

Market Insights & Strategy

Global Markets

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MIDDLE EAST & AFRICAN MONITOR

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REGIONAL COMMENTARY

High Electricity Prices Threaten Europe's Green Energy Plans.

The high cost of electricity in Europe may scuttle the continent's emissions targets and its plans to expand its low carbon supply chains, as domestic battery cell and solar panel manufacturers face soaring electricity bills, according to Rystad Energy. *"High power prices not only pose a significant threat to European de-carbonization efforts but could also result in increased reliance on overseas manufacturing, something governments are eager to avoid. Building a reliable domestic low-carbon supply chain is essential if the continent is going to stick to its goals, including the REPowerEU plan, but as things stand, that is in serious jeopardy,"* Rystad Energy's head of energy service research was quoted as saying in a press release. You can access more on this topic [here](#).

US Shale Oil Output Could Peak In 2024.

A recent report published by the chief analyst at Energy Aspects, claims that crude oil production from US shale basins could peak within the next two years due to rising input costs. Amrita Sen reportedly suggested in a client note last week, that private-equity backed operators in West Texas's Permian Basin, are the most likely to curb activity and that five US oil producers were apparently already considering reducing their rig numbers at the start of next year due to inflation. *"As much as the Biden administration would like for domestic oil producers to ride to the rescue in the short term, there's little chance the administration can do anything to reverse this activity slowdown,"* she added, according to 'Bloomberg'.

EU To Impose New Sanctions On Iran.

The European Union agreed late last week to introduce new sanctions on the Iranian government over its violent crackdown on street protests by ordinary citizens (especially women) who have been

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demonstrating across the country since the death in custody of Mahsa Amini's on September 16th, three days after she had been arrested by the morality police in Tehran. *"The brave Iranian women demand freedom and equality, values that Europe believes in and must speak up for. The violence must stop. Women must be able to choose. This shocking violence cannot stay unanswered. It's time to sanction those responsible for this repression."* the head of the European Commission, Ursula von der Leyen, was quoted as saying by the 'DW' news site. The exact details of these sanctions has not been made public yet, although its believed they will be aimed at 16 Iranian individuals and entities and will be ratified during a meeting by EU Foreign Ministers later today.

Sadarist Bloc Refuses To Join New Iraqi Government.

A major political bloc in Iraq led by the Shiite cleric Moqtada Al Sadr, announced over the weekend that they would not join an administration currently in the process of being formed by the country's latest Prime Minister-designate Mohammed Shia Al Sudani. *"We stress our firm and clear refusal for any of our affiliates to participate in this government formation,"* Mohammed Saleh Al Iraqi, an associate of Al Sadr was quoted as saying by 'The National' newspaper, adding that such an administration would *"not meet the Iraqi people's aspirations"*. Al Sudani, was nominated for the post of PM late last week, by the Co-ordination Framework (a coalition which controls 138 out of 329 parliamentary seats), and he now has 30 days to submit his cabinet choices to MPs for approval.

IMF Says Will Finalize Agreement With Egypt 'Very 'Soon'.

The IMF said in an official statement published on their website on Saturday, that its staff *"and the Egyptian authorities have held very productive in-person discussions on the margins of the IMF and World Bank Annual Meetings and made substantial progress on all policies including the following: A continued fiscal consolidation path that will safeguard public debt sustainability and ensure a steady decline of the debt-to-GDP ratio over the medium term. Additional fiscal and related structural policies that would further expand the social safety net for the most vulnerable, improve the budget composition, and enhance fiscal transparency. Monetary and exchange rate policies that would anchor inflation expectations, improve monetary policy transmission, improve the functioning of the foreign exchange market, and bolster Egypt's external resilience. This would enable Egypt to gradually and sustainably rebuild foreign reserves. The implementation of the authorities' comprehensive structural reform agenda would gradually enhance the competitiveness of the economy, reduce the role of the state in the economy, level the playing field for the private sector, improve the business climate, and foster transition towards a greener economy. IMF staff and the Egyptian authorities have agreed to finalize their work to reach a Staff-Level Agreement very soon."* Meanwhile, the IMF also revealed that it had reached a staff-level agreement with Tunisia on a new 48-month Extended Fund Facility worth SDR 1.47 bio.

