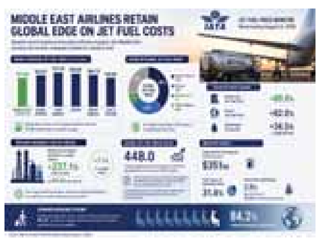
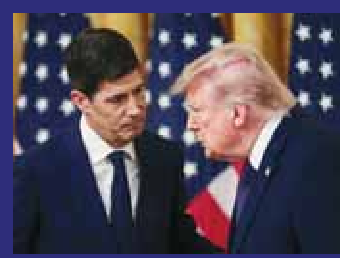


AVIATION SPECIAL | Page 4

Middle East maintains lowest global jet fuel price despite 80% annual rise, says IATA

Thursday, August 27, 2026
Rabia I 14, 1448 AH

GULF TIMES BUSINESS



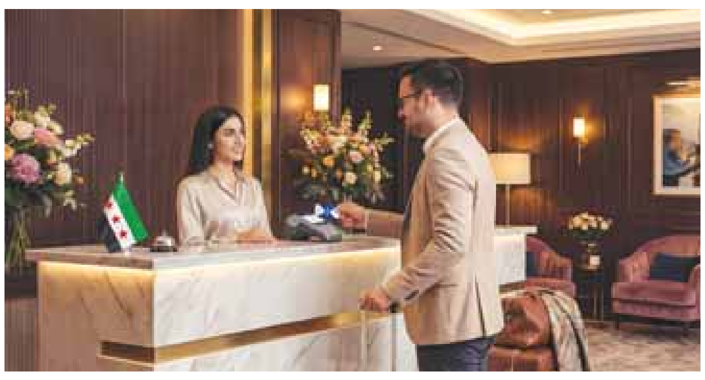
MARKET CONFUSION: Page 3

Anxious investors hope for clarity on Warsh's Fed plan at Jackson Hole

QNB and Mastercard enable 1st international card payment in Syria

QNB Group has announced the successful completion of the first end-to-end international card payment transaction in Syria, marking an important step in the development of the country's digital payments infrastructure.

The achievement follows QNB Group's earlier introduction of international card acceptance capabilities in Syria and completes the full payment cycle, from a Mastercard credit card being used at a point-of-sale terminal and securely authorised, through to the merchant receiving the funds through the banking system.



The new capability enables eligible merchants in Syria, including hotels, restaurants, and government entities, to accept international Mastercard credit card payments through QNB point-of-sale terminals.

The new capability enables eligible merchants in Syria, including hotels, restaurants, and government entities, to accept international Mastercard credit card payments through QNB point-of-sale terminals. This provides international cardholders with greater payment convenience while giving local merchants access to secure international payment acceptance capabilities.

Yousef Mahmoud al-Neama, Group Chief Business officer at QNB Group, said: "The successful completion of the first international card transaction represents an important step in the development of Syria's payments landscape.

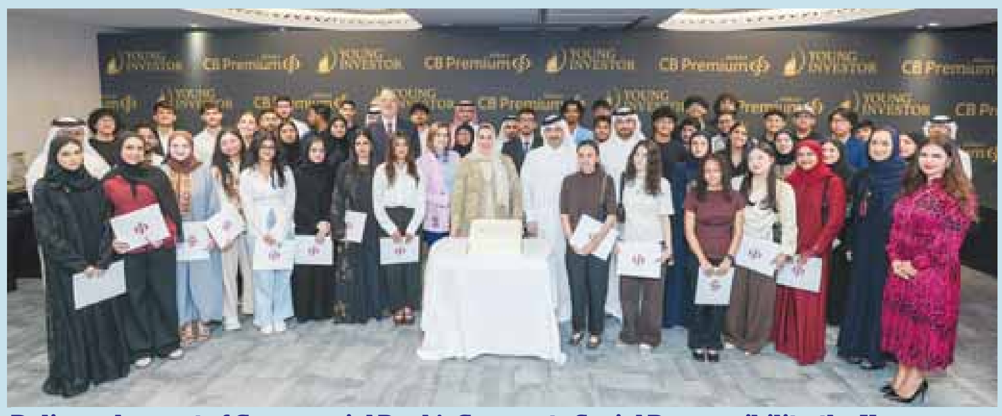
"By connecting merchants to international payment capabilities, we are enabling businesses to offer customers greater choice and convenience while supporting the transition towards a more modern and secure digital payments ecosystem. This achievement also reflects the Group's continued commitment to payment innovation and digital transformation across the markets in which it operates."

