

# Market Insights & Strategy

Global Markets

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### REGIONAL COMMENTARY

#### **Crude Market Retains Positive Mood Going Into August.**

Brent has begun the week just below US\$85 a barrel, with the crude market's mood remaining generally positive on the back of tightening supply and a softer US dollar, as we have been suggesting in our prior oil reports was likely to happen during the second half of this year. Oil prices have risen by some 16% since late June, and last week marked a fifth straight week of gains the longest such run in more than a year. The OPEC+ decision to extend its output restrictions until the end of 2024, especially KSA's voluntary additional 1 mio bpd cut (which we now believe will be extended into September), combined with strong global travel demand this summer is leading to a further decline in both crude and product inventories. Meanwhile, according to recent data published by 'Bloomberg', Russia's seaborne oil exports dropped by 311,000 bpd to 2.73 mio bpd in the week ending 23<sup>rd</sup> July, which is 1.48 mio bpd lower than April.

#### **Exxon Mobil Predicts Record Oil Demand In 2023/24.**

The CEO of Exxon Mobil, Darren Woods, said during an interview with 'CNBC' late last week that he expects strong demand for oil in the near to medium term. *"I think this year we're going to see record high oil demand and I expect next year to be even higher,"* Woods was quoted as saying, adding that *"We will see some an upward pressure just given demand changes in the limited options we have to significantly increase supply."* The IEA currently sees oil demand rising to 102.10 mio bpd this year.

#### **Nigeria's President Orders Investigation Into CB Activities.**

The newly elected President of Nigeria, Bola Tinubu, has reportedly appointed a special investigator to probe operations at the country's Central Bank, as a part of his administration's drive to combat corruption. According to the 'Premium Times' newspaper, this special

investigation team has also been tasked with providing a comprehensive report on the amount of wealth siphoned off by suspected *“corrupt individuals and establishments.”* You can access more information on this topic [here](#).

### **Iran Disputes Kuwait & KSA’s Ownership Of Al Durra Gas Field.**

Iran’s Oil Minister, Jawad Owji, [reportedly](#) claimed yesterday, that Iran would *“pursue its rights and benefits over the Durra/Arash gas field,”* and would not tolerate any violation of these rights, *“if other concerned parties did not want to co-operate”*. His comments follow the announcement made by Kuwait’s Oil Minister, Saad al-Barrak late last week, that Kuwait planned to soon start drilling at the Al Durra field, (which lies within a maritime zone in the Arabian Gulf). Saudi Arabia and Kuwait signed an agreement in 2022 to jointly develop this field, and Al Barrak stated earlier this month, that both GCC countries have exclusive rights to the area, while calling on Tehran to validate its own claim by first demarcating its maritime borders. Saudi Arabia’s Minister of Foreign Affairs, has also previously [affirmed](#) the Kingdom and Kuwait’s joint ownership of the field.

### **Coup In Niger Highlights Regional Fragility.**

Last week’s coup in Niger, further highlights a continued pattern of political instability across the Sahel region of West Africa. This latest development saw the military effectively overthrow a democratically elected government and follows a number of other coups which have taken place within the region since 2020. In response, leaders of ECOWAS met in Abuja yesterday to discuss the crisis in Niger, and have given the military junta which replaced the administration of President Mohamed Bazoum, just 7 days to reinstate him or the bloc would *“take all measures necessary to restore constitutional order”* including the potential *“use of force.”* Meanwhile, the head of the UN’s West African office, Dr Leonardo Santos Simao, has warned that this coup could also negatively impact efforts to combat terrorism in the region, stating that *“Niger is playing a key role in fighting terrorism. If Niger stop playing this role this will give more space and more leeway to terrorists to expand in the region.”* Ironically, Yevgeny Prigozhin the leader of Wagner (which is still active in several African countries) [reportedly](#) welcomed last week’s development in Niger, claiming it reflected the liberation of the country from *“western colonizers”* and appeared to also offer his group’s services to the new regime in Niamey.

