

Market Insights & Strategy

Global Markets

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MIDDLE EAST & AFRICAN MONITOR

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REGIONAL COMMENTARY

Crude Prices Cling Onto Recent Gains.

Crude prices have begun this week clinging onto most of their recent gains after rebounding off those multi-year lows recorded earlier this month, driven by the FED rate cut, heightened tensions in the Middle East and some short-covering. Brent was trading at US\$74.30 at the time of writing this morning with near term technical resistance seen at US\$75.25 and support at US\$71.20. As mentioned in our previous commentary we still feel that the recent unusually strong bearish sentiment in the oil market is not fully justified by fundamentals.

US Oil Production Slips Again.

According to the latest data published by the EIA, crude oil production in the US has slipped to 13.20 mio bpd, while the number of active US oil rigs totaled 488 in the week ending September 13th compared to 507 during the same period last year. One of the reasons for the dip in crude output was the impact of hurricane Francine, but we continue to believe that US production had already peaked for this year. Meanwhile, overall US commercial crude inventories fell by 1.60 mio barrels with stocks in the Midwest dropping to their lowest level recorded since December 2014. Across in Europe despite reports of thin margins for refiners there, European diesel and gasoil imports are expected to average 1.36 mio bpd this month, the highest level seen since April last year according to estimates published by Kpler.

Insurance Cost For Vessels Using The Red Sea Doubles.

The cost of risk insurance for ships transiting the Red Sea have reportedly more than doubled since the beginning of this month, rising to 2% of the overall value of the vessel compared to 0.70% at the end of August. “Currently, we are seeing premiums as high as 2% on vessel value for a single Red Sea transit amid fluctuating insurer appetite,” one UK broker was [quoted](#) as saying recently by the ‘gcaptain’ website. A number of smaller insurance companies have also apparently stopped providing Red Sea war risk cover for the time being. Meanwhile, according to the UKMTO a merchant ship is believed to have been unsuccessfully targeted by a sea drone launched from Yemen last Friday, marking the first such event in the area after an 18-day lull. This

Glenn Wepener

Chief Strategist

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apparent resumption of attacks, follows the successful towing operation of the Greek-registered oil tanker MT SOUNION, which was badly damaged by missiles and drones fired by Houthi militants last month. This vessel has been towed to a safe area off the coast of Eritrea but is still reportedly on fire.

Hezbollah Will “Get The Message” – Israeli PM.

Israel's Prime Minister has warned that military strikes against Hezbollah targets would continue until the militant group stopped firing missiles into Israel and withdrew back behind the formal 'ceasefire' line in southern Lebanon which was originally agreed to following UN resolution 1701 back in 2006. *“Over the past few days we hit Hezbollah with a string of strikes that it didn't imagine, If Hezbollah didn't get the message, I promise you, it will get the message. We are determined to return our displaced northern residents safely to their homes. No country can tolerate rocket fire at its residents, rocket fire at its cities,”* Netanyahu was quoted as saying by the 'Times of Israel' newspaper yesterday, adding that *“the State of Israel cannot tolerate it either.”* His comments were echoed by the country's Defence Minister, Yoav Gallant, who stated last night that *“Hezbollah has begun to feel some of the capabilities of the Israel Defense Force and we are seeing the results. These moves will continue until we reach a situation where we safely return the residents of the north to their homes. This is the goal, this is the mission, and we will do everything necessary to meet it.”* Meanwhile, tens of thousands of people demonstrated in Tel Aviv and other major cities across Israel on this past weekend, calling on the government to reach a ceasefire deal in Gaza to enable the release of the estimated 97 hostages still being held by Hamas. Such protests have been taking place in Israel every Saturday since late 2023.

Iran Threatens To Retaliate Against Israel For Pager Attacks.