The transaction represents the first fully operational implementation of its kind in Syria, delivering on QNB's commitment to support the Central Bank of Syria in advancing the modernisation of the country's payments infrastructure.

QNB Group, QNB Syria, and Mastercard worked closely to implement the solution in line with applicable regulatory requirements and international standards for payment security and operational resilience.

"At Mastercard, we are committed to working with the Central Bank of Syria and key ecosystem stakeholders to support the modernisation of the country's payment infrastructure and broaden access to secure digital payments. The first transaction represents a landmark moment in that journey. Together with QNB Syria, we are helping advance payment acceptance across the market," said Adam Jones, Division president for West Arabia at Mastercard.

QNB Syria will adopt a phased rollout, progressively onboarding eligible merchants and expanding payment acceptance capabilities, subject to applicable regulatory requirements and approvals.



Delivered as part of Commercial Bank's Corporate Social Responsibility, the Young Investors Programme aims to strengthen financial literacy among young people by providing practical knowledge of financial concepts, investment principles and responsible decision-making

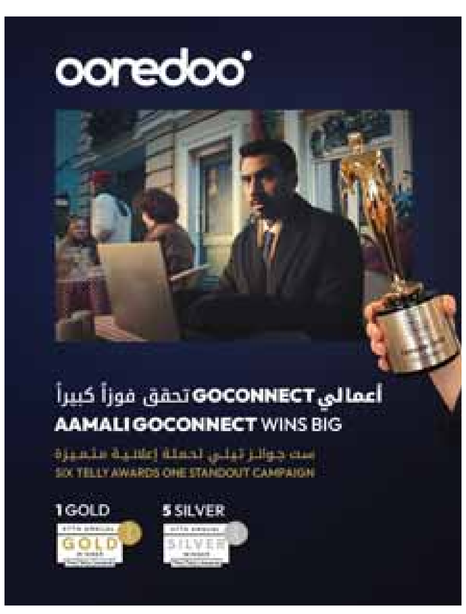
Commercial Bank's Young Investors Programme bolsters financial literacy

Commercial Bank recently concluded the fourth edition of its Young Investors Programme 2026 with a closing ceremony held at Commercial Bank Plaza.
The event brought together participants aged 18 to 25 alongside their parents to recognise their achievements throughout the programme.
Delivered as part of Commercial Bank's Corporate Social Responsibility, the Young Investors Programme aims to strengthen financial literacy among young people by providing practical knowledge of financial concepts, investment principles and responsible decision-making. The initiative supports the Human Development Pillar of Qatar National Vision 2030 by investing in the knowledge and capabilities of future generations.
The programme featured expert-led sessions delivered by Commercial Bank specialists and Dr Mohamed al-Gammal, Finance professor and head of Pre-Incubation, Qatar University, complemented by two practical trading simulations.
In collaboration with the Qatar Stock Exchange (QSE), participants completed a local-market simulation using QSE trading systems. The bank also conducted a separate international-market simulation through Commercial Bank's CB Alpha Trader platform.
The simulations enabled participants to apply their knowledge, test their investment strategies, and develop their decision-making skills in realistic market scenarios. Three winners from each simulation were selected based on the highest trading profits achieved.
During the closing ceremony, all participants received certificates of completion, while the six simulation winners were recognised for their performance.
Stephen Moss, GCEO of Commercial Bank, said: "Through the Young Investors Programme, we support participants to connect financial knowledge with practical market experience, enabling them to build the confidence and judgement required to make informed investment decisions. We greatly value our continuing collaboration with the Qatar Stock Exchange in delivering this programme.
"The ambition and passion again shown by this year's participants, together with their positive feedback, is testament to the quality of the programme. I sincerely thank all those who worked so hard on the curation and delivery of this programme."
Since its launch in 2023, the Young Investors Programme has graduated approximately 200 participants. Around 30% of its graduates have subsequently joined Commercial Bank or pursued careers in the financial services sector, reflecting the programme's lasting contribution to financial education and professional development.

