

MIDDLE EAST & AFRICAN MONITOR

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REGIONAL COMMENTARY

Trump “Is Not Eager To Defend The Iran Deal” – French President Says.

As we wait to see if the Trump administration will rollover the upcoming four-monthly Iran sanctions waiver on the 12th of May or not, comments made late last night by the French President, Emmanuel Macron, and earlier by Iran’s Hassan Rouhani, suggest that the future of the nuclear accord is looking increasingly in doubt. “I have no inside information on what decision he will make, I listen to what President Trump is saying and it seems to me that he is not very eager to defend the deal. The rational analysis of all his statements does not make me think that he will do everything to maintain it,” Macron reportedly stated. In response to this week’s Macron/Trump meeting the Iranian President, Hassan Rouhani, claimed that France and other nations had no right to propose changes to the agreement, he also accused Trump of being a ‘tradesman’ and of having no experience in dealing with international accords. “Together with a leader of a European country the Americans say; ‘We want to decide on an agreement reached by seven parties’. For what? With what right?” Rouhani was quoted as saying by the BBC, adding that the US President had, “no background in politics, no background in law and no background on international treaties.” Meanwhile a Republican Congressman, Lee Zeldin, who like Trump opposes the current form of the Iran agreement, stated via Bloomberg yesterday that; “The US will not accept the status quo concerning the JCPOA, and is willing to decertify the deal” if Tehran does not accept new terms being added to the agreement, including restrictions on their missile program.

Bahrain Will Explore “All Options” On Offshore Oil Discovery.

Bahrain’s Oil Minister said yesterday that his government would consider all available options to finance the recovery of its newly discovered oil and gas reserves. “We’re looking at all options, frankly, we might invite international oil companies or we might invest some. It’s premature, however. We need time,” Dawood Nassif was quoted as saying by the UAE’s National newspaper adding that, “In six months’ time we’ll be in a better position.” Meanwhile in its latest commodity review, the World Bank has adjusted upwards its crude price forecast for this year, and now expects prices to average US\$65 per barrel in 2018. “Accelerating global growth and rising demand are important factors behind broad-based price increases for most commodities, and the forecast of higher commodities prices ahead,” a senior official for the bank was quoted as saying.

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Kuwait Expels Philippines Ambassador.

Kuwait has reportedly expelled the Philippine ambassador and recalled its own representative from Manila, on the back of a growing dispute between the two countries over the treatment of Filipino workers in Kuwait. According to the Arab News website, Kuwait's Foreign Ministry stated that it had declared Ambassador Renato Villa, who it previously summoned twice, persona non grata and had ordered him to leave the country within a week. The ministry also accused the Philippines' embassy of a "flagrant and grave breach of rules and regulations that govern diplomatic action where staff helped Filipino house helpers run away." The Kuwait authorities full statement has been published by KUNA [here](#).

Turkey's CB Finally Hikes.

Turkey's Central Bank raised its late liquidity window rate by 75bp to 13.50% yesterday, although it kept its benchmark deposit and lending rates unchanged at 7.25% and 9.25% respectively. The fact that such a more aggressive hike is both a positive and necessary step in order to try and prevent Turkey's over-heating economy from running into a hard landing, as well as an effort to stabilize the local currency is not disputed, but in our view it may not be enough and should have begun taking place much sooner. President Erdogan has long expressed his opposition to higher rates and was quoted by the Hurriyet Daily News saying just last month that; "The interest rate is both the mother and the father of inflation."

Saudi Arabia Unveils Privatization Plan.

Saudi Arabia's National Centre for Privatization has released details of the Kingdom's privatization program, that was approved by Crown Prince Mohammed Bin Salman earlier this week, and which is hoped will generate SAR40 bio in revenues whilst also creating up to 12,000 new jobs by 2020. A series of state-owned assets will be put up for sale and these lie within the 10 key sectors targeted for privatization including; health, finance, education, energy, transportation and communications. According to the Saudi Gazette this program has been designated 'Delivery Plan 2020' and forms a key part of 'Vision 2030' which in turn seeks to increase the private sector's contribution to the country's gross domestic product from 40% to 65% by 2030. You can read more details on this subject here. Meanwhile the head of the NCP, Turki Al Hokail, was quoted by Reuters as saying yesterday that a draft law concerning public-private partnerships is due to be completed soon and will be implemented before the end of this year. "This is a big change in the economy, the government is moving from operating projects to monitoring and regulating them," Al Hokail stated.

