

MIDDLE EAST & AFRICAN MONITOR

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REGIONAL COMMENTARY

US Unveils Additional Financial Sanctions On Iran.

The US Treasury yesterday added a number of Iranian citizens, organizations and officials to its financial sanctions list. Those targeted include; a prison where OFAC claims there are ongoing incidents of serious physical abuse against political detainees, the 'Hanista Programming Group' which the US says is assisting the Iranian regime in spying on its citizens, and a paramilitary group called 'Ansar-e Hezbollah'. "Iran not only exports terrorism and instability across the world, it routinely violates the rights of its own people. The Iranian regime diverts national resources that should belong to the people to fund a massive and expensive censorship apparatus and suppress free speech. Those who speak out against the regime's mismanagement and corruption are subject to abuse and mistreatment in Iran's prisons. America stands with the people of Iran, and Treasury is taking action to hold the Iranian regime accountable for ongoing human rights abuses, censorship, and other despicable acts it commits against its own citizens," the US Treasury Secretary, Steven Mnuchin, said yesterday as these new sanctions were revealed. A detailed statement published by the US Treasury on the above subject can be found [here](#). Meanwhile although the Indian Foreign Minister, Sushma Swaraj, stated recently that; "We don't make our foreign policy under pressure from other countries, we believe in UN sanctions, but not in country-specific sanctions," a Reuters article published earlier this week claims that two Indian banks have already asked exporters to complete any transactions they have outstanding with Iran by August 6th this year.

OPEC/NOPEC Likely To Maintain Oil Output Pact But Adjust If Needed.

Signatories to the crude output cut agreement are likely to keep the deal intact until at least the end of this year, although gradual adjustments could be enacted sooner to avoid any potential supply squeeze, an unnamed GCC official was reported to have said this week according to a Reuters article published yesterday. In separate comments OPEC's Secretary General, Mohammed Barkindo, was quoted by Platts as saying yesterday that crude producing countries needed to continue to work together and increase their overall investment in the oil sector in order to prevent a possible future supply shortage in the medium to long term. "Every effort should be made to avoid a potential supply gap that could present a serious challenge to the industry in

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the medium to long-term. The only way to meet these current and future challenges is through close cooperation and dialogue amongst producers,” Barkindo stated. Meanwhile one of the world’s largest oil storage facilities, Saldanha Bay in South Africa which can currently hold an estimated 45 mio barrels, is being expanded to accommodate a further 13.2 mio barrels. This expansion work is due to be completed by the second half of this year according to a report on the hydrocarbonprocessing.com website.

Iraq’s Al Sadr Travels To Kuwait.

The Iraqi Shiite leader, Moqtada al Sadr, concluded a two-day surprise visit to Kuwait yesterday during which he expressed a desire to improve his country’s relations with neighbouring Arab countries. Al Sadr’s ‘Sairoon’ bloc won 54 seats in Iraq’s recent parliamentary elections ahead of Haidar Al Abadi (the incumbent PM’s) ‘Victory’ coalition which won 42 seats . Al Sadr’s trip to Kuwait follows a similar one he made to Saudi Arabia last year, his first to the Kingdom in over ten years. “The visit to Kuwait earlier today by Seyyed Muqtada Al Sadr, the leader of the Iraqi Sadrist Movement, provided a chance for reviewing the situation in Iraq in the wake of the general elections,” Kuwait’s Deputy Foreign Minister, Khalid Al Jarallah, was quoted as saying by the UAE’s Gulf News media outlet.

Nigeria To Lower Minimum Age Limit On Candidates Seeking Public Office.

Nigeria’s President, Muhammadu Buhari, confirmed this week that he would soon sign a draft bill, which was already approved by parliament last year, and that will lower the minimum age limit for individuals seeking to stand for public office, including the position of President. Once enacted the new law will cut the presidential age limit from 40 to 35 and from 35 to 30 for governorship positions. The President’s promise on this long debated subject came during his ‘Democracy Day’ speech, the full text of which you can find [here](#).

Global SUKUK Issuances Rise.

Global Islamic bond issuances rose by over 44% during the 1st quarter of this year to total US\$30 bio from US\$20.80 bio during the same period last year, according to the latest data release by RAM Ratings.

IMF Concludes Latest Review Of Bahrain.

The head of a recent IMF mission to Bahrain, Bikas Joshi, has said that while the Kingdom’s economy is set to expand by 3.20% this year, and the fiscal deficit dip to 11% of GDP from just under 14% last year, the government still needs to introduce further consolidation measures, including the possible introduction of a corporate tax in order to reduce the country’s budget deficit further. “Over the medium term, the deficit is projected to remain sizable, with a rising interest bill as public debt continues to increase. Without further measures, non-oil revenue is expected to stagnate and growth to slow,” Joshi was quoted as saying by the UAE’s National newspaper. You can read a detailed IMF statement on its review [here](#). Meanwhile the Bahrain government has said that it is considering the introduction of a 10 year renewable residency visa for foreign investors.

