

## MIDDLE EAST & AFRICAN MONITOR

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### REGIONAL COMMENTARY

#### **India Could Replace China As The Leader In Energy Demand By 2030 – BP.**

In its [energy market brief](#) published last year, BP suggested that India's energy demand growth (by volume) will exceed China's by the year 2030. The report also expects oil to remain India's prime source of energy for its transportation sector, with a 93% market share in 2035. Latest official data appears to confirm this growth trend as the country's total oil consumption expanded by 10.30% last month, its 4th straight monthly gain, with diesel and petrol use jumping by 14.45% and 15.60% respectively. Meanwhile the Society of Indian Automobile Manufacturers sees passenger vehicle sales increasing by 9% in the year ending March 2018. On the macro-front the IMF expects India's real GDP to rise from 7.40% this year to 8.20% in 2022.

#### **Iran & Israel Continue War Of Words.**

"Tel Aviv would be raised to the ground if the Israeli regime took any military action against the Islamic Republic," a member of Iran's Expediency Council was quoted as saying yesterday by CNN. His comments look to have come in response to an earlier statement made by the Israeli Prime Minister's on Sunday in which he warned about Iranian military activity in Syria, and its recent attempt to fly a drone into Israel. "Israel will not allow Iran's regime to put a noose of terror around our neck. We will act without hesitation to defend ourselves, and we will act, if necessary, not just against Iran's proxies that are attacking us, but against Iran itself," Netanyahu said. Meanwhile Iran's Supreme Leader, Ayatollah Ali Khamenei, has issued a rare public apology over the regime's shortcomings, in an apparent attempt to calm ongoing discontent over the domestic economic and social climate which in turn triggered widespread protests in December and January. "People have complaints about some of the country's existing issues. This criticism is not only directed at the government, the parliament and judiciary, maybe some also criticize me," Khamenei was quoted as saying by the state-run Mehr news outlet last Sunday adding; "We need to apologize to people and to God and work at doing better in this area too."

#### **Saudi Arabia To Push Ahead With Nuclear Power Ambitions.**

Saudi Arabia's Foreign Minister, Adel Al Jubeir, stated yesterday that his country was currently in active discussions with a number of countries, over its previously unveiled nuclear energy plans. "We are looking at the issue of the

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viability of building nuclear reactors in order to produce energy so that we can save the oil and export it in order to generate revenue. The countries that we are talking to are probably roughly 10 countries or so around the world and we have not made a decision yet with regards to which path we will take and which country we will be focusing on more," Al Jubeir said during a CNBC interview. So far five countries including, France, South Korea and Russia have reportedly submitted their proposals to build the Kingdom's first atomic power plants. The US Department of Commerce estimates that Saudi Arabia currently relies on liquid petroleum to generate 60% of its domestic electricity needs.

### **IMF Rejects Zambia's Latest Borrowing Proposal.**

The IMF has rejected the Zambian government's latest borrowing plans claiming they would likely make the country's overall debt load unsustainable. This means that a hoped for US\$1.3 bio loan agreement with the multilateral lender remains on hold. In response the government is now reportedly attempting to rearrange its China linked loans in order to meet the IMF's conditions, but a spokesman from the President's office, Amos Chanda, warned that; "We will not go to the ends of the earth to pursue an IMF program. If it does not come, we will continue with our own program, which is already delivering results." The local currency and Zambia's hard currency bonds reacted negatively to the news, with yield on the 2024 US\$ bond jumping by over 170bp to 7.94% late last week.

### **Nigerian Banks Face Restriction On Dividends.**

Nigeria's Central Bank has reportedly issued a new circular which prevents commercial banks and discount houses with NPL ratios of over 10% from paying any dividends. According to a recent Reuters article the Central Bank apparently said that the move was necessary to facilitate sufficient capital build-up for local banks in line with their risk appetite, adding that lenders whose capital adequacy ratios are short by more than 3% would also not be allowed to distribute dividends. Meanwhile it has exempted those banks with capital ratios and NPLs within the regulatory minimum and asked lenders to submit approved dividend payout policies before payments are made. You can read more details about this move on the local 'Punch' media outlet's website [here](#).

