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REGIONAL COMMENTARY

Oil Market Eyes Upcoming OPEC Gathering – IEA Warns Against Any Sharp Production Cuts.

After the recent crude market shake-out prices have stabilized somewhat, as players await the outcome of the final OPEC meeting for 2018 which is scheduled to take place on the 6th of December. Saudi Arabia's Energy Minister, Khalid al Falih, indicated last week that the Kingdom and certain other prime producers could reduce their output by as much as 1 mio bpd next month in order to ensure that the market remains "balanced." However a senior official at the IEA, Fatih Birol, warned against any major cuts due to the still limited availability of global spare capacity. "Currently markets are very well supplied but we should not forget that spare capacity in Saudi Arabia is very thin, therefore cutting the production significantly today by key oil producers may have some negative implications for the markets and further tightening the markets. My appeal to all producers and consumers across the world is to have common sense in these difficult days," Birol was quoted as saying by Reuters. In its latest market overview, the IEA suggested that "Although the oil market appears to be more relaxed than it was a few weeks ago, and there might be a sense of 'mission accomplished' that producers have met the challenge of replacing lost barrels, such is the volatility of events that rising stocks should be welcomed as a form of insurance, rather than a threat."

EU May Consider Sanctions On Iran.

Member states of the European Union have reportedly agreed to consider re-imposing some economic sanctions on Iran, after France and Denmark provided the zone's foreign ministers with further details of two recently foiled 'terror' plots on European soil which had allegedly been planned by an arm of the Iran's foreign intelligence service. The Danish government in particular has been vocal in calling for a "coordinated EU response" after the country's security agency accused Iran of planning to assassinate three Iranian dissidents in Denmark in October. Earlier this year France imposed an asset freeze on a number of Iranian intelligence officials and expelled a diplomat after a plot to bomb a June rally, organized by Iranian opposition activists in Paris, was uncovered. Meanwhile King Salman of Saudi Arabia, yesterday called on the international community to work together to combat activities by the Iranian regime "that

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threaten security and stability.” He also welcomed UN efforts to end the war in Yemen, adding that, “Our standing by Yemen was not an option but a duty to support the Yemeni people in confronting the aggression of Iranian-backed militias.”

UN Security Council Blacklists Libyan Militia Leader.

Salah Badi, the leader of an Islamist militia group in Libya called the ‘Al Samud Brigade’ has been issued with both a travel ban and asset freeze by the UN Security Council following a proposal for such a move by the US, France and the UK. Badi has been active in opposing Libya’s Government of National Accord, and is accused of using violent means to undermine local and international attempts to find a permanent political solution for the country since 2014. In a statement the UN Support Mission in Libya said; “UNSMIL is encouraged by UN Security Council’s strong commitment to holding to account those seeking to undermine Libya’s stability and security and refusing to adhere to cease-fire agreements and continuing to threaten civilians and civilian facilities and sovereign institutions.” The US Treasury announced its own separate sanctions on Badi yesterday, with one of its spokesperson’s stating, “Salah Badi’s prolonged militia attacks on Libya’s capital have devastated the city and disrupted the peace. Treasury is targeting rogue actors in Libya who have contributed to chaos and turmoil that undermines the internationally recognized Government of National Accord.”

Kuwait Plans To Further Reduce Its Expatriate Population.

According to a report in the Arabian Business magazine, the Kuwaiti government has established a committee dedicated to managing the country’s future demographic make-up. The article claims that the authorities want to reduce the number of expats in the country by 1.5 million over the next 7 years. The most recent official population related data suggests that there are currently 3.2 million expatriates (650,000 of which are domestic workers) living in Kuwait compared to 1.4 million nationals. You can access this particular story in full [here](#).

UAE Hopes To Resolve US Tariff Issue Soon.

The UAE’s Economy Minister, Sultan bin Saeed Al Mansoori, has said that he believes the Emirates will not be subjected to US tariffs on its aluminum and steel exports, especially as the balance of trade between the two countries currently favours the US anyway. "I hope next year we will resolve it. We will continue to explain our case," the minister was quoted as saying by Reuters earlier today.

DRC Lifts Cobalt Export Ban On Glencore Unit.

The Democratic Republic of Congo announced late last week that it was suspending a ban on the export of cobalt and copper by the Katanga Mining company, a subsidiary of Glencore. The mine only restarted production in December 2017 and hoped to produce up to 34,000 tons of cobalt next year before a dispute over historical copper payments saw the government institute an export freeze. The DRC is the world’s largest source of cobalt, a key mineral used in the manufacture of electric car batteries and mobile phones.

Nigeria Raises US\$2.86 Bio Via Eurobond Issue.

