

# Market Insights & Strategy

Global Markets

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## MIDDLE EAST & AFRICAN MONITOR

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- **India Sees Further Expansion Of Its Petrochemical Sector.**
- **Attempted Drone Attack On Israeli PM's Home.**
- **China's Coal Production Jumps.**
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### REGIONAL COMMENTARY

#### **US Rig Count Slips Again – Oil Leak Reported Near Kharg Island.**

Crude oil prices have kicked off the week just slightly above last Fridays' close with the market awaiting fresh news on either demand and/or Israel's delayed response to Iran's ballistic missile attack more than two weeks ago. In the US the number of active oil rigs totaled 482 last week according to the most recent data published by Baker Hughes, which is 20 rigs less than the same time last year, although overall US crude production edged up to 13.50 mio bpd. Meanwhile the Iranian authorities have over the past few of days, been struggling to plug an oil leak from a subsea pipeline located close to the country's all-important crude export hub on Kharg Island. There have not been any official comments as yet, on what may have caused this leak which has [reportedly](#) also led to the development of more than two oil slicks nearby.

#### **India Sees Further Expansion Of Its Petrochemical Sector.**

India's Oil Minister said over the weekend that his country expects a continuation of the boom in its chemical and petrochemical sector in the coming years due to persistent rising demand for products such as plastics and fertilizers. The Ministry of Petroleum predicts that this demand will more than triple by 2040, and as such both state and private firms are set to invest more than \$45 bio during the next 5 years in raising the country's annual domestic production of petrochemicals from 29.60 metric mio tons today to more than 46 mio tons by 2030. This means that India's overall oil demand will also expand, with the IEA expecting crude consumption there to rise by an additional 1.30 mio bpd to 6.70 mio bpd by 2030.

#### **Attempted Drone Attack On Israeli PM's Home.**

An attempted drone attack on Netanyahu's private residence near Tel Aviv this past weekend has since been described as a "grave mistake" by the Israeli Prime Minister. "The attempt by Iran's proxy Hezbollah to assassinate me and my wife today was a grave mistake. This will not deter me or the State of Israel from continuing our just war against our enemies in order to secure our future. I say to Iran and its proxies in its axis of evil: Anyone who tries to harm Israel's citizens will pay a heavy

**Glenn Wepener**

Chief Strategist

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*We will continue to eliminate the terrorists and those who dispatch them. We will continue to eliminate the terrorists and those who dispatch them. We will bring our hostages home from Gaza. And we will return our citizens who live on our northern border safely to their homes,*” Netanyahu was [quoted](#) as saying on Saturday. His comments were echoed by a former US National Security Advisor, John Bolton, who stated on ‘X’ that *“In light of this attempt on Prime Minister Netanyahu’s life, there should be no red lines on Israel’s response against the real perpetrator: Iran.”* All this comes at the same time as the Pentagon is busy investigating the [apparent](#) leak of highly classified US intelligence concerning Israel’s plans for retaliation against Iran. These documents, purportedly began circulating online last Friday after being posted on Telegram by an account called the ‘Middle East Spectator’ which is said to be located in Tehran. In a separate development, Dubai based Emirates Airlines [announced](#) over the weekend that it had extended the suspension of its flights to both Iran and Iraq until at least Wednesday this week, while flights to and from Lebanon will remain suspended until the 31<sup>st</sup> of October. Meanwhile, despite the recent death of the leader of Hamas, fighting in the Gaza Strip has continued with the group reportedly saying it was not interested in a ceasefire, although there were suggestions in the Israeli press yesterday that the head of Shin Beth has flown to Cairo for possible fresh talks on a hostage release deal.

### **China’s Coal Production Jumps.**

China’s coal production rose by 4.40% y/y to 414.46 million tonnes last month, its highest level recorded since April 2023 according to the latest official data. This rise was apparently driven by stronger steam power demand including within the country’s industrial sector, which may be perhaps a more positive signal for the outlook on the country’s still sluggish economic recovery. Domestic thermal power generation, totaled 545.1 bio kWh in September an 8.9% y/y increase. Last month, a report published by the Global Energy Monitor [claimed](#) that China now accounts for more than half of the world’s pipeline of new coal mines, which once operational will enable the country to eventually produce an additional 1.28 bio metric tonnes of coal per annum. China remains the world’s largest producer and consumer of coal despite the ongoing expansion of its renewable energy grid.

