

Market Insights & Strategy

Global Markets

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Glenn Wepener

Chief Strategist

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REGIONAL COMMENTARY

OPEC+ Rumour & Chinese Data Weighs On Crude.

The price of Brent crude fell by 2.50% last Friday ending the session around US\$77 a barrel, and has opened this morning a further 0.80% down. This drop was driven primarily by a 'Reuters' article which quoted an unnamed OPEC+ source suggesting that the group will proceed with removing the additional voluntary output cut from next month, despite current market fragility. As a reminder, during its June gathering eight OPEC+ members agreed to increase their crude oil production by 180,000 bpd in October as part of the group's existing plan to begin unwinding the 2.2 mio bpd of voluntary cuts. OPEC+ has however also said a few times since then that this plan was dependent on the supply/demand balance in the oil market. We will have to wait and see what the group's actual final decision is, but as Libya's production has now reportedly dropped by 700,000 bpd on the back of renewed political infighting between the two rival governments in Tripoli and Benghazi, it may have given OPEC+ a small window to slowly increase crude oil production without significantly altering the amount of physical oil supplies hitting the market. Other news weighing on oil prices, was another contraction in factory activity in China the fourth such decline in a row and effectively obscuring fresh data showing that the Asian giant's crude imports actually rebounded by over 1 mio bpd in August after touching a two year low in July. Also ignored was a 'Vortexa' report which calculated that the amount of oil held in floating storage around the world fell by 14% last week to its lowest level since January 2020.

Refiner Bullish On India's Fuel & Petrochemical Demand Outlook.

The chairman of India's state-owned refiner Bharat Petroleum (BPCL) has [said](#) that the company sees fuel demand in the country rising by 4-5% per annum and the domestic consumption of petrochemicals by 7% to 8% each year for the "foreseeable future". As a result, Shri Krishnakumar stated that BPCL planned to increase its capacities during the next 5-7 years to meet this growing energy demand, adding that "this presents a strategic opportunity to expand refining capacity alongside the development of integrated petrochemical complexes."

More Than 3 Mio Barrels Lost Via Leaking Oil Pipelines In Nigeria.

Nigeria's state-run National Petroleum Corporation does not have sufficient funds to effectively replace and repair the country's aging pipeline network, according to the Minister of Petroleum Resources. *"Part of our problem is that pipelines that were traditionally transporting our crude were built in the 1960s and the 1970s, and their lifespan has been over. We have identified that even when we can produce, evacuation is a big problem,"* the minister was [quoted](#) as saying by the 'Pipeline Journal' adding that, that many of Nigeria's pipelines have far outlived their expected lifespan, making them targets for vandalism and theft. Meanwhile, the Nigerian Upstream Petroleum Regulatory Commission has [warned](#) that more than 3 mio barrels of crude oil were lost due to damaged pipelines in the first 5 months of 2024.

Israel Prepares For Major Strike Action Today.

Hundreds of thousands of Israelis demonstrated across the country yesterday against the government's handling of the war in Gaza, in the largest such protests seen since October 7th 2023. At the same time, the opposition leader Yair Lapid called for a general labour strike aimed at pressuring the government to reach a deal to release the remaining hostages still being held by Hamas. Lapid's strike call came soon after the IDF recovered the bodies of 6 hostages from Gaza, and has been supported by a number of trade unions representing various sectors, including education and manufacturing. Public anger against Netanyahu grew further after the 'Times of Israel' newspaper published an [article](#) claiming that the Prime Minister had told his Defense Minister (during a fractious cabinet meeting) that he would prioritize the maintenance of Israeli troops in the Philadelphi Corridor over saving the lives of the remaining hostages in Gaza. A general workers strike is due to take place today and will likely result in the closure of most private firms, schools, government and municipal offices as well as trigger delays at the country's airports.

New IAEA Report Says Iran Continues To Enrich Uranium.

In a new report which is yet to be officially released, the IAEA has [apparently](#) claimed that Iran continues to expand its stockpile of uranium enriched to at least 60% purity and installed hundreds of new uranium enrichment centrifuge machines. According to the nuclear watchdog, as of August 17th Iran had 164.7 kg of uranium enriched up to 60%, an increase of 22.6 kg since the IAEA's last report in May this year. The time to jump from 60% to the 90% purity level needed to manufacture a nuclear weapon is extremely short, with the Institute for Science and International Security estimating that Tehran could now make weapons grade uranium for its first 9 such weapons in less than a month. The next IAEA meeting is scheduled to take place later this month.

Bahrain Unveils New Corporate Tax.

