

MIDDLE EAST & AFRICAN MONITOR

- **ARAMCO IPO Rumours – Fresh Signs Of An Improving Global Economic Climate.**
- **KSA's Corruption Investigation Nets SAR 400 Bio.**
- **Iraq Prepares For Elections In May.**
- **Kenya Orders Media Shutdown.**
- **'No Plan To Initiate Further FX Reforms' – Morocco's Finance Minister.**
- **Mozambique Initiates Legal Action Over US\$2 Bio In Loans.**
- **Tobruk Parliament Names New Libyan CB Governor.**
- **'Kuwait Faces Long-Term Challenges' – FITCH.**
- **European Consortium Wins US\$680 Mio Waste Contract In UAE.**
- **Zimbabwe Amends Land Laws.**
- **Ugandan Inflation Eases.**

REGIONAL COMMENTARY

ARAMCO IPO Rumours – Fresh Signs Of An Improving Global Economic Climate.

Rumours have again been doing the rounds via various news outlets, including the WSJ this past week, that the Aramco IPO may be delayed past 2018, due to indecision over which international bourse should be selected for the listing. When it comes to such an important and long-awaited issuance, rumours and conjecture are not unusual and we remain convinced that Saudi Arabia will indeed bring the company to market before the end of this year as originally planned. Last week, the Kingdom's Energy Minister, Khalid Al Falih said via the FT that; "The IPO process is on schedule, that readiness that was meant to be achieved by year-end 2017 by the company and by the regulatory side has all been achieved, Aramco will be listed, there is no ifs or buts about it." His words were echoed by Saudi Aramco's CEO, Amin Nasser, who was quoted by CNBC last week saying; "In terms of readiness, we are ready. As we always said, the company by the second half of 2018 will be ready, and the rest is on the shareholder's hands. It's about evaluating all the information that is being passed to the government in terms of different markets that we have in terms of listed venues, whether it is in the UK, or New York or Hong Kong or other markets. They are taking their time, rightfully so, to decide which market to list on, and when the decision is made, the company is ready to march." Meanwhile yet another sign that the global economy is continuing to recover and demand for fuel looks set to increase, was within the recent results statement issued by one of the world's major commercial vehicle manufacturer Volvo. In it the Swedish based manufacturer confirmed that it was seeing strong demand for its trucks and that its order book had risen by 29% in Q4 2017 compared to expectations of a 15% increase. The expanding demand for such vehicles was already highlighted back in December by the industry research house ACT, which reported a 70% rise in orders for long-haul vehicles from US trucking fleets during November 2017 compared to the same period in 2016.

KSA's Corruption Investigation Nets SAR 400 Bio.

Saudi Arabia's Attorney-General, Sheikh Saud Al Mojob, announced yesterday that only 56 people were still in custody out of the 381 originally detained in

31 January 2018

Glenn Wepener
 Executive Director & Geopolitical
 Analyst, Middle East & Africa

Please click [here](#) to view our recent publications on MENA and Global Markets

November last year on allegations of corruption. According to a Saudi Gazette newspaper article the authorities have now released all those who were either proved to be not guilty or had agreed to a financial settlement, with Al Mojeb adding that these settlements now totaled SAR400 bio. The payments came in various forms including, cash, securities and real estate. "The review of the case files relating to those who were accused of corruption has been completed. Negotiations and settlement with those individuals who were charged with corruption were concluded, and cases were transferred to the Public Prosecution office to complete the relevant procedures. As a result, the Public Prosecution office decided to release all individuals against whom there was not sufficient evidence and also release all individuals with whom the government accepted to make settlements after they admitted to corruption allegations against them," a statement issued by the Attorney-General read.

Iraq Prepares For Elections In May.

Iraq's parliament last week confirmed that legislative elections will be conducted on May 12th 2018. This announcement follows an earlier High Court decision to dismiss a proposal by some MPs for the poll to be postponed until thousands of people displaced during the war had returned to their homes. The incumbent Prime Minister, Haider al Abadi, will be seeking re-election although he faces a number of potential competitors including his predecessor Nuri al Maliki. Despite the defeat of 'Daesh' in Iraq, whoever is selected to lead the next administration faces numerous social and economic challenges and will need to ensure that the recently more stable security situation continues, while also seeking to unite the various factions into a cohesive and actionable government.

Kenya Orders Media Blackout.

Kenya's Interior Minister, Fred Matiangi, said today that three domestic television stations would remain closed until the authorities had completed an investigation into the mock swearing-in of opposition leader, Raila Odinga as a 'rival' president yesterday. The staged 'inauguration' of Odinga was conducted by his supporters in Nairobi's Uhuru Park on Tuesday, while media coverage of the event was reportedly blocked by the government who shut-down a number of TV and radio stations. Odinga boycotted last year's Presidential election re-run claiming that the government had failed to ensure that voting was 'free and fair.' Matiangi also denounced Odinga's political party the 'National Super Alliance' as a "criminal group," yesterday according to an article in the LA Times newspaper.

'No Plan To Initiate Further FX Reforms' – Morocco's Finance Minister.

Morocco's Finance Minister, Mohammed Boussaid, has said that his government had no plans to implement further reforms on the country's foreign exchange regime in the near term, especially as the currency had thus far reacted well to the more flexible band recently adopted. "Now after waiting so long and ten years of thinking and preparation we've begun the first phase. There will be of course more steps but the first was very reassuring and successful, the market has spoken and the Dirham's fluctuation has stayed inside the range, It's very stable, now we need to wait and study the results of the first phase," Boussaid was quoted as saying by Reuters.

