

Market Insights & Strategy

Global Markets

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MIDDLE EAST & AFRICAN MONITOR

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REGIONAL COMMENTARY

IEA & OPEC Revise Oil Demand Outlooks.

Both OPEC and the IEA revised their crude forecasts in their latest monthly reports. OPEC has lowered its demand outlook for this year to 1.82 mio bpd from its previous prediction of 1.93 mio bpd, but it still sees global world demand averaging 104 mio bpd in 2025 and demand growth at 1.54 mio bpd. Conversely, the IEA has raised its own demand growth forecast to 920,000 bpd in 2024 from a previous expectation of 862,000 bpd. Then for 2025, the IEA believes demand will reach 103.80 mio bpd, but also suggests that supply will exceed demand by 1 mio bpd even if the OPEC+ cuts remain in place, with continued sluggish economic growth in China the primary drag. In terms of actual oil demand this year it looks set to average 102.80 mio bpd which is not far from our original forecast of 103 mio bpd. However, the Trump trade is further complicating the outlook for the crude market in 2025, with a stronger dollar and potentially less FED rate cuts than previously expected likely to weigh, although also combined with the risk of disruption to Iranian and Venezuelan exports. Meanwhile, the latest data released by the EIA last night was a bit of a mixed bag with US crude stocks growing by 2.10 mio barrels during the week ending November 8th, but fuel inventories falling by 4.40 mio barrels. Total US oil production remained steady at 10.30 mio bpd.

Musk Met With Iranian Ambassador – NYT Report.

A New York Times newspaper report claimed yesterday, that Elon Musk had met with Iran's ambassador to the UN for more than an hour on Monday this week, in an alleged bid to ease tensions between Washington and Tehran ahead of Trump's return to the White House. There has not been any official confirmation of this meeting as yet, which the article suggested was (*successful*) but if true, it might suggest that the President-elect is initially looking try a diplomatic approach on Tehran. Interesting too, were comments made yesterday by the Iranian President Masoud Pezeshkia, who claimed during this week's visit to Tehran by the head of the IAEA, that his government wanted to clear up doubts about the country's "*peaceful*" nuclear program. Conversely, Trump has nominated Mike Huckabee to be the next US ambassador to Israel. Huckabee is an evangelical Christian, extremely pro-Israel and previously opined that Israelis has a rightful claim to the West Bank, so perhaps Trump is looking to follow a 'carrot & stick' approach on Iran.

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Fresh Push For Ceasefire In Lebanon.

Israeli officials are [reportedly](#) liaising directly with the US President-elect and Jared Kushner, as well as other governments (including Russia) in ongoing talks aimed at reaching a near-term ceasefire in Lebanon. A 'Washington Post' article claims that the current ceasefire proposal would see Hezbollah moves its forces back beyond the Litani River and the Lebanese army would then assume control of the border zone for a period of 60 days, supervised by both the US and the UK. However, one sticking point is an alleged demand by Israel that the IDF is allowed to carry out certain operations within Lebanon if the ceasefire is violated in any way. Meanwhile the IAF has said that its aircraft had carried out strikes against 30 targets in the southern suburbs of Beirut over the past 48 hours, which it said formed a part of Israel's continuing efforts to “*dismantle and degrade*” the military capabilities of Hezbollah. According to the World Bank, between October 8th 2023 and October 27th this year, the conflict had already led to US\$5.1 bio of economic losses in Lebanon, with damage to physical structures in the country amounting to an additional US\$3.40 bio.

Israeli PM Makes Second Video On Iran.

On Tuesday, the Israeli Prime Minister made his second [video address](#) in less than 8 weeks aimed specifically at the Iranian people and warning, that a third attack on his country by the regime in Tehran would force Israel to undertake a unprecedented response, which he claimed could cripple the Iranian economy. Netanyahu also accused the regime in Tehran of being “*obsessed*” with the destruction of Israel, but that Iran would be transformed if the government there focused more on investing in the local economy and improving their people’s lives rather than fomenting war. Now there are a couple of possible reasons why Netanyahu decided to directly address the ordinary Iranian again. One could be that he wants the hardliners in Iran to think twice about calling for the IRGC to attack Israel again and/or two, he’s trying to encourage a potential uprising there. However in terms of the latter, there do not currently appear to be any signs of such a possibility.

Nigeria Releases Details Of 2025 Budget.

