50/58	+56/64	+63/71	+79/87
SAR SPREAD	+95/103	+96/105	+97/106	+98/107	+101/110	+107/116	+116/125	+131/141

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

AND FINALLY...

Did you know that the name Libya stems from an ancient tribe called the Libu, who were first mentioned in texts from the 13th century BC?

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