

Market Insights & Strategy

Global Markets

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MIDDLE EAST & AFRICAN MONITOR

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REGIONAL COMMENTARY

Iran Seizes Two Greek Oil Tankers.

Two Greek owned oil tankers, the 'Delta Poseidon' and the 'Prudent Warrior' which were both carrying Iraqi crude, were boarded by Iranian forces last Friday for what an IRGC statement described as unspecified "violations". In response, Greece's Foreign Ministry condemned what it described as a "violent taking over of two Greek-flagged ships" in the Arabian Gulf. "These acts effectively amount to acts of piracy," the ministry's statement read. This incident comes not long after Greek authorities stopped a Russian owned Aframax tanker the 'Pegas' which had been sailing near the Mediterranean island of Evia and was allegedly transporting Iranian oil. According to the 'Maritime Executive' website, the Russian ship had been suspected of breaching EU and/or US sanctions and its cargo was seized. "The seizure came at the request of the Americans because the cargo came from a sanctioned country and moved on a sanctioned ship. The oil is being moved to another tanker which will sail to the US," A Greek official was quoted as saying at the time. You will find more details on both stories [here](#).

US Renews Chevron's Sanctions Exemption In Venezuela.

The US Treasury Department has renewed Chevron's sanctions exemption license allowing the firm to continue to operate in Venezuela under the same terms as previous authorizations. However, this renewal will also reportedly permit oilfield service companies Halliburton, Schlumberger, Baker Hughes and Weatherford International to maintain their assets in the South American oil producer, according to the 'Arab News' site. Earlier this month an 'AP News' article quoted two unnamed US officials suggesting that the White House was considering partially lifting sanctions on Caracas in a gesture aimed at encouraging fresh negotiations between Venezuela's opposition parties and President Nicolás Maduro's administration. Chevron has been operating in Venezuela since the 1920s.

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A Fresh Nuclear Accord With Iran Looks 'Tenuous' – US Official.

The White House's lead negotiator on the currently stalled talks over a fresh JCPOA agreement with Iran, has been quoted as saying that the Biden administration is *"prepared to get back into the JCPOA for as long as our assessment is that its nonproliferation benefits are worth the sanctions relief."* However, he also conceded during a Q&A session with the US Senate's Foreign Relations Committee last week, that the chance of reaching a deal was now *"tenuous"*. Meanwhile, according to the 'Times of Israel' newspaper, the former head of Israel's Military Intelligence service, Tamir Hayman, suggested over the weekend that a return to some form of JCPOA agreement between Iran and the world powers was perhaps preferable to no deal at all.

Iraq Aims To Expand Its Crude Output Capacity.

Iraq's Oil Minister, Ihsan Ismaeel, said during his visit to France last week that his country was working to raise its current crude production capacity to 5 mio bpd by 2025 and 8 mio bpd by 2028, according to 'S&P Global Platts'. The country reportedly pumped out 4.43 mio bpd in April this year, an almost 7% increase over the previous month.

Lebanese Pound Hits Fresh Record Low.

The Lebanese currency hit a record low of LBP 35,000 against the US dollar in the unofficial market last week, driven primarily by strong demand from local importers who are currently unable to get their full hard currency needs from the Central Bank. Meanwhile, fresh cost-of-living protests by public sector workers and truckers reportedly took place in Beirut last Thursday. *"The situation is very delicate. The prices of goods are doubling, and some merchants are now requesting to be paid in US dollars, as the local currency continues to depreciate uncontrollably. Not everyone has dollar bills. How can people survive? At some point, we are bound to face a dangerous scenario,"* The head of the Lebanon's General Security Directorate, was quoted as saying by the 'Arab News' media outlet. Unfortunately, the ongoing lack of direction on the political front in Lebanon, especially following the inconclusive outcome of this month's general elections, means much needed economic reforms look set to continue to be delayed.

Nigeria's CB Hikes Rates For First Time In Six Years.

Nigeria's Central Bank hiked its benchmark interest rate for the first time in six years last week, raising the MPR rate by 150bp to 13.00% in an effort to tame inflation. According to the 'Premium Times' news site, six out of the bank's eleven MPC members voted in favour of last Tuesday's move. Nigeria's CPI rate hit 16.80% y/y last month with food prices the main driver. The move has since been criticized by the head of the Manufacturers Association of Nigeria, who was quoted by 'The Cable' news site suggesting that this *"development is expected to intensify demand crunch, increase the cost of manufacturing inputs, worsen the already declining profit margin of private businesses and heighten the mortality rate of small businesses"*.