Bahrain announced yesterday, that it plans to introduce a new 15% corporation tax on multinationals operating in the Kingdom which have global revenues exceeding US\$830 mio annually. This tax will [reportedly](#) come into effect from the beginning of 2025 and follows the ongoing OECD drive for a global minimum corporate tax, as well as a recent [decision](#) by Oman's Shura Council to approve a draft bill which potentially paves the way for the implementation of individual income tax in the Sultanate.

Egypt's NFA Position Improves Again.

Egypt's net foreign assets increased for the 3rd month in a row in July, rising by 3.30% to reach an overall EGP 644.76 bio surplus compared to a deficit of EGP 812.40 bio in the same month last year, according to the latest data published by the Central Bank. The NFA, measures the difference between the foreign assets held by the banking sector (including the CB) and the liabilities owed to non-residents.

Algeria Joins BRICS Development Bank.

Algeria has received approval to become a member of the BRICS New Development Bank, according to a statement issued by the North African country's Finance Ministry this past weekend. By joining *"this important development institution, the financial arm of the BRICS group, Algeria is taking a major step in its process of integration into the global financial system,"* the statement read. The NDB was established in 2015 as an alternative to the IMF and World Bank and aims to provide resources for key development projects in emerging countries. Its headquarters are situated in Shanghai.

KBR Seals Renewable Energy Contract In Kuwait.

The US based consulting firm KBR, has been awarded the masterplan services contract for the eventual production of 17GW of renewable energy as well as 25GW of green hydrogen in Kuwait by 2050. "We are excited to be a part of this significant national level strategy in Kuwait, as we continue to grow our presence in country. This win highlights our advisory capabilities in the development of major energy transition investments at a national level, supported by decades of successful project delivery and technology deployment in the GCC region. It is indicative of KBR's strategic commitment to Kuwait, sustainability and the energy transition," KBR's President of Sustainable Technology Solutions was quoted as saying by the 'OGV' website.

Siemens Signs MoU On Industrial Development In Egypt.

Siemens AG has signed an MoU with Egypt's General Authority for Industrial Development aimed at expanding the manufacture of low and medium voltage products in the North African country. "This MoU marks an exciting new chapter in our partnership with Egypt, as we work together to localize cutting-edge technology and drive industrial innovation. By aligning Siemens' expertise in electrification and automation, with Egypt's strategic goals, we are empowering local industries to adopt more efficient and sustainable solutions, positioning the country as a regional leader in industrial development," the CEO of Siemens Electrification & Automation division was quoted as saying by 'Zawya'.

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	3.6729/30	-3/Par	-6/-3	-8/-5	-16/-11	-24/-17	-32/-25	-40/-10
USD/SAR	3.7525/28	6/9	11/14	16/21	35/45	52/62	73/83	150/200
USD/KWD	0.30540/560	-130/-100	-190/-160	-260/-210	-420/-370	-530/-480	-600/-550	-950/-600
USD/OMR	0.38496/501	-3/+2	-2/+3	-1/+6	7/17	15/35	35/55	100/250
USD/BHD	0.37686/696	18/28	32/42	40/55	85/105	130/160	170/200	220/570
USD/MAD	9.7500/9.7900	On request	On request	On request	On request	On Request	On Request	On request
USD/EGP NDF	48.5689	48.90/49.40	49.65/50.05	50.20/50.70	51.90/52.40	53.50/54.00	55.50/56.00	-
USD/JOD	0.7077/7083	50/150	100/300	125/325	300/600	450/950	700/1200	800/1800
USD/NGN NDF	1602.85	1600.00/1650.00	1615.00/1665.00	1640.00/1740.00	1700.00/1770.00	1770.00/1870.00	1840.00/1940.00	(NAFEX)
USD/GHS NDF	15.6500	15.55/15.85	15.60/15.90	15.75/16.25	16.10/16.60	16.40/17.40	16.80/17.80	-
USD/TND	3.0400/3.0600	On request	On request	On request	On request	On request	On request	On request
Crude Oil	Futures							
WTI	\$73.25							
Brent	\$76.50							

** (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	+10/17	+16/23	+25/33	+30/37	+31/38	+33/41	+50/60
SAR SOFR Spread	+97/105	+98/108	+100/110	+102/112	+104/114	+105/115	+109/119	+118/128

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

AND FINALLY...

Did you know that South Africa is home to almost 10% of the world's known bird, fish and plant species, and 6% of its mammal and reptile species?

Glenn Wepener
Chief Strategist

Market Insights & Strategy

FAB Global Markets

Email: Marketinsights&strategy@bankfab.com

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