Mozambique Initiates Legal Action Over US\$2 Bio In Loans.

Mozambique's Attorney-General has reportedly filed a legal action against a number of officials and certain state-owned firms, who were allegedly involved in securing up to US\$2 bio worth of loans between 2013-2014 which had not been approved by the country's parliament. The Attorney-General's office was quoted by the FT as saying earlier this week that an investigative audit undertaken by Kroll had revealed "a number of facts substantiating financial offences" and even possibly "criminal" ones concerning the management of the country's debt at the time, adding that an administrative tribunal would also be conducted.

Tobruk Parliament Names New Libyan CB Governor.

Libya's internationally recognized House of Representatives, which is currently based in the country's eastern city of Tobruk, this week announced the appointment of Mohamed Shukri as Central Bank Governor. "Today is the day of unifying the central bank which was divided and that has divided spending and monetary policy. We suffered from problems that you are aware of and we promise to work in the same context as the National Oil Corporation to achieve development and welfare for the Libyan people," Shukri was quoted as saying by Reuters during his acceptance speech. However the move has since been dismissed as "illegal" by the head of the country's rival parliament in Tripoli, Abdulrahman Sewehli. "Mohammad Shukri's appointment as chief

of Libya's Central Bank is like beating the air, and would fail just like previous attempts and the Libyan people would be affected," Sewehli reportedly claimed via Twitter according to the Anadolu news agency. A separate Central Bank branch in the eastern town of Bayda was set-up after Governor Sadiq al Kabir, who sits in the main Central Bank office in Tripoli, refused calls by the Tobruk parliament to step-down from the position.

'Kuwait Faces Long-Term Challenges' – FITCH.

In a review published earlier today the FITCH ratings agency has warned that while Kuwait is likely to post a much stronger than expected fiscal surplus this year, the lack of progress on both fiscal reforms and general economic diversification puts the state of the country's public finances at risk in the longer term. The agency currently has Kuwait on a AA rating with a stable outlook.

European Consortium Wins US\$680 Mio Waste Contract In UAE.

Belgian based Besix and Switzerland's Hitachi Zosen Inova have been awarded a US\$680 mio contract to build and operate a waste-to-energy plant in Dubai.

Zimbabwe Amends Land Laws.

The Zimbabwean government has begun the process to reverse a land policy which had originally been established under its former President Robert Mugabe. The controversial policy saw thousands of white farmers forced off their properties, which in turn triggered the collapse of agricultural output in what had been one of southern Africa's premier food producing nations. The newly appointed President, Emmerson Mnangagwa, announced this week that the few hundred remaining white farmers will now be allowed to apply for 99-year land leases instead of the previous limit of 5 years. The government has also promised to compensate those farmers whose land was seized under Mugabe.

Ugandan Inflation Eases.

Inflation in Uganda dipped to 3.0% y/y this month from 3.30% in December with the improvement driven by lower food prices according the country's official statistics office.

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	8/18	15/30	30/50	80/130
USD/SAR**	3.7499/501	-4/+1	-5/+5	-5/+10	5/20	10/25	40/60	180/230
USD/QAR**	3.6500/6600	7/17	15/35	25/55	50/90	80/130	125/175	200/300
USD/KWD	0.29955/975	1/6	2/7	5/15	15/30	40/70	50/80	80/180
USD/OMR	0.38497/502	8/18	10/30	45/75	100/200	220/320	300/450	750/1150
USD/BHD	0.37697/702	10/20	20/35	30/60	70/170	100/200	150/250	450/750
USD/MAD	9.1100/1300	250/550	400/900	600/1100	1200/2200	2000/4000	3000/5000	5000/9000
USD/EGP NDF	17.67	17.68/17.78	17.74/17.84	17.83/17.93	18.10/18.20	18.45/18.55	18.82/18.92	-
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	2.3800/4100	225/325	400/600	500/800	1000/1500	1500/2500	2000/3000	4000/6000
Crude Oil	Futures							
WTI	64.10							
Brent	68.55							

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	+10/16	+19/25	+27/33	+34/40	+41/47	+49/55	+57/63	+77/85
SAR SPREAD	+13/19	+23/29	+33/39	+43/49	+52/58	+60/66	+67/73	+85/93

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

AND FINALLY...

"A fundamental concern for others in our individual and community lives would go a long way in making the world the better place we so passionately dream of." (Nelson Mandela : 1918-2013)

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

Please click [here](#) to view our recent publications on MENA and Global Markets

Disclaimer:

To the fullest extent allowed by applicable laws and regulations, First Abu Dhabi Bank (the "Bank") and any other affiliate or subsidiary of the Bank, expressly disclaim all warranties and representations in respect of this communication. The content is confidential and is provided for your information purposes only on an "as is" and "as available" basis and no liability is accepted for or representation is made by the Bank in respect of the quality, completeness or accuracy of the information and the Bank has undertaken no independent verification in relation thereto nor is it under any duty to do so whether prepared in part or in full by the Bank or any third party. Furthermore, the Bank shall be under no obligation to provide you with any change or update in relation to said content. It is not intended for distribution to private investors or private clients and is not intended to be relied upon as advice; whether financial, legal, tax or otherwise. To the extent that you deem necessary to obtain such advice, you should consult with your independent advisors. Any content has been prepared by personnel of the Global Markets division at the Bank and does not reflect the views of the Bank as a whole or other personnel of the Bank.