### **Egypt Raises Fuel Prices Again.**

The Egyptian government has raised domestic fuel prices by 10% to 17%, which will no doubt have an impact on inflation. The price of diesel was increased last week from EGP 11.50 to EGP 13.50 per litre and the price of the 92-octane petrol was raised to EGP 15.25 from 13.75 per litre. In a [statement](#) the authorities explained that this latest increase was made in an effort to *“reduce the gap between the selling prices of petroleum products and their high production and import costs.”*

### **India & KSA Sign MOU On Communications & Space Technology.**

India’s Telecommunications Authority signed an Memorandum of Understanding with Saudi Arabia’s Communications, Space and Technology Commission (CST) last week. This agreement was *“aimed at enhancing cooperation between the two parties through several areas of mutual collaboration. This includes the application of regulatory technology use cases and conducting joint studies in the areas of infrastructure,”* a CST statement [read](#), adding that the two countries *“also aim to exchange and transfer knowledge in the ICT sector benefiting from training programs provided by the Digital Regulations Academy and enhance cooperation in communications, space and technology to support mutual interests.”*

### **Iraq Seals Gas Deal With Turkmenistan.**

Iraq’s Ministry of Electricity has [reportedly](#) signed an agreement to import up to 20 mio cubic meters of gas per day from Turkmenistan, as Baghdad moves to find new sources of gas supplies due to growing difficulties around importing Iranian gas due in part to US sanctions.

### **Baker Hughes Wins New Contract In Angola.**

The US based energy technology firm Baker Huges, has been awarded the contract to supply Angola’s offshore Kaminho FPSO project with advanced compression solutions, according to the ‘Energy Capital Power’ news site. These solutions will eliminate routine flaring and allow for the reinjection of associated gas into nearby storage facilities.

## Kuwait Bans Use Of Cash In Vehicle Transactions.

Kuwait's Ministry of Commerce & Industry has [reportedly](#) implemented a prohibition on the use of cash in the sale of vehicles within both the wholesale and retail trade, as well as auctions and scrap yards effective immediately. According to local media outlets, this move forms a part of the government's drive to promote transparency in financial transactions and prevent money laundering.

## 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/-1	-5/-2	-9/-6	-16/-13	-23/-20	-31/-27	-60/-30
USD/SAR	3.7553/58	16/19	26/29	36/39	60/65	85/90	113/123	260/310
USD/KWD	0.30620/640	-110/-90	-220/-190	-310/-280	-520/-470	-620/-570	-690/-640	-1150/-650
USD/OMR	0.38495/500	Par/+5	3/13	6/16	20/35	40/55	65/95	100/300
USD/BHD	0.37700/705	9/12	22/27	34/44	80/95	120/140	170/200	200/550
USD/MAD	9.8400/9.8800	On request	On request	On request	On request	On Request	On Request	On request
USD/EGP NDF	48.6175	49.20/49.50	49.80/50.10	50.55/50.85	52.55/52.85	54.75/55.05	57.00/57.30	-
USD/JOD	0.7079/7084	50/150	100/300	125/325	300/600	450/950	700/1200	800/1800
USD/NGN NDF	1663.00	1635.00/1685.00	1655.00/1705.00	1680.00/1740.00	1755.00/1815.00	1830.00/1930.00	1915.00/2000.15	(NAFEX)
USD/GHS NDF	16.0750	16.05/16.35	16.10/16.40	16.20/16.70	16.55/17.05	17.00/17.60	17.50/18.10	-
USD/TND	3.0800/3.1100	On request	On request	On request	On request	On request	On request	On request
<b>Crude Oil</b>	<b>Futures</b>							
WTI	\$69.55							
Brent	\$73.45							

\*\* (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	+2/12	+10/20	+18/28	+29/39	+37/47	+41/51	+43/53	+55/65
SAR SOFR Spread	+98/108	+98/108	+99/109	+100/110	+101/111	+103/113	+105/115	+114/124

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

## AND FINALLY...

Did you know that Angola's name derives from the word 'Ngola' which was the title given to Kings of Ndongo the historical African Kingdom of the Mbundu people and founded in the late 15th Century?

**Glenn Wepener**  
Chief Strategist

**Market Insights & Strategy**

**FAB Global Markets**

Email: [Marketinsights&strategy@bankfab.com](mailto:Marketinsights&strategy@bankfab.com)

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