Ooredoo's Aamali GoConnect campaign secures 6 international Telly Awards

Ooredoo has received international recognition for the creative advertisement developed for its Aamali GoConnect campaign, winning one Gold Award and five Silver Awards at the 47th Annual Telly Awards.
The award-winning campaign showcases how Aamali GoConnect enables secure, seamless, and reliable global connectivity for business customers through eSIM-enabled solutions. Designed for today's mobile workforce, it helps eliminate the risks associated with public networks while ensuring uninterrupted business operations worldwide.
Hassan Ismail al-Emadi, Chief Business officer at Ooredoo Qatar, said: "This international recognition reflects our commitment to combining innovative business solutions with world-class creative storytelling. Aamali GoConnect was designed to provide secure, seamless global connectivity, empowering organisations to operate with confidence wherever business takes them, and we are proud to see this vision recognised on the global stage."

The award winning campaign showcases how Aamali GoConnect enables secure, seamless, and reliable global connectivity for business customers through eSIM-enabled solutions



'Japan to support alternative Mideast oil pipelines'

AFP
Tokyo

Japan plans to provide support for alternative pipelines in the Middle East as it seeks to improve energy security in the wake of the Iran war, local media reported Wednesday.
Before the conflict began in February, the world's fourth-biggest economy was heavily reliant on oil imports passing through the now-strangled Strait of Hormuz.
The Nikkei daily reported that Japan will assist initiatives by Saudi Arabia and other countries to expand and build new routes for crude which bypass the waterway.
Japan has already tapped its oil reserves to help cope with supply problems and increased crude imports from other countries including the US.
Other measures to be decided by a government meeting later Wednesday include an initiative for a special crude oil reserve to produce naphtha, broadcaster NHK reported.
Naphtha is an oil by-product used in a wide range of industries.
The government is also expected to call "for maximizing the use of nuclear power", NHK said, and provide support for next-generation perovskite solar cells.
Partly to meet a projected increase in power demand from AI, Japan has already been moving to revive its nuclear power sector, 15 years after the Fukushima disaster.

Qatar Chamber acting general manager Ali Saeed Bu Sherbak al-Mansouri met with a delegation from the Ministry of Social Development and Family comprising Buthaina al-Obaidli, director of the Family Empowerment Department; Ghada al-Emadi, head of the Empowerment Section; and Fatima al-Mohannadi, Social Service Programmes coordinator.

Qatar Chamber says committed to supporting home-based businesses

Qatar Chamber acting general manager Ali Saeed Bu Sherbak al-Mansouri met with a delegation from the Ministry of Social Development and Family at the chamber's headquarters yesterday.

The delegation comprised Buthaina al-Obaidli, director of the Family Empowerment Department; Ghada al-Emadi, head of the Empowerment Section; and Fatima al-Mohannadi, Social Service Programmes coordinator.

The meeting, which was also attended by Hussain al-Abdulghani, director of the Finance and Administrative Department, and Fatima al-Kuwari, head of the Training and Development Department, discussed joint initiatives to empower productive families through training programmes organised by Qatar Chamber, and the possibility of signing a Memorandum of Understanding (MoU) to strengthen cooperation in training and capacity building.

Al-Mansouri affirmed Qatar Chamber's commitment to supporting and empowering productive families and home-based businesses, as part of its role in supporting the private sector, promoting entrepreneurship, and creating new opportunities for economic engagement.

He noted that many home-based businesses have developed competitive products and services, stressing the importance of creating an enabling environment that helps them grow, achieve sustainability, and gradually transition into small and medium-sized enterprises capable of expanding their businesses.

Al-Mansouri highlighted the importance of training and capacity building in areas including project management, marketing and digital marketing, pricing, customer service, and product development.

He welcomed cooperation with the Ministry of Social Development and Family, represented by the Family Empowerment Department, to develop joint programmes and initiatives that would enhance the capabilities of productive families and help transform their ideas and skills into successful and sustainable businesses.

BUSINESS

Saudi diversification drive on display in France as US reach shows limits

AFP
Paris

Saudi investment in France reflects the fast-growing rapprochement between Paris and Riyadh as power dynamics are reshaped across the Middle East, with the kingdom seeking to diversify its partnerships without jeopardising its strategic alliance with the US.

The visit to Paris by Saudi Arabia's Crown Prince Mohammed bin Salman, provided the occasion on Monday to announce 21 agreements and memorandums of understanding between the two countries.

They spanned sectors from defence and health to artificial intelligence, emerging technologies and entertainment, crowned by a €6bn ($7b) investment to create three theme parks in the Paris suburbs.

