

MIDDLE EAST & AFRICAN MONITOR

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REGIONAL COMMENTARY

Iranian President Says The Nuclear Accord Is “Non-negotiable” – US Senators Call For More Sanctions.

Iran’s President Rouhani has affirmed his government’s ongoing stance of refusing to enter into any fresh negotiations over the ‘Joint Comprehensive Plan of Action’ agreement, despite pressure to do so by Washington. “The JCPOA is non-negotiable and cannot be rewritten, It is an international deal and has been approved by the UN Security Council, therefore it is meaningless to re-discuss it with anybody,” Rouhani was quoted as saying yesterday by China’s Xinhua media outlet, adding that his country would stay in the accord even if the US was to withdraw. President Trump warned soon after signing the latest temporary extension to the nuclear sanctions waiver last month, that this would be the last time he would do so unless the “disastrous flaws” of the agreement were corrected. Amongst the changes his administration have called for are; Granting international inspectors immediate access to all Iranian facilities and that a declaration be included in the JCPOA which states that Iran’s long-range missile program is an integral part of the deal, and as such this activity must be halted. Meanwhile a number of Republican Senators, including Marco Rubio and Ted Cruz, reportedly sent a letter to the White House this past week calling for tighter sanctions on Iran due to its; “Pursuit of ballistic missile capabilities that threaten the national security of the United States and our allies.” The current waiver is due to expire in May 2018, and you can read a transcript of the aforementioned senators letter [here](#).

Venezuela Calls For OPEC/NOPEC Linked Cryptocurrency.

Venezuela’s President Maduro has called on fellow OPEC members and other oil producing states, to work towards the creation of an official mechanism to issue cryptocurrencies, which in turn would be underpinned by oil. “I will make an official proposal to all OPEC members and the non-OPEC states to work out a joint cryptocurrency mechanism backed by oil,” Maduro was quoted as saying by Reuters earlier this week. These comments come ahead of his government’s own separate plan to issue 100 million tokens in a new homegrown digital currency called the ‘Petro’ on Feb 20th 2018. Each token

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would then allegedly be valued and backed by one barrel of crude oil. However a senior official within the US Treasury's OFAC office has already warned that any US person attempting to deal in the 'Petro' could be charged with breaking Washington's current sanctions regime on Venezuela.

Saudi Arabia Unveils SAR 120 Bio Mortgage Market Plan.

Earlier this week Saudi Arabia's Housing Minister, Majed Alhogail, outlined a SAR 120 bio plan which will provide subsidised home loans to potential local borrowers and boost private sector participation in the country's mortgage market. Alhogail was quoted by Bloomberg as saying that the authorities wanted to move away from the current situation which sees the government providing 65% of home loans. "We want to change that completely, It's a very generous program, It's enabling the private sector, reducing their risk to a certain level," he stated.

Sudanese Pound Continues To Weaken.

The Sudanese Pound has continued to weaken against the US dollar this year, with the local currency reportedly changing hands at around 42.00 per USD in the unofficial 'kerb' market last week, compared to the official USD/SDG exchange rate of 18.00. An ongoing and acute shortage of hard currency is the prime driver of the fall, which appears to have worsened after the government began cracking down on unauthorized FX exchanges and dealers late last year. The Central Bank announced in a statement issued late last Thursday, that new measures to improve liquidity and the supply of hard currency for key items such as wheat were currently being considered.

Abu Dhabi Contract Highlights China's 'Belt & Road' Strategy.

12 Chinese firms are reportedly set to invest up to US\$800 mio in establishing an industrial park within the Emirate of Abu Dhabi according to an article on the Xinhua website. The report suggests that this will be another landmark initiative and boost cooperation between the UAE and China around the latter's 'One Belt One Road' program. This ongoing strategy is a US\$900 billion policy initiated by Beijing in 2013 which is aimed at replicating the ancient 'silk road' trade routes and connecting China, via a massive logistics and transport network, to strategically important commercial hubs around the world.

Iraq Eyes New Energy Pipelines To Jordan.

The Jordanian and Iraqi governments have agreed to build a 1000 mile oil and gas pipeline network connecting Basra to Jordan's Aqba port. Once complete the pipeline would enable Iraq to pump an estimated 1 mio barrels of oil and 258 mcf of gas per day. Jordan currently requires 150,000 bpd to meet its domestic energy needs and plans to export the rest through Aqaba. These exports could generate up to US\$3 billion dollars per year in revenues for the country, according to a report by the Petra News agency.

