

## MIDDLE EAST & AFRICAN MONITOR

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### REGIONAL COMMENTARY

#### **EU Considers New Iran Sanctions In An Attempt To Save Nuclear Accord.**

All 28 members of the EU are currently considering a proposal submitted by France, Germany and the UK last week, which reportedly calls for the implementation of certain measures, (including sanctions), targeting Iran's missile program and its support for militant groups within the region. This strategy is an apparent attempt to not only hold Iran to account for such activity, but also to try and prevent the US from withdrawing from the P5+1 nuclear agreement. "We are determined to ensure that the Vienna accord is respected. But we must not exclude, from consideration, Iran's responsibility in the proliferation of ballistic missiles and in its very questionable role in the near and Middle East, that must also be discussed to reach a common position," the French Foreign Minister, Jean-Yves Le Drian, was quoted as saying by Reuters yesterday. In response Iran's Deputy Foreign Minister, Abbas Araqchi, warned during an interview with one of his country's state-media outlets that; "Some European countries are seeking non-nuclear sanctions on Iran to appease the American president, they are making a big miscalculation and they will see its direct impact on the JCPOA and its survival. It is better that European countries continue their current action to persuade America to keep its commitments based on the nuclear deal and for that country to effectively execute the deal in its entirety with good will and in a productive atmosphere. If America exits the deal and unilateral sanctions return, we will definitely not continue the deal because it will not serve our interests."

#### **US Bans Dealing In Venezuela's Oil-Linked Digital Currency.**

President Trump has signed an executive order banning the purchase or sale of Venezuela's recently introduced cryptocurrency the 'Petro', by any US individual or entity. (The full text of his order can be found [here](#)). This move follows an earlier directive banning US based investors from buying any newly issued bonds of the Venezuelan government or other state-run companies such as the national oil company. In response to these actions a spokesperson for the Venezuelan government described the move as "imperial aggression." Meanwhile the Latin American country's oil production fell by further 52,000 bpd last month to 1.54 mio bpd compared to 2.3 mio bpd in January 2016.

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### **Egypt & Sudan Seek To Ease Nile Tensions.**

Egypt's President, Abdel Fattah al Sisi, and his Sudanese counterpart, Omar Al Bashir, held direct talks in Cairo yesterday in an attempt to settle outstanding disputes between the two nations, including the usage of water from the Nile River. "We don't have any choice but to cooperate, because truthfully this is the interest and confirmed demand of our peoples," Al Bashir was quoted as saying by Al Arabiya. Following the meeting both sides promised to work together in managing the potential effects of a controversial dam currently under construction in Ethiopia, which could have a considerable impact on those countries lying downstream, especially Egypt which currently sources almost all of its fresh water from the Nile.

### **African Bond Issuances Surge.**

The Ivory Coast sold EUR 1.7 bio in bonds in the 12Y and 30Y tenors last week, the largest ever Euro-denominated issuance by an African sovereign to-date, and which helped increase the total amount raised via such sales by African states this year to US\$12.80 bio so far. The Ivory Coast action follows recent issuances by Egypt, Senegal and Nigeria, whilst South Africa is reportedly planning to US\$3 bio in each of the next 3 fiscal years according to the Business Day Online website.

### **Dubai's Non-Oil Related Trade Rises.**

Dubai's non-oil related foreign trade rose by 2% last year to reach AED 1.3 trillion, whilst China retained its position as the Emirate's number one trading partner at 13.60% of the total value, according to a statement released by Dubai's official media office yesterday. "Trade is one of the key sectors that drives Dubai's growth as a major global trading hub, which is supported by the Emirate's long heritage of being a gateway for global trade. The current growth of its non-oil foreign trade is an indication that we are on the right path of revenue diversification. Dubai's external trade growth reflects global economic trends, especially in the areas of communication and information technology. This is driven by the national economy's focus on innovation and creativity, and our leadership in adopting artificial intelligence technologies in various sectors. There is no doubt that Expo 2020 will showcase our unique economic experience and our ability to establish global leadership across sectors," Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum was quoted as saying. You can read the full media statement [here](#).