The on-again, off-again war launched in February by the US and Israel against Iran, which has reverberated across the Middle East.

The war "has accelerated Saudi Arabia's need to diversify its partnerships because the prevailing feeling in the region is that the US contribution to the protection and defence of Gulf countries will never again be at the same level", said Yasmine Farouk, Gulf and Arabian Peninsula project director at the International Crisis Group.

"What Saudi Arabia is looking for is a powerful partner capable of distancing itself from the US on certain issues without breaking ties with it," she added.

Investment in France fits "directly into the continuity of Vision 2030", the sweeping reform programme launched by Prince Mohammed in 2016 to diversify Saudi Arabia's oil-dependent economy, said Camille Lons, deputy head of the Paris office of the European Council on Foreign Relations.

Saudi security expert Hesham al-Ghannam told AFP that investments such as the amusement park projects, including one expected to be manga-themed, "represent a core pillar" of Vision 2030 by diversifying the economy beyond oil while projecting "a confident modern national image".

Beyond investment, the goal is also to strengthen the defence partnership.

"For the Saudis, France is an important and useful power," said Lons. "It is a nuclear power. It is a permanent member of the UN Security Council. That is not insignificant."

Paris has been eyeing closer ties with Riyadh for years, she said, as France seeks to adjust its Gulf policy by "not putting all its eggs in one basket."

Until recently, "Paris struggled to deepen this partnership with Riyadh", she said, but the Iran war has acted as a catalyst.

Prince Mohammed's visit itself underscored the importance both sides attach to the relationship. Paris noted it was the crown prince's first such foreign trip in almost a year.

It also sparked protests in France and questions over entrusting megaprojects to Riyadh. French President Emmanuel Macron's office responded, "At no point, when we attract a project, do we seek to lecture others".

Washington remains indispensable, Farouk said, but Paris and Riyadh are betting on a partnership "capable of filling, here and there, the gaps left by American disengagement, while relying on what remains of the US role".

The strengthening Franco-Saudi partnership will depend on France's ability to shoulder "greater political costs and risks in the region, particularly on the Palestinian and Iranian files, to offer a genuine strategic alternative to the US on specific issues in both cases", Farouk added.

France showed its value last year in mobilising support for international recognition of a Palestinian state, "something the Americans did not want to offer Saudi Arabia", she said.

But Paris now must put words into action at a time when the creation of a Palestinian state appears increasingly remote.

"The Americans are present on the ground. They are paying a political and military price," Farouk said. "The Europeans, including France, also need to get their hands dirty."

"The risk has to be shared," she added, as France faces criticism for not imposing tougher economic sanctions on Israel in response, notably, to violence by settlers against Palestinians in the occupied West Bank.

For now, Paris and Riyadh have stressed their desire to coordinate more closely on Lebanon, Syria and Middle East security, while reaffirming their support for the Lebanese armed forces.

Vessels in the Strait of Hormuz are visible near the beach of Bandar Abbas, Iran. Tehran announced on Sunday a blacklist of 45 ships it said had broken its rules for crossing the Strait of Hormuz, and would take action against any vessels transferring loads with them, escalating its threats over the key waterway for global energy supplies six months into the US-Israeli war on Iran.

Some oil companies said to avoid ships on Iran blacklist

Reuters
New Delhi/Singapore

At least three Indian oil refiners and a global energy major plan to stop using vessels on Iran's new blacklist, including for ship-to-ship transfers, due to security concerns, four sources with direct knowledge of the matter said this week.

Tehran announced on Sunday a blacklist of 45 ships it said had broken its rules for crossing the Strait of Hormuz, and would take action against any vessels transferring loads with them, escalating its threats over the key waterway for global energy supplies six months into the US-Israeli war on Iran.

Iran's announcement appears designed to impede the so-called shuttle runs Gulf oil producers have undertaken with dedicated tankers to move oil from the Gulf through Hormuz for unloading through STS transfers in the Gulf of Oman onto ships to end-users.

The shuttle runs have kept alive oil flows from the Middle East that have been curtailed by Iran's clampdown on shipping through the strait because of the war.

The named vessels could be fined, detained and have their cargoes confiscated, according to a post on social media website X from a new body set up by Iran to manage the strait.

