

MIDDLE EAST & AFRICAN MONITOR

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REGIONAL COMMENTARY

Uncertainty Over Future Of Iran Nuclear Accord Continues To Build.

As the world awaits the Trump administration’s next move with regards to the JCPOA agreement, an article in Austria’s ‘Die Presse’ newspaper claims that Oberbank has put any project finance deals in Iran on hold for the time being. The paper quotes Oberbank’s CEO, Franz Gasselsberger, as saying during a recent shareholder meeting, that this decision had been taken because current US policy “complicates the business massively,” adding that possible secondary sanctions on Iran could also affect non-US firms. In January this year, President Trump, called on EU nations to fix ‘flaws’ within the nuclear agreement, including rewriting the ‘sunset’ clause which currently limits Iran’s uranium enrichment for a number of years, and instead make these limits permanent. The potential threat of a US withdrawal from the Iran nuclear accord and a consequent sanctions snapback continues to support global oil prices with WTI still hovering above the US\$65 barrel mark this morning.

Bahrain Announces ‘Significant’ Oil Discovery.

Bahrain’s Oil Minister, Sheikh Mohammed bin Khalifa Al Khalifa, announced yesterday that the country had discovered significant reserves of tight oil and gas off its western coast. “Initial analysis demonstrates the find is at substantial levels, capable of supporting the long-term extraction of tight oil and deep gas,” the minister stated, adding that these deposits may “dwarf Bahrain’s current reserves.” Bahrain currently pumps between 45,000 -50,000 bpd of oil and 28 mio cm of gas, it also receives a further 150,000 bpd of oil from the Abu Safa field which it shares with its neighbor, Saudi Arabia. Further details on this fresh discovery are due to be released later in the week.

Egypt’s Tourism Sector Continues To Recover.

The number of tourists visiting Egypt totaled 8.3 mio last year, a welcome rebound as one of the country’s most important sectors continues to recover from the low of 5.2 mio visitors recorded in 2016, although is still below the 14.7 mio seen in 2010, according to official data. Underlining this recovery, which has been driven in part by a much improved security situation, was the North African country’s recognition as the world’s 2nd fastest-growing tourist destination in 2017 by the UN. Tourism generated revenues rose to US\$5 bio last year from US\$1.5 bio in 2016, and the sector still employs a sizeable percentage of the country’s workforce.

Kuwait Approves Bill Proposing Remittance Tax On Expats.

A finance and economic affairs committee, set up by Kuwait’s National Assembly, has reportedly approved a draft law which proposes a remittance tax on expatriates, this despite concerns over the consequences of such a move expressed by the country’s business community. According to the ‘Kuwait Times’ newspaper, the six-article bill

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stipulates that expatriates should pay a tax on their overseas money transfers, although the legislation does take into consideration low-income workers. Transfers of up to KWD 99 will incur a 1% fee, KWD 100-299 (2%), KWD 300-499 (3%) and amounts of KD 500 and above will be taxed at 5%. One of the MPs supporting the bill was quoted by the paper as saying that the main objective of the law was to encourage expatriates to keep their money in the country and invest it there. However the IMF, has previously warned against the implementation of such a fee, claiming that it would be costly to manage, could force workers to leave, affect a country's competitiveness and result in only marginal revenue gains for the government. You can read more details on the bill here.

Saudi Arabia To Issue Local Currency Bonds On Bourse.

Saudi Arabia's Capital Markets Authority announced yesterday that it has approved the listing of SAR denominated government bonds on the country's stock exchange, in an attempt to boost secondary market liquidity and create more transparent debt pricing. In a statement published by various media outlets, the CMA said that around SAR 204.40 bio in bonds with maturities of 5,7 and 10 years would be available to trade, including floating and fixed-rate bonds as well as Islamic instruments.

KSA Seals US\$16 Bio Syndicated Loan.

Saudi Arabia has sealed a US\$16 bio syndicated loan which also refinances and reprices a US\$10 bio 5-year facility which was initiated back in 2016, according to the 'Gulf Business' website. This new facility consists of a US\$8.35 bio term loan and a US\$7.65 bio murabaha, and pricing is reportedly 84bp above Libor, a 30% improvement on the previous loan.

IDB Approves US\$185 Mio Loan To Tunisia.

The Islamic Development Bank has approved a US\$185 mio loan to help finance various infrastructure projects in Tunisia.

FITCH Affirms Morocco Ratings.

FITCH last week affirmed its BBB- ratings on Morocco and retained its stable outlook on the country.

Nigeria's FX Reserves Rise.

Nigeria's foreign exchange reserves rose to US\$46.20 bio last month from US\$42.40 bio in February.

Chinese Tourists Flock To Abu Dhabi.

The number of Chinese visitors arriving in Abu Dhabi during the first two months of this year totaled 86,400, an almost 41% increase compared to the same period last year, a statement issued by the Emirate's department of Culture and Tourism read. "With a diverse range of leisure and entertainment options and plentiful supply of high-quality hotels and shopping malls, Abu Dhabi will continue to position itself as an attractive destination for Chinese travelers," the director of Promotions and Overseas Offices at DCT Abu Dhabi, was quoted as saying by Reuters. Abu Dhabi hopes to attract up to 600,000 Chinese hotel guests per annum by 2021.

FX/RATES & CRUDE MARKETS:

Indication Levels Only – Please Contact us on Reuters Dealing Code NBAD for any pricing or information.

Currency	Spot	1M	2M	3M	6M	9M	12M	2Y
USD/AED	3.6729/30	-1/+2	2/5	4/9	7/17	15/30	30/45	90/140
USD/SAR**	3.7501/03	-3/-1	-4/+1	-2/+3	Par/10	10/25	35/55	170/220
USD/QAR**	3.6560/6610	10/30	20/50	40/70	70/120	90/140	140/190	200/400
USD/KWD	0.29955/85	-10/-2	-15/-5	-20/-5	-30/-10	-35/-5	-45/-10	-25/+125
USD/OMR	0.38495/500	2/12	10/25	25/50	80/150	175/275	300/400	800/1100
USD/BHD	0.37705/10	7/17	15/35	20/45	40/80	100/200	150/250	500/800
USD/MAD	9.1400/1600	80/180	200/500	300/700	650/1650	1000/3000	1500/3500	3000/6000
USD/EGP NDF	17.63	17.77/17.83	17.88/17.94	18.00/18.06	18.35/18.45	18.75/18.85	19.05/19.15	-
USD/JOD	0.70957/105	40/80	50/150	75/175	100/300	200/500	275/675	500/2000
USD/NGN NDF	360.00	361.00/366.00	363.00/368.00	364.00/369.00	370.00/375.00	376.00/381.00	382.00/387.00	(NAFEX)
USD/GHS NDF	4.4225	4.44/4.54	4.48/4.58	4.52/4.62	4.63/4.73	4.73/4.83	4.83/4.98	-
USD/TND	2.4100/4400	200/300	400/600	500/800	1000/1500	1500/2500	2000/3000	4000/6000
Crude Oil	Futures							
WTI	65.25							
Brent	69.75							

NOTE: ** (offshore levels) - Also please note we are now using the NAFEX fixing for NGN.

AED AND SAR IRS SPREADS

Currency	1Y	2Y	3Y	4Y	5Y	6Y	7Y	10Y
AED SPREAD	+10/16	+17/23	+26/32	+35/41	+44/50	+53/59	+61/67	+82/90
SAR SPREAD	+17/23	+28/34	+38/44	+47/53	+56/62	+64/70	+72/78	+92/100

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

AND FINALLY...

Did you know that the UAE is India's second-largest export destination?

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