Tunisia Commits To Economic Reform Program.

The IMF has said that the Tunisian government has committed itself to implementing a raft of urgent economic reforms in order to qualify for the next tranche of a US\$2.8 bio loan program that was initiated back in 2016. “The Tunisian authorities held constructive discussions with the IMF team on the policies needed to complete the Third Review under Tunisia’s EFF arrangement. The discussions progressed significantly. The Tunisian authorities expressed firm commitment to act swiftly on urgent economic reforms to pave the way for the consideration of the Third Review by the IMF’s Executive Board, tentatively scheduled for early July. Completion of the review would make available SDR 177 million (about US\$257 million), bringing total disbursements under the EFF to about US\$1.2 bio,” a statement issued by the IMF this week read and which you can find in full [here](#).

Egypt Is World’s 3rd Fastest Growing Economy.

In a recent report published by Harvard University’s ‘Centre for International Development,’ Egypt was ranked as the 3rd fastest growing economy in the world after India (7.89%) and Uganda (7.46%). The study also expects Egypt to average 6.63% annual growth over the next 8 years. “The growth projections are based on Economic Complexity, a single measure of each country’s economy which captures the diversity and sophistication of the productive capabilities embedded in a country’s exports,” the writers of the report stated.

Meanwhile Egypt's M2 Money Supply growth eased slightly to 21.36% y/y last month compared to 21.85% in March according to the latest official data.

Bahrain's FX Reserves Rise.

Bahrain's net foreign assets held by the country's central bank jumped to US\$2.07 bio last month from US\$1.41 bio in March according to the latest official data.

Tullow Oil Looks To Expand Its Presence In Ghana.

The UK based Tullow Oil company has said that it is potentially interested in purchasing the operational rights to more oil blocks off the coast of Ghana. The West African country plans to put nine such blocks out on tender during 2018 and 2019. Most of Ghana's current 180,000bpd of production comes from just three fields, including one large block called 'Jubilee' which is currently operated by Tullow Oil.

FX/RATES & CRUDE MARKETS:

Indication Levels Only – Please Contact us on Reuters Dealing Codes FABA/FABU for any live pricing and/or information.

Currency	Spot	1M	2M	3M	6M	9M	12M	2Y
USD/AED	3.67295/305	-3/Par	-1/+3	-1/+4	Par/+10	5/15	15/30	70/120
USD/SAR**	3.7502/04	-4/-1	-6/-1	-5/Par	Par/+10	10/25	40/60	180/210
USD/QAR**	3.6470/6520	Par/+10	Par/+15	Par/+20	10/30	25/55	40/90	75/175
USD/KWD	0.30215/35	-30/-20	-70/-30	-80/-50	-130/-80	-170/-120	-210/-160	-300/-100
USD/OMR	0.38499/502	5/15	10/25	25/45	80/130	170/270	300/400	800/950
USD/BHD	0.37765/95	7/17	15/30	30/50	70/120	110/210	200/300	700/900
USD/MAD	9.4600/4800	80/180	200/500	300/700	650/1650	1000/3000	1500/3500	3000/6000
USD/EGP NDF	17.92	18.00/18.10	18.16/18.26	18.31/18.41	18.82/18.92	19.32/19.42	19.82/19.92	-
USD/JOD	0.7090/7100	30/70	50/150	80/180	100/300	200/500	275/675	400/800
USD/NGN NDF	361.62	362.10/363.10	363.50/364.50	364.00/366.00	369.00/371.00	376.00/379.00	382.50/385.50	(NAFEX)
USD/GHS NDF	4.6700	4.76/4.81	4.82/4.87	4.88/4.98	5.05/5.15	5.21/5.31	5.35/5.50	-
USD/TND	2.6100/6400	200/300	400/600	500/800	1000/1500	1500/2500	2000/3000	4000/6000
Crude Oil	Futures							
WTI	67.60							
Brent	77.70							

** (offshore levels only)

AED AND SAR IRS SPREADS

Currency	1Y	2Y	3Y	4Y	5Y	6Y	7Y	10Y
AED SPREAD	+20/26	+24/30	+30/36	+39/45	+48/54	+57/63	+65/71	+85/93
SAR SPREAD	+19/25	+26/32	+34/40	+43/49	+53/59	+62/68	+71/77	+91/99

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

AND FINALLY...

Did you know that the earliest evidence of gold mining in Saudi Arabia stretches back to 3000BC?

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