"We will avoid our chartered vessels dealing or STS or anything to do with non-compliant ships for Middle Eastern cargoes," said one of the sources, who works at an Indian refinery.

The sources declined to be identified because of the sensitivity of the issue.

Some of the tankers Iran listed are owned or chartered by Saudi Aramco and Abu Dhabi National Oil Co (ADNOC). The ships have been used for shuttling crude, refined products and liquefied natural gas (LNG) out of the Gulf for STS transfer off Fujairah in the UAE or Sohar, Oman, according to shipping data.

Saudi Aramco and ADNOC declined to comment.

Ana Subasic, a trade risk analyst at shiptracking firm Kpler, said the most compliance-sensitive buyers are expected to avoid these vessels moving forward, but the trade is more likely to reroute through alternative tonnage, counterparties or transfer locations than disappear altogether.

Several charterers and shipping firms are discussing internally whether to continue their STS operations or not and are evaluating Iran's warning, multiple other trade and shipping sources said, with one of them, a Gulf crude buyer, saying it would be safer to buy oil on a delivered basis shipped to a final destination instead of free-on-board at STS locations in the Gulf of Oman.

Those sources also declined to be identified because of the sensitivity of the matter.

"Our internal departments are still in discussion on how to proceed with crude deliveries from the Strait of Hormuz via ship-to-ship transfers in the long term," said Formosa Petrochemical Corp President KY Lin.

Iran has previously attacked several of the tankers, including the Wedyan, Mombasa B and Al Bahyah. Two of the 12 very large crude carriers on Iran's blacklist were no longer giving their location through their automatic identification systems (AIS) by Tuesday after the list was released, while the rest have had their AIS transponders switched off for weeks.

"The key issue is contagion," Kpler's Subasic said.

"If Iran follows through on threats to penalize vessels that conduct STS transfers with blacklisted tankers, that should narrow the pool of willing shipowners, charterers and buyers, particularly among firms with material Gulf exposure, while increasing due-diligence requirements and potentially freight, insurance and risk premia."

Aramco offers more oil outside Hormuz with some cargoes heading to China

Reuters
Singapore

Saudi Aramco has offered more oil for loading outside the Strait of Hormuz in September, four sources with knowledge of the matter said on Wednesday, after the producer sold at least 4mn barrels to China this month.

Shipping data indicates that Aramco has resorted to shuttling cargoes aboard tankers with their trackers switched off to evade attacks during transit through the strait, which was used by a fifth of the world's oil and gas before the US-Iran war broke out on February 28.

Aramco has declined to comment.

Aramco has started a sales process for Arab Medium and Arab Heavy crude with Asian buyers for a second consecutive week, with cargoes offered via ship-to-ship (STS) transfers off Fujairah in the United Arab Emirates or Sohar in Oman, both outside the strait, the sources said. Bids are due by Wednesday, one of the sources said.

The offers come after two supertankers carrying 4mn barrels of Saudi crude were bound for China after loading the cargoes via STS transfers off Sohar, shipping data from Vortexa and Kpler showed.

Very large crude carrier Singapore Prosperity transferred its Saudi crude cargo around August 22 to the VLCC Xin Hui Yang, which is expected to arrive at eastern Chinese Ningbo port on September 15, the data showed.

On Tuesday, VLCC Algeria Prosperity transferred its cargo to the VLCC Xin Han Yang, which is expected to arrive at the Zhanjiang port in southern China on September 12. Both cargoes are to be delivered to the world's largest refiner Sinopec, according to Vortexa.

Sinopec did not immediately respond to requests for comment.

Aramco also sold at least 4mn barrels of the heavier grades to PetroChina and Sinochem last week after resuming oil loading at the Ras Tanura port earlier in August.

Aramco sold at least 4mn barrels of the heavier grades to PetroChina and Sinochem last week after resuming oil loading at the Ras Tanura port earlier in August.

ADNOC, KPC lease supertankers this week to ship oil to Asia

Abu Dhabi National Oil Co (ADNOC) and Kuwait Petroleum Corp (KPC) have provisionally chartered four supertankers this week to load oil at Fujairah in the United Arab Emirates bound for Asia, according to trade sources and shipping data, reports Reuters.

ADNOC chartered three very large crude carriers to load oil this week while KPC has fixed at least one VLCC which will load in early September with the option to head east or west, data from commodities analytics firm Kpler and a shipbroker showed.

