

## MIDDLE EAST & AFRICAN MONITOR

- **Nuclear Accord “Is Absolutely Not Renegotiable” – Iranian MP.**
- **Kingdom Holding Stocks Rebound Following Release Of Chairman.**
- **Egyptian Parliament Approves Bankruptcy Law.**
- **SAMA Reserves Rise – Tunisia’s Shrink.**
- **Iranian Rial Remains Under Pressure.**
- **QNB Issues ‘Kangaroo’ Bond.**
- **Saudi Arabia’s Job Market Improving.**
- **Oman Issues Temporary Ban On The Hiring Of Expats.**
- **Moodys Amends Ratings Outlook On Zambia.**
- **JP Morgan To Expand African Presence.**

### REGIONAL COMMENTARY

#### **Nuclear Accord “Is Absolutely Not Renegotiable” – Iranian MP.**

As the Trump administration continues to openly criticize the 2015 Nuclear accord with Iran and suggest that it should be renegotiated or cancelled altogether, an Iranian MP has claimed that the agreement cannot be reviewed. “The JCPOA is absolutely not renegotiable,” Valiollah Nanvakenari, who is also a member of his country’s parliamentary committee on security and foreign policy, was quoted as saying by IRNA last Friday. Earlier this month President Trump approved the regular 90-day waiver of nuclear related sanctions on Iran, but warned that his patience was wearing thin and that the US could withdraw from the deal soon unless changes were made. “Today, I am waiving the application of certain nuclear sanctions, but only in order to secure our European allies’ agreement to fix the terrible flaws of the Iran nuclear deal. This is a last chance. In the absence of such an agreement, the United States will not again waive sanctions in order to stay in the Iran nuclear deal. And if at any time I judge that such an agreement is not within reach, I will withdraw from the deal immediately,” he stated. His threat was supported by the US Vice President Mike Pence who stated during an official trip to Jerusalem last week that; “The Iran nuclear deal is a disaster and the United States of America will no longer certify this ill-conceived agreement. As President Trump made clear, this is the last time. Unless the Iran nuclear deal is fixed, President Trump has said the United States will withdraw from the Iran nuclear deal immediately.”

#### **Kingdom Holding Stocks Rebound Following Release Of Chairman.**

The share price of the Saudi Arabia based investment firm Kingdom Holdings has rebounded strongly since the release from detention of its chairman, Prince Alwaleed bin Talal last Saturday. The Prince was one of the high profile people detained by the Saudi authorities almost 3 months ago during a widespread inquiry into corruption. The company’s stock hit SAR 10.80 per share soon after the market open this morning, which is slightly higher than the level it was trading at just before the graft investigation began last November.

#### **Egyptian Parliament Approves Bankruptcy Law.**

Egypt’s parliament yesterday approved the country’s first ever bankruptcy law as part of a government program to cut red tape and boost investment. This

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new law will ease pressure on the courts as debtors will no longer face jail terms, it will also streamline and speed-up the liquidation process for failing companies, and give banks more options to deal with such liabilities, such as the potential for out-of-court restructuring.

### **SAMA FX Reserves Rise – Tunisia’s Shrink.**

The total net foreign assets held by Saudi Arabia’s Central Bank rose to US\$488.9 bio in December 2017, the 3rd monthly increase in a row. Conversely Tunisia’s FX reserves declined to US\$5.12 bio this month its lowest recorded level in almost 15 years. Meanwhile the Tunisian parliament has approved a proposal by the CB to conduct a bond issuance for up to US\$1 bio before the end of Q1 this year.

### **Iranian Rial Remains Under Pressure.**

The Iranian Rial has lost almost 30% of its value against the US dollar since the start of the current fiscal year despite a recovery in oil prices. USD/IRR was reportedly trading around 47,500 last week compared to 37,500 in June 2017. This weakness has been attributed to a number of possible causes including; hard currency hoarding as fears rise over the risk of fresh US sanctions and the potential collapse of the nuclear accord, demand for imported goods ahead of the Iranian new year period (March), the recent social unrest and the ongoing CB program to slowly weaken the local currency in order to boost exports and bring the official and unofficial exchange rates closer. Officials meanwhile have blamed the fall on “speculators” with the Central Bank Governor, Valiollah Seif, quoted in an IBENA report as saying; “Those who are investing their resources in foreign exchange will suffer losses in the end. The government’s foreign exchange income has improved on the back of \$70 oil and, therefore, there is no reason for the forex market to become volatile in the long run.” According to the local ‘Tasnim’ media outlet, the authorities have closed down a number of bureau de change shops in Tehran this month for alleged illegal FX activities.

