

MIDDLE EAST & AFRICAN MONITOR

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REGIONAL COMMENTARY

Iraqi Government & Kurdistan May Be Close To Resolving Oil Dispute.

A senior official from Iraq's Oil Ministry has suggested that an agreement over oil exports and revenue sharing between the central government and the semi-autonomous Kurdistan region could be close. "Talks between both sides have made a good progress regarding the oil file, especially after recent meetings between Iraqi Prime Minister Haider al-Abadi and Kurdistan's Prime Minister Nechirvan Barzani. An agreement has become closer," Assem Jihad was quoted as saying by the 'Iraqinews' website yesterday. Exports from the oil fields around Kirkuk were suspended following the Iraqi military's deployment into the area last September, a move triggered by Kurdistan's decision to conduct a controversial referendum on independence.

Workers At Libyan Oil Field Evacuated.

A number of civilian workers at Libya's El Feel oil field were reportedly evacuated yesterday, after guards responsible for protecting the facility went out on strike in an apparent dispute over their pay and conditions. Such protest action has become a rather common occurrence across Libya in recent years and has often led to a temporary reduction in output. It is not clear yet however if El Feel's recent 60,000bpd of production has been affected this time.

Kenya Raises US\$2 Bio Via Latest Eurobond Issue.

Kenya managed to raise US\$2 bio via its dual-tranche US\$ denominated bond issuance yesterday, with the 10Y tranche priced at 7.25% and the 30Y at 8.25%. The government has said it will use some of these funds to repay a US\$750 mio syndicated loan which is due to mature in June this year. The relatively successful sale came despite a recent ratings downgrade of the country by Moodys, and the ongoing disagreement between the government and the IMF over the international lender's demand that Kenya sharply reduces its fiscal deficit. This dispute resulted in the IMF suspending Kenya's access to US\$1.5 bio standby facility last year.

Zambia Lowers Interest Rates.

Zambia's Central Bank lowered its benchmark lending rate by 50bp to 9.75% following yesterday's MPC meeting. The CB Governor, Denny Kalyala, said the decision to cut was taken due to weak economic growth and muted inflationary pressures. The country's annual inflation rate slipped to 6.10% this month from 6.20% in January, according to data released by Zambia's official statistics agency.

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Saudi Arabia's Hospitality Sector Undergoing Rapid Expansion.

Data recently released by STR Global shows that the hospitality sector in Saudi Arabia is set to expand its offerings sharply over the next few years highlighted by the creation of more than 64,000 guestrooms now underway with the bulk of this development taking place in Mecca, Riyadh and Jeddah. Meanwhile the 'hotelmangement.net' website reports that there are currently 187 hotel projects in the pre-planning, final planning and construction stage in Saudi Arabia.

Kuwaiti Lenders Approve Facility For Airport Project.

According to a Reuters report published yesterday, NBK and KFH have approved a KWD 249 mio syndicated loan facility for the Turkish based Limak Construction which is linked to the building of a new terminal at Kuwait's international airport. This project forms part of the country's US\$8.2 bio airport expansion program.

Hyundai Wins LPG Contract In Nigeria.

South Korea's Hyundai Heavy Industries has been awarded a contract to build 15 'bullet' LPG storage tanks in Nigeria.

QIB Raises Foreign Ownership Limit.

At an EGM held this week, Qatar Islamic Bank's shareholders have reportedly approved a proposal to raise the limit of the bank's shares available to foreign investors from 25% to 49% of its market capitalization. According to a Bloomberg article it was also decided to increase the banks SUKUK program to US\$4bio.

Oman Introduces New Visa Process.

The Omani government has announced new rules governing the issuance of tourism visas for visitors to the Sultanate. According to a statement issued by the Directorate of Public Relations, from the 21st of March 2018 all applications for both tourist and/or express visas will have to be made in advance via the Royal Oman Police's e-visa website. The decision was apparently taken in an effort to eliminate long queuing times at the country's ports of entry.

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 | 90/140 |
| USD/SAR** | 3.7502/04 | -3/Par | -3/Par | -3/+2 | 02/12 | 15/30 | 50/70 | 225/275 |
| USD/QAR** | 3.6480/6530 | 15/35 | 30/70 | 50/90 | 90/140 | 125/175 | 150/200 | 225/425 |
| USD/KWD | 0.299880/0180 | -5/+5 | -5/+5 | -5/+5 | -5/+15 | 5/25 | 15/55 | 25/125 |
| USD/OMR | 0.38499/502 | 8/18 | 15/45 | 40/80 | 100/200 | 250/350 | 300/450 | 800/1100 |
| USD/BHD | 0.37697/702 | 10/20 | 20/35 | 30/60 | 70/170 | 100/200 | 150/250 | 450/750 |
| USD/MAD | 9.1900/2200 | 100/250 | 250/650 | 500/900 | 800/1800 | 1500/3500 | 2000/4000 | 4000/8000 |
| USD/EGP NDF | 17.70 | 17.75/85 | 17.85/17.95 | 17.96/18.06 | 18.29/18.39 | 18.62/18.72 | 18.98/19.08 | - |
| USD/JOD | 0.7095/7105 | 40/80 | 50/150 | 75/175 | 100/300 | 200/500 | 275/675 | 500/2000 |
| USD/NGN NDF | 360.10 | 361.00/367.00 | 363.00/368.00 | 365.00/370.00 | 371.00/377.00 | 376.00/381.00 | 381.00/386.00 | (NAFEX) |
| USD/GHS NDF | 4.4700 | 4.48/4.58 | 4.52/4.62 | 4.58/4.68 | 4.68/4.78 | 4.79/4.89 | 4.85/5.00 | - |
| USD/TND | 2.3900/4200 | 225/325 | 400/600 | 500/800 | 1000/1500 | 1500/2500 | 2000/3000 | 4000/6000 |
| Crude Oil | Futures | | | | | | | |
| WTI | 61.15 | | | | | | | |
| Brent | 64.95 | | | | | | | |

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 | +28/34 | +40/46 | +50/56 | +59/65 | +80/88 |
| SAR SPREAD | +6/12 | +16/22 | +25/31 | +34/40 | +44/50 | +52/58 | +58/64 | +75/83 |

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

AND FINALLY...

Did you know that the Pyeongchang Winter Olympics 2018 has seen the participation of a female bobsled team from Nigeria? This is the first time in history that an African country has taken part in an Olympic bobsledding event.

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