ITFC Agrees To Provide Additional Financing Support To Egypt.

According to Egypt's Minister of Supply and Internal Trade, Ali El-Moselhi, the International Islamic Trade Finance Corporation has agreed to provide his country with an additional US\$3 bio in funding on top of the existing US\$3 bio already allocated. These funds are to be used to soften the impact of record high wheat prices on the world's largest consumer of this specific commodity.

Property Prices Rise Sharply In Riyadh.

Real estate prices in Saudi Arabia's capital have risen sharply in recent months, according to the latest data released by Knight Frank. This showed that apartments in Riyadh were up by an average of 20% and villas by 18.60% over the past 12 months, which is the fastest pace recorded in 5 years. *"The spectacular house price growth in the Kingdom mirrors what we are seeing around the world. However, in Saudi Arabia, the government's programs to boost home ownership have turbo-charged demand, development activity and house prices,"* the head of Middle East research at Knight Frank was quoted as saying by the 'Arabian Business' website.

Siemens Seals EUR8 Bio Railway Contract In Egypt.

Siemens announced over the weekend that it had signed a major railway contract in Egypt worth EUR8.1 bio. The contract includes the installation of 2000km of rail lines across the country as well as the supply 41 high-speed trains, 94 regional trains and 41 freight trains. *"With our latest technology for rolling stock, signaling and maintenance, Egypt will have the sixth-largest and most modern high-speed rail network in the world,"* the CEO of Siemens, Roland Busch, was quoted as saying by the 'Deutsche Welle' media outlet.

Dubai's Creative Economy Ranked 2nd Globally In Attracting FDI.

Dubai's creative economy ranked second globally in attracting FDI projects last year, according to a recent study published by the Dubai Investment Development Agency. "These results reflect the maturity and stability of the investment environment in the Emirate's creative economy. Dubai has created outstanding FDI opportunities in the sector by building a robust ecosystem and an advanced business-enabling infrastructure for creative entrepreneurs," Sheikha Latifa bint Mohammed bin Rashid Al Maktoum, chairwoman of the Dubai Culture and Arts Authority was quoted as saying yesterday by 'The National' newspaper. You can access more information on this topic [here](#).

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	3.6730/31	-1/+2	-2/+1	-3/+2	-4/+1	-5/+2	-6/+1	10/40
USD/SAR	3.7506/11	27/34	45/52	60/67	80/90	88/98	100/110	140/180
USD/KWD	0.30570/590	30/40	52/62	65/85	110/140	130/160	155/175	170/270
USD/OMR	0.38498/503	Par/+10	2/12	3/13	7/22	10/35	20/50	50/150
USD/BHD	0.37696/701	18/23	30/45	40/55	85/105	120/140	155/175	200/400
USD/MAD	9.9000/9200	50/250	150/350	300/600	450/850	700/1500	800/1800	2000/4000
USD/EGP NDF	18.5895	18.83/18.98	19.07/19.22	19.32/19.49	20.12/20.32	20.89/21.09	21.76/21.96	-
USD/JOD	0.7097/7102	40/140	70/170	150/250	300/500	400/700	500/900	700/1700
USD/NGN NDF	418.77	419.00/425.00	421.00/427.00	425.00/432.00	439.00/449.00	456.00/466.00	482.00/492.00	(NAFEX)
USD/GHS NDF	7.7750	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	3.0600/0900	125/325	250/500	400/900	700/1400	1000/2000	2000/3000	4000/6000
Crude Oil	Futures							
WTI	\$115.75							
Brent	\$118.90							

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

AED AND SAR IRS SPREADS

Currency	1Y	2Y	3Y	4Y	5Y	6Y	7Y	10Y
AED SPREAD	+30/40	+33/41	+38/46	+43/52	+50/58	+56/66	+63/73	+78/88
SAR SPREAD	+98/108	+99/107	+100/109	+103/111	+106/114	+110/120	+117/127	+132/142

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

AND FINALLY...

Did you know that that Egyptians consume an average of 150 – 180kg of bread per person each year, compared to a global average of 70-80kg?

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