Nigeria raised US\$2.86 bio via its latest 7, 12, and 30 year Eurobond issuance. “The offering has attracted significant interest from leading global institutional investors with a peak combined order book of over US\$9.5 billion, which reflects an over-subscription of more than three times and demonstrates the on-going confidence of international capital market investors in external debt requirements for the 2018 budget at a cost considerably lower than many of its peers across Sub-Sahara Africa. The successful transaction follows closely behind Nigeria’s successful engagement with the Fitch rating agency, and their subsequent decision to change the outlook on Nigeria’s sovereign rating from B+ (negative) to B+ (stable), based on improving macro-economic fundamentals,” an MOF statement published on the Vanguard website read. The bond was priced at 7.625% (7Y), 8.75% (12Y) and 9.25% (30Y), whilst the money will be used to fund the country’s budget deficit. It will also increase the amount of external borrowing to 32% of Nigeria’s total debt load.

Algeria’s FX Reserves Stabilize.

According to Algeria’s Central Bank Governor, Mohamed Loukal, the country’s FX reserves are currently sitting at US\$88 bio (compared to US\$90 bio at the end of May 2018) and that he expects them to begin rising again due to better gas and oil revenues. Energy sector related income, which accounts for 60% of the budget and over 90% of Algeria’s export revenues, rose by 15% in the first 9 months of this year compared to the same

period in 2017. Algeria's reserves stood at US\$194 bio in 2014 before dropping sharply following the collapse in oil prices.

Bahrain Plans To Sell Stakes In Logistics Sector.

Bahrain is planning to sell stakes in a number of its state-owned logistics companies, including Bahrain Airport Services and Bahrain Duty Free over the next two years, according to the Kingdom's Transportation and Telecommunications Minister, Kamal bin Ahmed. "As the main shareholder in these companies, we hope the other shareholders agree and we float a small percentage of about 20% of the companies on the Bahrain Bourse," the minister said during a CNBC interview.

Oman Oil & ORPIC Merge Business Lines.

Oman Oil Company and Oman Oil Refineries & Petroleum Industries have merged their downstream units as an initial part of an overall integration plan according to an official Twitter post published by ORPIC yesterday.

Morocco Inaugurates Africa's First 'Bullet' Train.

Morocco officially unveiled Africa's first ever high-speed railway line last week. The 'Al Boraq' line which links Tangier, Rabat and Casablanca cost around US\$2 bio to build (50% of which was funded by French loans) and will operate 12 TGV trains. The state-of-the-art railway system passes over 700,000 crossings, 12 viaducts as well as 169 road overpasses and railroad bridges.

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	1/3	3/6	5/10	13/18	20/30	33/43	100/130
USD/SAR	3.7520/23	-2/+1	-2+1	-2/+1	5/15	22/32	60/75	260/290
USD/QAR	3.6515/35	Par/+5	2/12	5/15	10/30	20/50	30/60	50/150
USD/KWD	0.30377/387	-12/-2	-25/-15	-40/-25	-65/-45	-110/-80	-150/-100	-180/-130
USD/OMR	0.38498/501	5/15	20/40	30/50	100/130	180/230	250/300	620/720
USD/BHD	0.37695/700	15/25	30/50	50/70	100/130	170/200	200/250	400/500
USD/MAD	9.4250/4450	600/900	800/120	1100/1700	1800/2800	2400/3400	3000/4500	3500/6500
USD/EGP NDF	17.91	18.02/18.07	18.19/18.24	18.37/18.42	18.87/18.92	19.38/19.43	19.88/19.93	-
USD/JOD	0.7095/7105	40/90	45/145	100/200	150/350	250/500	350/750	750/1750
USD/NGN NDF	363.41	364.00/365.00	366.00/367.50	368.00/370.00	374.50/377.50	383.00/387.00	392.00/397.00	(NAFEX)
USD/GHS NDF	4.8575	4.90/4.94	4.95/4.98	5.00/5.10	5.17/5.27	5.34/5.48	5.50/5.65	-
USD/TND	3.0050/0450	350/550	700/1000	1000/1500	1500/2500	2000/3500	3000/4500	5000/8000
Crude Oil	Futures							
WTI	56.80							
Brent	66.25							

** (GCC FX indications above are offshore levels only)

AED AND SAR IRS SPREADS

Currency	1Y	2Y	3Y	4Y	5Y	6Y	7Y	10Y
AED SPREAD	+25/31	+28/34	+38/44	+49/55	+61/67	+73/79	+85/91	+114/122
SAR SPREAD	+26/32	+33/39	+42/48	+53/59	+64/70	+74/80	+83/89	+108/116

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

AND FINALLY...

Did you know that the UAE has the world's second-most populous school of sea cows (Dugongs)? They mostly inhabit the shallow waters around the islands of Murawah and Bu Tina which lie just to the west of Abu Dhabi.

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