Inflation In Tunisia Hits Record High.

Inflation in Tunisia hit 6.90% y/y last month its highest level in almost 20 years. Inflationary pressures have increased since the government began introducing new taxes and lifting subsidies under an IMF led austerity program which aims to reduce the country's budget deficit. Tunisia's foreign public debt is now estimated to equal 70% of its GDP, and consequently debt servicing eats up a large chunk of the budget.

DP World Expects Trading Environment To Continue To Improve In 2018.

DP world has said it experienced a 10.1% rise in overall container volumes last year as general economic conditions continued to improve, It also expects this global recovery to continue during 2018. "Benefitting from the improved trading environment and market share gains, our global portfolio once again delivered ahead-of-market growth in 2017 and has seen strong performance across all three regions. As we look ahead into 2018, we expect to continue to grow ahead of the market and see increased contributions from our new developments, we continue to seek opportunities in complementary sectors in the global supply chain and will maintain capital expenditure discipline by bringing on capacity in line with demand," the company's CEO, Sultan bin Sulayem, was quoted as saying by the UAE's National newspaper.

ACWA & GrahamTek Win DBOM Contracts In KSA.

The Saudi based energy firm ACWA has been awarded a contract to build a 300MW solar power plant in the Kingdom. Meanwhile after a separate tender, the South African desalination company GrahamTek has won a US\$400 mio contract to design, build and operate a desalination plant in Saudi Arabia.

Bahrain's Investcorp Reports Rise In Profits.

The Bahrain based investment firm, Investcorp, has reported a 16% increase in its income for the six-months ending December 2017. Net income rose to US\$55.30 mio while assets totaled US\$2.7 bio according to a statement issued by the institution and published on Reuters this morning.

Gestamp To Establish Facility In Morocco.

Spain's Gestamp Automocion has reportedly signed a JV agreement with a Moroccan manufacturing firm, Tuyauto, to build and operate a 'greenfield' plant outside Rabat. The chairman of Gestamp was quoted as saying in a recent company statement that; "Morocco in particular, and Africa as a whole are emerging markets with great growth potential in vehicle manufacturing."

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	Par/+3	1/6	3/8	10/20	15/30	30/50	90/140
USD/SAR**	3.7502/04	-2/+3	-5/+5	-5/+5	5/20	10/25	40/60	180/230
USD/QAR**	3.6500/6550	20/30	40/60	50/80	90/140	150/200	200/250	300/400
USD/KWD	0.299800/0.30000	-3/+2	-5/+5	-5/+10	15/30	25/55	35/65	50/150
USD/OMR	0.38500/502	8/18	15/45	40/80	100/200	250/350	300/450	750/1150
USD/BHD	0.37699/704	10/20	20/35	30/60	70/170	100/200	150/250	450/750
USD/MAD	9.1500/1800	200/375	400/800	600/1000	1000/2000	2000/4000	2800/4800	4500/8500
USD/EGP NDF	17.65	17.73/17.83	17.85/17.95	17.95/18.05	18.27/18.37	18.60/18.70	18.92/19.02	-
USD/JOD	0.7095/7105	40/80	50/150	75/175	100/300	200/500	275/675	500/2000
USD/NGN NDF	360.00	361.00/366.00	362.00/367.00	364.00/369.00	369.00/379.00	374.00/384.00	378.00/388.00	(NAFEX)
USD/GHS NDF	4.4800	4.50/4.60	4.53/4.63	4.59/4.69	4.70/4.80	4.78/4.93	4.90/5.05	-
USD/TND	2.3800/4100	225/325	400/600	500/800	1000/1500	1500/2500	2000/3000	4000/6000
Crude Oil	Futures							
WTI	63.60							
Brent	67.20							

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	+9/15	+14/20	+20/26	+29/35	+39/45	+49/55	+58/64	+81/89
SAR SPREAD	+10/16	+22/28	+32/38	+42/48	+51/57	+59/65	+66/72	+84/92

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

AND FINALLY...

Egyptian archeologists made a major discovery this past week when they uncovered a 4,400 year old tomb near the outskirts of Cairo. The tomb apparently belonged to an ancient priestess called 'Hetpet' and contains a number of rare wall paintings.

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