### **QNB Issues ‘Kangaroo’ Bond.**

Qatar National Bank conducted a AUD 700 mio debut bond last week. The issuance consisted of both a 5Y (fixed & floating tranche) and a 10Y (fixed) tenor. According to Reuters the 5Y floating was priced at asset swaps +175bp and the 5Y fixed at 4.2725%.

### **Saudi Arabia’s Job Market Improving.**

According to a recent job market report issued by Robert Walters Middle East, the number of openings for professionals in the Kingdom rose by 35% y/y during the 4th quarter of last year. The report expects overall employment in Saudi Arabia to continue to recover this year and predicts a modest increase in salary levels. “While employers remain conservative in their salary projections for 2018, we do expect an upside in salary increases in Saudi, thanks to an improving economic situation as a result of the resumption of government spending, stabilized oil prices, and the effects of economic transformation programs,” the regional head of Robert Walters was quoted as saying by Arabian Business magazine.

### **Oman Issues Temporary Ban On The Hiring Of Expats.**

Oman yesterday announced a 6 month ban on the issuance of any fresh expatriate work permits in 10 designated industries within the private sector, including media, IT and aviation. A statement issued by the Ministry of Manpower and published by the Muscat Daily Newspaper read; “The decision temporarily prohibits hiring of expatriate manpower in private sector establishments for six months. Work permits issued before the date of implementation of this decision are exempted. This decision will not apply to establishments owned by full-time employers for their administration, registered with Riyada and insured by the Public Authority for Social Insurance.” Meanwhile according to the official statistics agency, Oman’s GDP expanded to OMR 20.30 bio during Q3 of last year from OMR 18.40 bio in the previous quarter.

### **Moodys Amends Ratings Outlook On Zambia.**

Moodys Investor Services announced last week that it had amended its outlook on Zambia from negative to stable. In a statement the agency said that this change reflected its view that liquidity pressures on the government had eased and that fiscal consolidation had capped the country’s borrowing needs. Moodys currently has a B3 rating on Zambia.

### **JP Morgan To Expand African Presence.**

JP Morgan’s CEO, Jamie Dimon, was quoted by Bloomberg last week, stating that the bank was planning to expand its presence in Africa and was looking to open branches in Kenya and Ghana. “We want to expand

our services, we will go there, we will serve the US multinationals going in, the universities, and the power plants. You'll see us open in some countries we are not in, in Africa, you'll be hearing about some of that stuff," Dimon said. JP Morgan currently only has offices in Nigeria and South Africa.

## 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	-2/+1	Par/+5	2/7	8/18	15/30	30/50	70/120
USD/SAR**	3.7502/04	-6/-1	-7/-2	-10/-2	Par/+15	05/25	20/50	120/170
USD/QAR**	3.6450/6650	-10/+10	-20/+20	-25/+25	-15/+35	Par/+50	30/80	50/250
USD/KWD	0.29960/990	1/6	2/7	5/15	15/30	40/70	50/80	80/180
USD/OMR	0.38495/500	8/18	10/30	40/70	100/150	200/350	300/450	600/1100
USD/BHD	0.37695/700	10/20	20/35	30/60	70/170	100/200	150/250	450/750
USD/MAD	9.1200/1400	250/550	400/900	600/1100	1200/2200	2000/4000	3000/5000	5000/9000
USD/EGP NDF	17.71	17.73/17.83	17.79/17.89	17.87/17.97	18.15/18.25	18.50/18.60	18.88/18.98	-
USD/JOD	0.7095/7105	40/80	50/150	75/175	100/300	200/500	275/675	500/2000
USD/NGN NDF	360.00	361.00/367.00	362.00/372.00	364.00/374.00	370.00/380.00	376.00/386.00	382.00/392.00	(NAFEX)
USD/GHS NDF	4.5200	4.57/4.67	4.61/4.71	4.65/4.75	4.79/4.89	4.90/5.05	4.98/5.13	-
USD/TND	2.3950/4150	225/325	400/600	500/800	1000/1500	1500/2500	2000/3000	4000/6000
<b>Crude Oil</b>	<b>Futures</b>							
WTI	66.20							
Brent	70.35							

NOTE: \*\* (offshore levels)

## AED AND SAR IRS SPREADS

Currency	1Y	2Y	3Y	4Y	5Y	6Y	7Y	10Y
AED SPREAD	+10/16	+17/23	+24/30	+31/37	+38/44	+45/51	+53/69	+74/82
SAR SPREAD	+12/18	+22/28	+31/37	+39/45	+47/53	+54/60	+61/67	+82/90

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

## AND FINALLY...

Did you know that the Sultan of Oman is the world's 3rd longest serving monarch, after the British Queen and the Sultan of Brunei?

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