China & UAE To Collaborate On 'Belt & Road' Exchange.

The Shanghai Stock Exchange and the UAE's ADGM signed an MOU this week concerning the establishment of a joint bourse which will connect both investors and businesses to opportunities along China's giant belt and road project. "What we are looking at is a platform serving the Middle East, North Africa and South Asia region and serving the Belt and Road economic route," the CEO of ADGM's Financial Services Regulatory Authority, Richard Teng, was quoted as saying by CNBC earlier this week.

Iraq To Auction Contracts On 11 Oil Blocks.

Iraq's Oil Ministry is due to conduct a contract auction today for 11 new oil blocks, close to the borders of both Iran and Kuwait. According to various media outlets 14 foreign companies have qualified to bid for the exploration and development rights of these blocks.

AFDB Approves US\$1.5 Bio For Tanzania.

The African Development bank has announced that it will provide US\$1.5 bio in financing for various infrastructure projects in Tanzania over the next 2 years.

Morocco's Trade Deficit Widens.

Morocco's trade deficit widened by 10.60% to US\$5.2 bio during Q1 of this year, compared to the same period in 2017. According to the Central Bank this rise was driven primarily by an increase in the import of food and equipment as well as a rise in the cost of imported fuel.

Dubai Visitor Numbers Rise.

Dubai welcomed 4.7 mio visitors staying one night or longer during Q1 of this year, a 2% increase over the same period in 2017 and Dubai Tourism says that the Emirate is on track to achieve its target of receiving 20

mio visitors annually by 2020. Meanwhile hotels in Dubai reported an 87% average occupancy rate over Q1 2018.

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	3.67295/305	-1/+2	2/5	3/8	8/18	15/30	30/45	90/140
USD/SAR**	3.7501/03	-3/+2	-3/+2	-3/+2	3/8	12/22	30/50	170/220
USD/QAR**	3.6500/6600	Par/20	10/30	20/50	50/100	80/130	130/170	150/350
USD/KWD	0.30080/90	-30/-20	-55/-30	-70/-40	-100/-70	-130/-80	-160/-90	-150/+50
USD/OMR	0.38499/502	5/15	10/30	25/50	90/140	200/300	300/400	800/1100
USD/BHD	0.37704/09	4/14	15/35	30/50	60/90	100/200	150/250	650/850
USD/MAD	9.2325/2625	80/180	200/500	300/700	650/1650	1000/3000	1500/3500	3000/6000
USD/EGP NDF	17.70	17.79/85	17.89/95	18.00/18.20	18.32/18.38	18.67/18.73	19.06/19.12	-
USD/JOD	0.7090/7100	30/70	50/150	80/180	100/300	200/500	275/675	400/800
USD/NGN NDF	360.00	361.00/366.00	363.00/368.00	365.00/370.00	370.00/375.00	376.00/381.00	382.00/392.00	(NAFEX)
USD/GHS NDF	4.4400	4.48/4.58	4.52/4.62	4.56/4.66	4.69/4.79	4.80/4.90	4.93/5.03	-
USD/TND	2.4700/5200	200/300	400/600	500/800	1000/1500	1500/2500	2000/3000	4000/6000
Crude Oil	Futures							
WTI	68.20							
Brent	74.30							

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	+14/20	+19/25	+25/31	+32/38	+39/45	+46/52	+53/59	+73/81
SAR SPREAD	+13/19	+21/27	+30/36	+40/46	+50/56	+60/66	+69/75	+90/98

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

AND FINALLY...

Did you know that Namibia is the second least densely populated country in the world after Mongolia ?

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