### **AMF Approves Fresh Loan To Egypt.**

The Arab Monetary Fund has agreed to provide Egypt with a new US\$615 mio loan in order to support reforms within the country’s banking sector, which includes the improvement of payment systems and financial inclusion. This *“program supported by the aforementioned loan includes a number of pillars: enhancing the soundness and raising the efficiency of the payment systems infrastructure, enhancing financial inclusion and sustainability, strengthening the supervisory and regulatory framework in the financial and banking sector, expanding the scope of financial technologies and strengthening the protection of financial services consumers,”* the AMF statement, which you can access in full [here](#), read.

### **UAE Unveils Conditions For Corporate Tax Exemptions.**

This past weekend, the Ministry of Finance [unveiled](#) additional conditions to be met by investment funds, in order for them to qualify for corporate tax exemptions. These conditions include: 1. Being primarily engaged in investment business activities, with ancillary or incidental activities not exceeding 5% of their total annual revenue. 2. The share of ownership interests in the investment fund held by a single investor and its related parties not exceeding 30% or 50%, depending on the number of investors in the investment fund. 3. Being overseen by an investment manager employing a minimum of three investment professionals and 4. The day-to-day management of the fund not being controlled by investors.

### **Tunisia’s Tourism Revenues Jump.**

Tunisia’s tourism sector remains one of the few areas of the North African country’s economy which has been making a recovery this year, with revenues from tourist related activities totaling US\$2.83 bio during the first five months of 2023, a 68% increase compared to the same period last year.

## KSA's PIF & Maaden Buy 10% Stake In Vale.

A joint-venture between the Saudi Arabian mining company Ma'aden and the Kingdom's Public Investment Fund, has reportedly signed an agreement to take a 10% stake in the Brazilian base metals firm Vale. This acquisition "further *Ma'aden's strategy of increasing the supply of strategic minerals and enabling Saudi Arabia to play a growing role in the global energy transition supply chains,*" a statement issued by the firm read. You can find more details on this topic [here](#).

## Saudi Arabia Eyes Rugby World Cup.

According to an article published on the 'ruck.co.uk' website, Saudi Arabia is reportedly considering bidding for the opportunity to host the 2035 Rugby World Cup.

## 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	-5/-2	-6/-3	-8/-5	-12/-7	-7/-2	-3/+4	10/30
USD/SAR	3.7510/13	11/14	17/22	23/28	36/41	45/50	54/64	110/160
USD/KWD	0.30715/725	-80/-70	-137/-127	-200/-180	-350/-300	-480/-440	-610/-560	-600/-450
USD/OMR	0.38498/501	2/7	3/13	05/20	15/40	40/60	60/95	200/400
USD/BHD	0.37691/696	21/26	37/47	50/65	100/120	145/165	180/210	325/525
USD/MAD	9.7800/9.8200	-200/-100	-500/-200	-650/-300	-1400/-600	-2000/-800	-2500/-1000	-3000/-800
USD/EGP NDF	30.8957	31.15/31.45	31.60/31.90	32.30/32.60	34.35/34.75	36.45/36.95	38.70/39.20	-
USD/JOD	0.7078/7083	50/150	75/250	150/300	250/650	400/900	700/1200	800/1400
USD/NGN NDF	746.75	775.00/805.00	780.00/810.00	785.00/815.00	810.00/860.00	835.00/885.00	850.00/900.00	(NAFEX)
USD/GHS NDF	11.3750	11.00/11.30	11.10/11.40	11.20/11.70	11.50/12.10	11.70/12.50	12.10/13.10	-
USD/TND	3.0400/3.0800	Par/+100	Par/+250	Par/+350	Par/+550	Par/+700	Par/+1200	1500/3000
<b>Crude Oil</b>		<b>Futures</b>						
WTI	\$80.50							
Brent	\$84.85							

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

## AED AND SAR IRS SPREADS

Currency	1Y	2Y	3Y	4Y	5Y	6Y	7Y	10Y
AED SPREAD	+2/12	+18/24	+29/35	+37/43	+48/54	+51/57	+57/63	+70/76
SAR SPREAD	+60/70	+64/74	+67/77	+69/79	+71/81	+76/86	+80/90	+90/100

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

## AND FINALLY...

Did you know that Niger is home to one of the world's largest ancient animal carvings, which date back 10,000 years?

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