Each VLCC is capable of carrying 2mn barrels of oil. ADNOC and KPC did not respond to Reuters requests for immediate comment.

The trade sources said the leased supertankers were expected to handle cargoes originating from inside the Gulf.

Tehran on Sunday announced a blacklist of 45 ships it accused of breaking its rules in crossing the Strait of Hormuz.

Several oil companies plan to stop using ships on Iran's list, including for ship-to-ship transfers, due to security concerns.

World braces for impact as Trump's Canada tariff stand-off escalates

By Jamie McGeever
Orlando, Florida

The resurgent trade spat between US President Donald Trump and Canadian Prime Minister Mark Carney comes at a delicate juncture for both North American countries — and the global economy.

Missteps between the neighboring G7 nations could have wide-ranging economic impacts.

The Trump administration imposed 50% tariffs on an array of Canadian goods on Saturday after bilateral talks collapsed on Friday. These levies might appear modest on the surface, applying to only 5.5% of Canada's exports to America, goods worth around $20bn.

All else being equal, this will raise the US effective tariff rate on Canadian exports to 6.9% from 5.1%, according to Oxford Economics. Ultimately, this is small stuff. But the potential for escalation and damaging spillover is large.

Canada is America's second-largest single trading partner — coming in ahead of China — with total trade between the two hitting $715bn last year, according to the US Census Bureau. Canada also hoovered up more US goods and services than any other country last year.

Both sides already appear to be digging in. Carney has vowed dollar-for-dollar retaliation, and Trump said on Monday that 50% tariffs on Canadian cars, trucks and automotive parts will come into effect on January 1, if no deal is reached.

A protracted spat could inflict heavy damage on Canada's economy, potentially even triggering a recession. US consumers and companies, meanwhile, could also suffer — whether in the form of tariff costs themselves, lost exports, or higher inflation.

But the bigger risk for the world economy is the possible regional impact.

Trump's fight with Canada could signal the demise of America's biggest trade agreement: the US-Mexico-Canada Agreement (USMCA).

As a reminder, Mexico is America's largest trading partner, with total goods trade between the two reaching $872bn last year. USMCA, the revised version of 1994's North American Free Trade Agreement (NAFTA) has been in place for six years but is under serious threat. Trump opted on July 1 not to renew it, subjecting it to annual reviews, although talks are continuing.

Unless the three countries agree on fresh revisions, the pact will gradually be wound down and is most likely to be replaced by bilateral agreements, adding yet more uncertainty and complexity to the future of transshipment, investment, and product sourcing in this critical supply chain.

A protracted spat could inflict heavy damage on Canada's economy, potentially even triggering a recession. US consumers and companies, meanwhile, could also suffer, whether in the form of tariff costs themselves, lost exports, or higher inflation

Trump's statements surrounding the USMCA renewal don't exactly inspire confidence. "I don't care. I mean, I don't really want to. I'd rather be independent. Here's the thing: Mexico and Canada need us. We don't need them. The deal is important for them. It's not important for us," Trump told Fox News on July 28.

True, the last 17 months have shown that Trump often climbs down from his initial threats, and the unraveling of USMCA would threaten US producers, making him unlikely to junk it altogether. But the resurgence in US-Canada tensions raises the likelihood of that eventuality. This could ultimately lead to job losses, more expensive goods, higher inflation, more cumbersome supply chains, and greater investment uncertainty.

The US-Canada spat could also send a message to other US trade partners.

While Carney has come out fighting and is seemingly prepared to defend Canada's strategic autonomy at the expense of increased trade friction, Mexican President Claudia Sheinbaum has taken the opposite path, choosing less friction with Trump in return for what she hopes will be greater access to the US for Mexican companies.

It's not clear yet which approach — if any — will pay off, but other countries will be watching. If Carney is successful in pushing back on Trump's aggressive tactics, this might further blunt the president's already reduced tariff power.

The Supreme Court in February struck down Trump's sweeping tariffs, forcing the administration to apply import duties under alternative legal justifications. On the other hand, with Trump's approval ratings at record-low levels ahead of the US midterm elections in November — and no signs of any breakthrough in the Iran war quagmire — the US president may seek to make a splash on the international stage to highlight America's global might. This could lead him to stick to his guns and call Carney's bluff, because Canada is the more vulnerable party here.

While that might make Sheinbaum's approach look smarter, if the ultimate result is a heavily weakened USMCA, then everyone could end up losing.