### **'Significant' Gas Discovery Made In Oman.**

Petroleum Development Oman, announced late yesterday that it can now confirm the discovery of "significant" and recoverable gas reserves in one of its northern concessions. According to a report in the Muscat Daily Newspaper, the field is estimated to contain over 4 trillion cubic feet of gas and 112 mio barrels of condensate. This latest discovery follows on from a similar find near Saih Rawl in 2013. PDO is the largest state-owned oil & gas exploration and production company in Oman and is responsible for almost all of the Sultanate's gas supplies. Meanwhile Moody's Investors Service downgraded its long-term issuer and senior unsecured sovereign bond ratings on Oman to Baa3 from Baa2 this past Sunday. The agency said that the decision was driven by its view that "Oman's fiscal and external metrics will continue to weaken, in part reflecting institutional and policy constraints. Moreover, subdued growth over the next few years will weaken economic resiliency."

### **Kenya Lowers Benchmark Rate.**

Kenya's Central Bank lowered its benchmark lending rate by 50 bp to 9.50% (its lowest level in almost 3 years), following its regular MPC meeting yesterday. In a statement the CB said that the move was driven by a need to further stimulate economic activity.

### **KSA To Launch Renewable Projects Worth US\$4.5 Bio.**

Saudi Arabia is reportedly planning to offer tenders for over US\$4.5 bio worth of renewable energy projects during 2018 according to an official at ACWA Power. "We are expecting to see a lot of projects here in Saudi. We are targeting 50 to 60% of the total," the company's CEO was quoted as saying recently by Reuters.

### **Chinese Banks To Finance New Egyptian Capital's CBD.**

Chinese banks will reportedly provide up to 85% of the US\$3 bio funding required for the construction of a central business district within Egypt's newly planned administrative capital, according to a recent article on the Ahrum website. The Egyptian Prime Minister, Sherif Ismail inaugurated the start of construction for this 'Tower' district on Sunday and said that project would take 3 years to complete. The Chinese loans will reportedly have a 42-month grace period before the 10-year repayment plan begins.

## Orascom Wins Fujairah Airport Contract.

A joint-venture between Egypt's Orascom Construction and the UAE's Al Sahraa Group has been awarded a US\$180 mio contract involving major infrastructure work at Fujairah's international airport.

## 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	3.67295/305	-1/+2	2/5	4/9	7/17	15/30	30/45	90/140
USD/SAR**	3.7498/00	-2/+3	Par/5	2/7	8/18	20/35	50/65	210/260
USD/QAR**	3.6600/6700	30/50	45/75	65/95	80/120	110/160	135/185	175/375
USD/KWD	0.29977/97	-20/-10	-25/-15	-30/-20	-40/-20	-50/-30	-55/-35	-50/+50
USD/OMR	0.38500/505	5/15	15/35	30/60	80/180	200/300	350/450	800/1200
USD/BHD	0.37700/05	5/15	18/38	20/45	40/90	100/200	150/250	450/750
USD/MAD	9.1500/1700	80/180	200/500	300/700	650/1650	1000/3000	1500/3500	3000/6000
USD/EGP NDF	17.62	17.74/17.79	17.84/17.90	17.95/18.00	18.32/18.38	18.67/18.77	19.01/19.07	-
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	363.00/368.00	364.00/369.00	370.00/375.00	376.00/381.00	382.00/387.00	(NAFEX)
USD/GHS NDF	4.4200	4.46/4.56	4.49/4.59	4.54/4.64	4.66/4.76	4.78/4.88	4.90/5.05	-
USD/TND	2.4100/4600	200/300	400/600	500/800	1000/1500	1500/2500	2000/3000	4000/6000
<b>Crude Oil</b>	<b>Futures</b>							
WTI	62.60							
Brent	66.55							

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	+7/13	+13/19	+20/26	+30/36	+40/46	+49/55	+57/63	+78/86
SAR SPREAD	+15/21	+25/31	+34/40	+43/49	+51/57	+59/65	+66/72	+82/90

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

## AND FINALLY...

Did you know that the Atlas film studio which lies 6 km outside of Ouarzazate, is known as Morocco's Hollywood? For almost a century, hundreds of films have been shot in this region, including Lawrence of Arabia, Gladiator and the Sheltering Sky

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