Late last week the head of Iran's Revolutionary Guard Corps warned, that his country and its allies planned to punish Israel for the recent pager attacks against Hezbollah in Lebanon. *“Such terrorist acts, that are undoubtedly due to the desperation and successive failures of the Zionist regime, will soon be met with a crushing response from the resistance front,”* Hossein Salami was [quoted](#) as saying last Thursday. Meanwhile, Iranian state media outlets claimed yesterday that 12 people in six of the country's provinces had been arrested and accused of collaborating with Iran's enemies. *“As the Zionist regime and their Western backers, most notably the United States, have not succeeded in their sinister goals against the people of Gaza and Lebanon, they are now seeking to spread the crisis to Iran with a series of actions planned against our country's security,”* an IRGC statement [read](#).

More International Energy Firms Eye Opportunities In Namibia.

Norway's BW Energy has [said](#) that its preparing to drill multiple exploration wells over the next two years to assess the potential resource upside of its gas-rich acreage in Namibia's Orange basin. The southern African nation has become one of the world's new hotspots in terms of conventional energy reserves with TotalEnergies and Shell already actively exploring and developing the country's recently discovered offshore oil reserves. Exxon Mobil, Chevron, Eni and BP are also reportedly looking to grow their presence there.

Egypt Close To Selling Remaining Stake In ALEXBANK.

The Egyptian government is [reportedly](#) close to finalizing the sale of its remaining 20% stake in ALEXBANK to Italy's Intesa Sanpaolo SpA which already holds a majority stake in the same entity. Meanwhile, the United States Agency for International Development has agreed to provide fresh financial support to Egypt's education sector, aimed specifically at providing advanced laboratory equipment to 9 STEM schools and the upgrading of 80 technical education schools across the North African country.

Saudi Arabia's Tourism Boom Continues.

Saudi Arabia welcomed almost 17.50 mio international visitors during the first 7 months of this year, a 73% rise compared to the same period in 2019 and thus the Kingdom has become the best performer amongst G20 nations in 2024, according to the UNWTO's world tourism [barometer](#).

Conser Wins New Contract In Oman.

MAIRE's NEXTCHEM subsidiary CONSER has [reportedly](#) been awarded a contract covering the technology licensing, process design package and catalyst supply for a 50,000 ton per year Maleic Anhydride plant to be located in Oman's Salalah Free Zone.

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	-6/-3	-8/-5	-16/-11	-22/-17	-30/-25	-45/-20
USD/SAR	3.7523/26	10/13	19/24	24/29	47/52	67/72	89/94	240/270
USD/KWD	0.30510/530	-95/-65	-160/-130	-190/-160	-320/-270	-425/-375	-700/-450	-850/-500
USD/OMR	0.38498/503	-6/-1	-4/+2	-3/+7	05/20	15/40	35/65	100/250
USD/BHD	0.37678/688	15/20	32/42	45/55	85/105	130/150	170/200	220/570
USD/MAD	9.6600/9.6900	On request	On request	On request	On request	On Request	On Request	On request
USD/EGP NDF	48.5779	49.20/49.60	49.80/50.30	50.45/50.95	52.5/52.95	54.45/54.95	56.45/56.95	-
USD/JOD	0.7079/7084	50/150	100/300	125/325	300/600	450/950	700/1200	800/1800
USD/NGN NDF	1611.97	1615.00/1665.00	1655.00/1705.00	1670.00/1740.00	1745.00/1815.00	1825.00/1925.00	1875.00/1975.00	(NAFEX)
USD/GHS NDF	15.7200	15.65/15.95	15.75/16.05	15.90/16.40	16.30/16.80	16.75/17.75	17.35/18.35	-
USD/TND	3.0100/3.0400	On request	On request	On request	On request	On request	On request	On request
Crude Oil	Futures							
WTI	\$71.10							
Brent	\$74.30							

** (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	+26/36	+32/42	+36/46	+38/48	+51/61
SAR SOFR Spread	+100/110	+101/111	+103/113	+105/115	+107/117	+109/119	+111/121	+120/130

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

AND FINALLY...

Did you know that Namibia is home to the world's oldest desert?

Glenn Wepener
 Chief Strategist

Market Insights & Strategy

FAB Global Markets

Email: Marketinsights&strategy@bankfab.com

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