This latest flare-up comes at a difficult time globally. Yields on long-dated bonds are near multi-decade highs across the developed world, the US-Iran war is reaching its six-month mark, energy supply routes remain choked, and inflation is still uncomfortably high in many countries.

That's not a good environment for one of the world's largest and most critical supply chains to come under threat.

■ *The opinions expressed here are those of the author, a columnist for Reuters.*

Anxious investors hope for clarity on Warsh's Fed plan at Jackson Hole

Reuters
New York/Toronto

Investors this week will watch the annual Jackson Hole symposium for clues on how policymakers plan to navigate a landscape in which higher Treasury yields could do some of the tightening work for them.

The central bank has often used the Wyoming gathering, hosted by the US Federal Reserve Bank of Kansas City, to flag its expectations for rate policy, but few investors expect President Trump's new Chair Kevin Warsh to honor that tradition in his debut speech on Friday.

He has abandoned the forward guidance investors were long accustomed to, contending traders and portfolio managers should scrutinize market signals instead. That has left the market in the dark.

Investors say Warsh has also sown market confusion and stoked doubts about his credibility on inflation in part by hinting at last month's policy meeting that rising yields, by tightening monetary conditions, could reduce pressure on the Fed to hike rates even as rising prices remain well above its 2% target.

They hope the Fed chair will use his speech to fully explain his roadmap for returning inflation to the Fed's target and what he sees as the bond market's role in that strategy.

"This lack of direction can be frustrating," said Robert Gill, a portfolio manager at Fairbank Investment Management in Toronto. "It is causing uncertainty and contributing to higher long-term bond yields, and this is an outcome that he seems to be designing."

The picture has been complicated further by the Treasury Department's interventionist pivot after this month's selloff in long-dated Treasury bonds — fueled in part by fears over swelling sovereign debt and an expected rise in issuance — drove yields to near two-decade highs.

In a surprise move, the Treasury subsequently doubled buybacks on long-dated bonds, an operation Secretary Scott Bessent said aimed to supply liquidity but which investors widely saw as an effort to tamp down yields. The relief was short-lived.

While investors do not expect Warsh to comment directly on the Treasury's debt management policy, the combination of its increased buybacks and elevated term premia, the extra compensation investors demand for holding long-term bonds, highlights a growing challenge for the Fed which investors hope he will address.

In particular, they want Warsh to more strongly commit to the 2% inflation target as measured by the annual change in the price index for personal consumption expenditures, and to clearly explain how the Fed plans to respond if inflation continues to run above target.

"Are they going to give it a year, or are you going to try to get it in compliance in six months?" said Vishal Khanduja, head of the Broad Markets Fixed Income team at Morgan Stanley Investment Management in Boston. Underscoring that uncertainty, the market is pricing in a growing chance of a hike, despite falling payrolls and slowing price rises suggesting the economy is in no immediate danger of overheating.

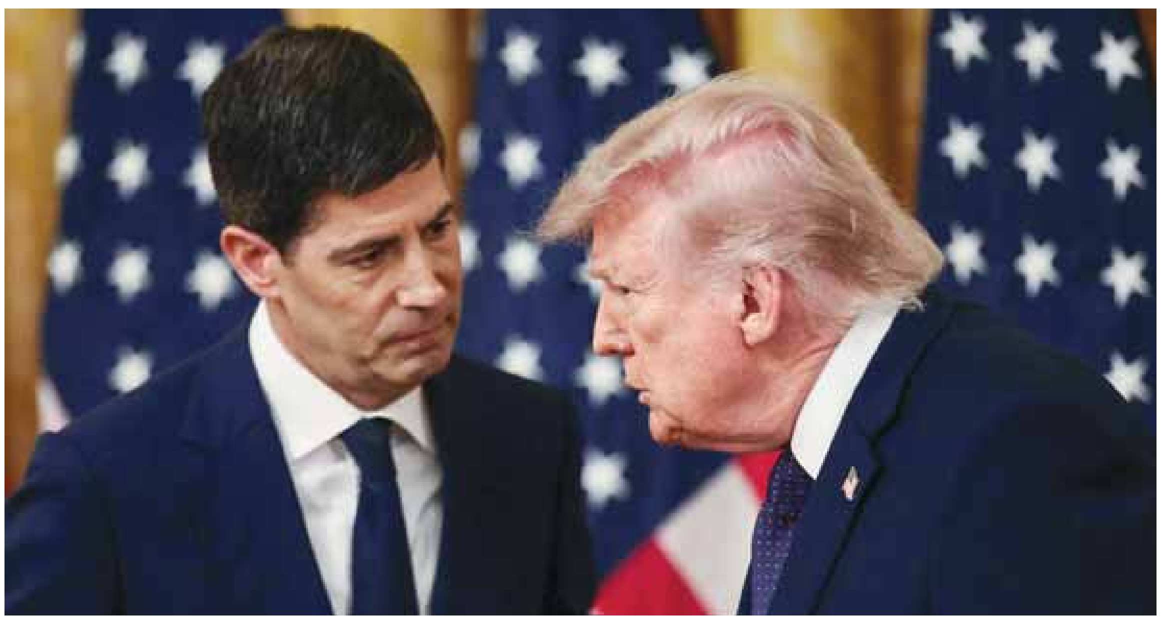
US rate futures are pricing in a 40% chance of a rate hike next month, up from 33% a week ago, according to the CME's FedWatch. "It makes little sense to keep markets in the dark," said Royce Mendes, head of macro strategy at Desjardins in Toronto.