### **ENBD Finalizing Bid For DenizBank.**

A Bloomberg article has claimed that Emirates NBD will make an official offer to Russia's Sberbank for the latter's 99.85% stake in DenizBank next month. A Turkish based private bank, DenizBank's total consolidated assets reportedly totaled TRY 152 bio in September last year, while its consolidated equity is estimated to be around TRY 12.3 bio. The bank employs over 14,000 people in 740 branches across Turkey. Sberbank purchased DenizBank from Dexia in 2012 for US\$3.45 bio.

### **Majid Al Futtaim To Expand Retail Footprint In Egypt.**

The UAE based conglomerate, Majid Al Futtaim, announced yesterday that it plans to open a further 100 Carrefour branded outlets across Egypt. There are currently 37 Carrefour stores operating in the North African country.

### **ORPIC Considers US\$ Bond Issuance.**

The state-owned, Oman Oil Refineries & Petroleum Industries Company, has reportedly opened discussions with its bankers over a possible US\$ bond issuance this year. If approved, such an issue would be the firm's first foray into the international debt market.

### **Uber Halts Operations In Morocco.**

Uber has announced that it will suspend all its current operations in Morocco from this Friday after difficulty in getting full regulatory approval for its services. "Since we launched in Morocco over two years ago, there has been a lack of clarity about new platforms like Uber and how they fit into the existing transport model. The company has engaged with policymakers to find a solution but despite consistent dialogue, we have yet to see any constructive progress on the regulations and can safely say we have exhausted all measures," the company's CEO was quoted as saying by Reuters yesterday. The current laws in Morocco do not make provisions for 'private hire-cars'.

## 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	3.6729/31	Par/+3	1/6	3/8	10/20	15/30	30/50	100/150
USD/SAR**	3.7502/04	-3/Par	-3/Par	-3/+2	5/15	20/40	60/75	245/295
USD/QAR**	3.6490/6540	25/55	50/100	80/130	150/210	175/275	200/300	300/550
USD/KWD	0.29955/975	-10/-3	-10/-3	-10/Par	-15/+5	10/40	30/60	50/150
USD/OMR	0.38499/502	8/18	15/45	40/80	100/200	250/350	300/450	800/1100
USD/BHD	0.37698/703	10/20	20/35	30/60	70/170	100/200	150/250	450/750
USD/MAD	9.1450/1750	100/250	250/650	500/900	800/1800	1500/3500	2000/4000	4000/8000
USD/EGP NDF	17.70	17.80/17.90	17.93/18.03	18.05/18.15	18.48/18.58	18.86/18.96	19.20/19.30	-
USD/JOD	0.7095/7105	40/80	50/150	75/175	100/300	200/500	275/675	500/2000
USD/NGN NDF	360.20	361.00/366.00	362.00/367.00	364.00/369.00	370.00/375.00	374.00/379.00	380.00/385.00	(NAFEX)
USD/GHS NDF	4.4875	4.49/4.59	4.53/4.63	4.58/4.68	4.70/4.80	4.80/4.90	4.90/5.05	-
USD/TND	2.3700/4000	225/325	400/600	500/800	1000/1500	1500/2500	2000/3000	4000/6000
<b>Crude Oil</b>	<b>Futures</b>							
WTI	62.35							
Brent	65.50							

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	+2/8	+10/16	+18/24	+29/35	+41/47	+51/57	+60/66	+81/89
SAR SPREAD	+7/13	+20/26	+31/37	+41/47	+50/56	+58/64	+64/70	+81/89

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

## AND FINALLY...

*Did you know the Louvre Abu Dhabi has its own microclimate? This is created by its dome-shaped roof which acts as a canopy, allowing light in but keeping direct sunlight out. Much of the structure uses reflective materials, and the stone floor benefits from night cooling helping to keep the museum's internal temperature down.*

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