Nigeria’s Budget and Economic Planning Minister, Atiku Bagudu, announced yesterday that the government’s proposed spending for 2025 will amount to NGN 47.90 trillion, and result in a deficit of around NGN 13.80 trillion (3.87% of GDP) based on an average oil price forecast of US\$75, production of 2 mio bpd and a USD/NGN 1400.00 exchange rate. “*The fiscal objectives were conservative, because we want to ensure that we study the course much as we believe the projections will be exceeded,*” the minister was quoted as saying by the ‘Nairametrics’ news site, adding that “*We need to sustain the market deregulation, commendable market deregulation of petroleum prices and exchange rate, and to compel the Nigerian National Petroleum Corporation Limited to lower its oil and gas production cost significantly, and even to consider the need to amend the relevant sections of the petroleum industry act 2021 to address the significant risk to Federation.*” [According](#) to S&P Global Platts, Nigeria’s crude output has averaged 1.50 mio bpd this year, although the Nigerian National Petroleum Company has claimed that output rebounded to 1.80 mio bpd last month “*thanks to efforts by the government, security agencies and joint venture oil partners to tackle pilfering and sabotage.*” Meanwhile, on a separate topic, a Bloomberg [report](#) has claimed that a large private Chinese refinery has begun importing West African crude instead of from its usual sources including Russia.

Oman’s Records Increase In Public Revenues.

Oman’s progress in implementing its economic and fiscal reforms was highlighted again in the latest data released by the Ministry of Finance. The Sultanate’s overall state revenue rose by 12% y/y to OMR 8.886 bio by the end of Q3 2024, while spending came in at 8.772 bio. Meanwhile, outstanding public debt stood at OMR 14.40 bio down from OMR 15.70 bio at the end of Q3 2023. You can access more details on this topic [here](#).

Egypt Signs Two Agreements On Renewable Energy.

The Egyptian Electricity Transmission Company together with the North African country’s New and Renewable Energy Authority have [reportedly](#) signed two separate memorandums of understanding with Alcazar Energy and the Voltalia-Taqa Arabia alliance for the establishment of ‘green’ facilities that once operational will generate 5,200MW of electricity from wind (3,100MW) and solar (2,100MW) sources.

ADIA Takes Scientific Approach To Investing.

ADIA has set-up a division of data scientists to help support its in-house investing teams, the sovereign wealth fund is also [reportedly](#) allocating money in private credit and has continued to increase its allocations towards private equity. “The key driver for the important changes we’ve made in recent years is that the external environment has changed. There are now fewer market inefficiencies, traditional asset class boundaries are blurring, and opportunities are shorter-lived and require faster execution,” the director of ADIA’s strategy and planning department was quoted as saying by ‘Bloomberg’.

Saudi Arabia Appoints New Head Of NEOM.

There has been a change at the top of NEOM with Aiman Al Mudaifer replacing Nadhmi Al Nasr who has been in charge of this megadevelopment for the past six years. Al Mudaifer was previously head of PIF’s real estate and infrastructure investments in the Kingdom. “As Neom enters a new phase of delivery, this new leadership will ensure operational continuity, agility and efficiency to match the overall vision and objectives of the project,” the company said in a [statement](#).

COVEC Seals Key LGV Contract In Morocco.

The China Overseas Engineering Corporation has been awarded a MAD 1.40 bio contract, covering the civil works at the ongoing high-speed rail project connecting Kenitra and Marrakech, according to the ‘Morocco World News’ site.

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	3.67297/307	-4/-2	-7/-4	-12/-7	-20/-15	-29/-24	-34/-29	-65/-35
USD/SAR	3.7555/57	8/11	16/19	22/27	43/48	65/75	92/102	210/250
USD/KWD	0.30740/760	-80/-60	-160/-130	-220/-170	-420/-370	-550/-500	-650/-600	-1200/-600
USD/OMR	0.38501/506	-15/-10	-15/-8	-15/-8	-15/-5	-15/+10	-15/+15	Par/100
USD/BHD	0.37687/697	23/33	42/52	55/65	95/105	130/160	170/200	200/550
USD/MAD	9.9500/9.9800	On request	On request	On request	On request	On Request	On Request	On request
USD/EGP NDF	49.3633	50.00/50.30	50.90/51.20	51.75/52.05	54.00/54.30	56.25/56.55	58.50/58.80	-
USD/JOD	0.7092/7102	50/150	100/300	125/325	300/600	450/950	700/1200	800/1800
USD/NGN NDF	1661.35	1685.00/1715.00	1710.00/1760.00	1735.00/1785.00	1810.00/1870.00	1880.00/1950.00	1960.00/2060.00	(NAFEX)
USD/GHS NDF	16.10	15.75/16.05	15.80/16.10	15.90/16.40	16.45/16.95	17.05/17.75	17.60/18.60	-
USD/TND	3.1100/3.1400	On request	On request	On request	On request	On request	On request	On request
Crude Oil	Futures							
WTI	\$68.05							
Brent	\$72.00							

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

AED AND SAR IRS SPREADS

Currency	1Y	2Y	3Y	4Y	5Y	6Y	7Y	10Y
AED SOFR Spread	-1/+9	+9/19	+19/29	+28/38	+37/47	+43/53	+45/55	+55/65
SAR SOFR Spread	+92/102	+92/102	+93/103	+94/104	+95/105	+96/106	+98/108	+104/114

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

AND FINALLY...

Did you know that an average wind energy turbine blade is around 90 metres long?

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