

MIDDLE EAST & AFRICAN MONITOR

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REGIONAL COMMENTARY

CNPC Suspends Gas Investment In Iran.

The state-owned China National Petroleum Company has reportedly suspended its planned investment in Iran's largest gas field. This decision was allegedly driven by pressure from the US and an attempt to avoid adding friction to the ongoing trade talks between the two superpowers. CNPC is supposed to replace Total as the prime foreign investor in Iran's giant 'South Pars' gas project after the French firm pulled out earlier this year due to the reimplementing of US sanctions. "China sees the relationship with the US as paramount over anything else. As a state-owned entity CNPC will stay clear of bringing any unwanted trouble into this relationship as the US-China trade talks are under way," an unnamed official was quoted as saying by Reuters.

IEA Expects Crude Supplies To Tighten Next Year.

Oil prices opened up slightly firmer today, after the EIA confirmed a fall in US crude inventories last week and the outage at one of Libya's biggest oil fields due to militant activity continued. Meanwhile the IEA stated this morning that the global crude market could experience a supply deficit sooner than expected, due to the OPEC+ and Canadian output cuts which are both set to begin in January. The agency's natural demand growth forecast remains unchanged at 1.4 mio bpd for 2019, and it predicts that a supply deficit could appear as soon as the second quarter of next year, although also admitting that a failure by the US and China to resolve their trade dispute soon could alter this outlook.

Saudi Arabia Seeks Cooperation Agreement With Red Sea States.

Saudi Arabia hosted talks between its government and senior representatives from Egypt, Djibouti, Somalia, Sudan, Yemen and Jordan in Riyadh yesterday, in an attempt to establish an alliance which would cooperate closely, in developing and ensuring the stability of the Red Sea/Gulf Of Aden region which is a strategically important geopolitical and commercial area of the world. "This is part of the Kingdom's efforts to protect its interests and those of its neighbours, and to stabilize the region that we live in and to try to create synergies between the various countries. The more cooperation and coordination that you have among the countries of this region, the less negative outside influence will be on this region, " the Saudi Foreign Minister, Adel Al Jubeir, was quoted as saying by the 'Arab News' media outlet yesterday. Further technical discussions on this potential accord are due to take place in Cairo soon.

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Glenn Wepener

Executive Director & Geopolitical
Analyst, Middle East & Africa

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The Pope Will Visit Abu Dhabi Next Year.

Pope Francis is scheduled to conduct mass at Abu Dhabi's Zayed Sports City in early February next year, marking his first visit to the GCC region. He will also meet with the Crown Prince of Abu Dhabi, Sheikh Mohammad Bin Zayed Al Nahyan, and the Muslim Council of Elders. "Pope Francis is convinced that every human being who stands honestly before God, no matter to whichever religion he or she belongs, and allows himself or herself to be led by God will work to create an atmosphere where human beings can live together and mutually accept each other. The late Sheikh Zayed is known to have instilled the virtue of human coexistence in the people of the UAE and it is a happy coincidence that this historic meeting takes place at the Grand Mosque named after Sheikh Zayed whose policies have shaped the UAE into a country where the values of tolerance and coexistence are upheld so that all can live together in peace and harmony," Bishop Paul Hinder, who is also the Apostolic Vicar of Southern Arabia, was quoted as saying about the Pope's planned visit by the UAE's 'Gulf News' yesterday. You can view more details on this topic [here](#).

World Bank Loan To Egypt Focuses On Private Sector.

The recently approved US\$1 bio World Bank loan for Egypt is set be used to fund small businesses and entrepreneurs in order to help create more jobs. "This is an economy that is now standing on its two feet after a few years of heavy, extremely daring economic reforms. The economy's standing, now it needs to walk, and we believe that the private sector is really the driver," the World Bank's Vice-President for the MENA region was quoted as saying by Reuters earlier this week.

UAE's Retail Sector Set To Expand.

The UAE's retail sales sector is likely to expand by an estimated 16% over the next 5 years according to a recent report published by Euromonitor International. Kuwait, Oman and Saudi Arabia are also expected to experience a significant expansion within this particular industry due to rising consumerism and favorable demographics the report claimed. You can read more on their retail forecasts for the region [here](#).

Bahrain's Parliament Appoints Its First Woman Speaker.