Saudi Arabia To Provide US\$400 Mio In Aid To Ukraine.

Saudi Arabia's state news agency announced over the weekend that the Gulf country will provide a further US\$400 mio in humanitarian aid to Ukraine following a recent phone call between the Kingdom's Crown Prince and President Zelensky. Last week Saudi Arabia voted in favour of a UN resolution which condemned the purported Russian annexation of Ukrainian territories. *"Spoke to Crown Prince of Saudi Arabia Mohammed bin Salman. Thanked him for supporting Ukraine's territorial integrity, resolution at the UN General Assembly,"* Zelenskyy was quoted as saying on Saturday by 'Al Arabiya'. In September Saudi Arabia played a key mediation role in securing the release by Russia of ten prisoners of war including two American citizens.

KSA Considers Building A Regional Carbon Capture Centre.

Saudi Arabia's Ministry of Energy is preparing to conduct a feasibility study on the potential establishment of a regional carbon dioxide capture, utilization and storage center, which would be linked to other GCC states as well as Iraq, according to an article in the 'Al-Watan' newspaper.

Dolphin Drilling Secures Offshore Contract In Nigeria.

The offshore drilling contractor Dolphin Drilling, has been awarded a 12-month contract worth US\$96 mio for the supply of a semi-submersible rig by General Hydrocarbons Limited in Nigeria, according to the 'offshore energy' news site.

Smartwings Signs Aircraft Leasing Deal In UAE.

The UAE based airline Flydubai, has announced that has agreed to lease four next-generation Boeing 737-800 passenger aircraft from Smartwings in the Czech Republic. Flydubai carried 2.35 million passengers during the first quarter of this year, a 114% increase over the same period in 2021, according to 'The National' newspaper.

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	-2/Par	-3/Par	-7/-2	-10/-3	-10/Par	10/40
USD/SAR	3.7570/90	50/57	50/60	40/50	50/60	54/64	59/69	100/150
USD/KWD	0.31015/65	-15/Par	-25/-5	-35/-10	-55/-25	-70/-30	-80/-30	-125/-25
USD/OMR	0.38498/503	-15/-5	-22/-12	-23/-8	-25/-5	-10/+15	Par/30	50/200
USD/BHD	0.37703/13	17/22	32/42	45/55	85/105	130/150	170/190	270/470
USD/MAD	11.0000/0300	-75/+75	-150/+100	-250/+50	-400/+100	-600/Par	-700/-50	-1400/-100
USD/EGP NDF	19.6738	21.30/21.70	21.80/22.30	22.20/22.70	23.10/23.70	24.00/24.60	24.50/25.10	-
USD/JOD	0.7095/7100	40/140	125/275	225/425	450/700	600/1000	700/1200	800/1800
USD/NGN NDF	440.50	446.00/452.00	455.00/462.00	470.00/480.00	502.00/512.00	535.50/550.00	567.00/582.00	(NAFEX)
USD/GHS NDF	11.0500	11.2600/11.4200	11.4800/11.6800	11.6500/11.8500	12.3000/12.6200	12.9000/13.4500	13.5500/14.1000	-
USD/TND	3.3000/3300	Par/100	20/150	25/275	200/800	500/1500	800/2300	2000/5000
Crude Oil	Futures							
WTI	\$86.20							
Brent	\$92.35							

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

AED AND SAR IRS SPREADS

Currency	1Y	2Y	3Y	4Y	5Y	6Y	7Y	10Y
AED SPREAD	-11/-1	-3/+7	+6/16	+19/29	+30/40	+37/47	+42/52	+55/65
SAR SPREAD	+85/95	+86/96	+86/96	+89/99	+92/102	+96/106	+98/108	+109/119

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

AND FINALLY...

Did you know that the UAE was the first country in the world to appoint a minister for artificial intelligence?

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