Fauzia Zainal was elected to the post of chairperson and speaker in Bahrain's parliament last night, the first woman MP to do so in the country's history. "The election of the first woman speaker of the Council of Representatives represents a quantum leap forward and source of pride for the Kingdom of Bahrain which has spared no effort to empower women," the King of Bahrain, Hamad bin Isa Al Khalifa, was quoted as saying by the 'Xinhua' media outlet.

UAE Exchange Prepares To Launch Blockchain Initiative.

UAE Exchange, one of the largest remittance companies in the GCC region, will begin providing cross-border payment services to Asia next year in partnership with the US based Fintech firm Ripple. "Blockchain holds tremendous promise for the industry but there is progress to be made before we see it go fully mainstream. We expect to go live with Ripple by Q1, 2019 with one or two Asian banks. This is for remittances to start with, from across the globe into Asia," the CEO of UAE Exchange's parent company, Finabl, was quoted as saying by Reuters this morning.

Germany's KFW Approves EUR 100 Mio Loan For Tunisia.

Germany's Reconstruction & Credit Institute has agreed to provide Tunisia with a EUR 100 mio loan in order to help the North African country rebuild its ailing water related infrastructure. This 15 year loan has an interest rate of 2.20% a statement by Tunisia's international cooperation ministry read.

Baker Hughes Wins 3-Year Service Contract In KSA.

The US based oil field service company, Baker Hughes, has been awarded a 3-year service contract by Saudi Aramco.

Ghana's Inflation Rate Eases.

Ghana's CPI rate dipped to 9.30% last month from 9.50% in October according to the latest data released by the official statistics agency.

FX/RATES & CRUDE MARKETS:

Indication Levels Only – Please Contact us on Reuters Dealing Codes FAB/FABU for any live pricing and/or information.

Currency	Spot	1M	2M	3M	6M	9M	12M	2Y
USD/AED	3.6729/30	1/4	3/6	6/9	12/17	20/30	35/45	110/140
USD/SAR	3.7509/12	Par/+3	1/4	3/8	15/25	35/45	65/80	280/310
USD/QAR	3.6520/40	-5/Par	-5/+5	-5/+5	Par/+15	05/25	10/40	40/90
USD/KWD	0.30420/430	-25/-15	-40/-30	-50/-40	-85/-65	-110/-80	-150/-120	-200/-100
USD/OMR	0.38500/503	7/17	20/40	35/55	100/130	180/230	300/350	750/850
USD/BHD	0.37700/05	20/30	40/60	60/80	110/140	170/220	230/280	500/600
USD/MAD	9.4900/5200	300/450	600/800	700/1200	1200/2200	1800/2800	3000/4000	4000/7000
USD/EGP NDF	17.91	18.03/18.08	18.23/18.28	18.40/18.45	18.92/18.97	19.43/48	19.94/19.99	-
USD/JOD	0.70977/107	40/90	45/145	100/200	150/350	250/500	350/750	750/1750
USD/NGN NDF	364.45	365.50/366.50	367.50/369.00	370.00/373.00	379.00/382.00	387.00/391.00	395.00/400.00	(NAFEX)
USD/GHS NDF	4.9000	5.00/5.05	5.08/5.11	5.14/5.24	5.33/5.43	5.52/5.67	5.70/5.85	-
USD/TND	3.0150/0450	350/550	700/1000	1000/1500	1500/2500	2000/3500	3000/4500	5000/8000
Crude Oil	Futures							
WTI	51.05							
Brent	60.25							

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

AED AND SAR IRS SPREADS

Currency	1Y	2Y	3Y	4Y	5Y	6Y	7Y	10Y
AED SPREAD	+24/30	+29/35	+39/45	+51/57	+63/69	+75/81	+87/93	+118/126
SAR SPREAD	+23/29	+31/37	+42/48	+55/61	+67/73	+78/84	+89/95	+117/125

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

AND FINALLY...

"He who does not know his past cannot make the best of his present and future, for it is from the past that we learn." – Quote by Sheikh Zayed bin Sultan Al Nahyan (Ruler of Abu Dhabi from 1966-2004.)

Glenn Wepener

Executive Director & Geopolitical Analyst

Middle East & Africa

Market Insight & Strategy

FAB Global Markets

Tel: +971-2-6110141

Mobile: +971-50-6415937

Email: GlennMaurice.Wepener@bankfab.com

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