Some investors share Warsh's stance on the bond market.

George Catrambone, head of fixed income Americas at DWS in New York, argued that the bond market has already tightened financial conditions substantially, reducing the need for policymakers to do so through rate increases.

Since Warsh took the helm in May, the benchmark US 10-year yield has climbed 8 basis points, while the 30-year bond yield has advanced 10 basis points.

Yet long-term yields are being driven not only by inflation fears and related expectations for policy rates, but also by Treasury supply dynamics and investor demand.


US President Donald Trump speaks with new Federal Reserve Chair Kevin Warsh on the day of his swearing in ceremony, in the East Room of the White House in Washington, DC, on May 22. Investors say Warsh has sown market confusion and stoked doubts about his credibility on inflation in part by hinting at last month's policy meeting that rising yields, by tightening monetary conditions, could reduce pressure on the Fed to hike rates even as rising prices remain well above its 2% target.

US inflation remains sticky in July; Q2 GDP unrevised at 1.5%

Reuters
Washington

Annual US inflation unexpectedly held steady in July well above the Federal Reserve's 2% target for the 65th straight month, and the pause in the decline from a recent Iran-war induced peak is likely to add to the central bank's tense debate over whether interest rates should be lifted or held steady.

The Personal Consumption Expenditures Price Index increased 3.7% in the 12 months through July unchanged from June, the Commerce Department's Bureau of Economic Analysis said on Wednesday. Economists polled by Reuters had forecast a reading for PCE, which the Fed uses to set its target, of 3.6%.

Also on Wednesday, BEA updated data for economic growth for the second quarter, leaving unchanged its estimate of annualized gross domestic product growth at 1.5%.

PCE shot to a three-year high of 4.1% in May in rapid fashion after President Donald Trump in late February launched air strikes along with Israel against Iran, sending energy prices spiraling upward as the conflict shut in roughly a fifth of global oil supplies.

Six months later, the conflict appears no closer to a final resolution, though the exchange of fire has diminished and oil prices and the wider inflation wave they instigated have retreated from their mid-spring highs.

The fall back in inflation in the last two months has helped buoy the arguments of the majority of Federal Open Market Committee members who voted to leave rates unchanged in July in the range of 3.50% to 3.75%, where they have been since December.

But the sluggish pace of improvement is unlikely to mollify a growing minority of officials who argue tighter policy is needed given inflation has been above target since February 2021 and will not get there without further restraint.

Inflation as measured by PCE peaked at 7.2% in June 2022, and the steepest Fed rate increases since the 1980s helped put it on a path back toward 2%. That trajectory changed last year after Trump unleashed a wave of import tariffs on his return to the White House, sending a wide range of goods prices higher, with the Iran war exacerbating those pressures.

And new tariff-induced pressures are likely coming, after trade negotiations between the US and its No 2 trading partner Canada fell apart on Friday, resulting in new levies on $20bn of Canadian goods imports to go into effect. Since then Washington and Ottawa have each announced additional retaliatory measures to go into effect in coming months unless a deal is reached to avert them.

Europe's second cities are carrying the network

By Alex Macheras

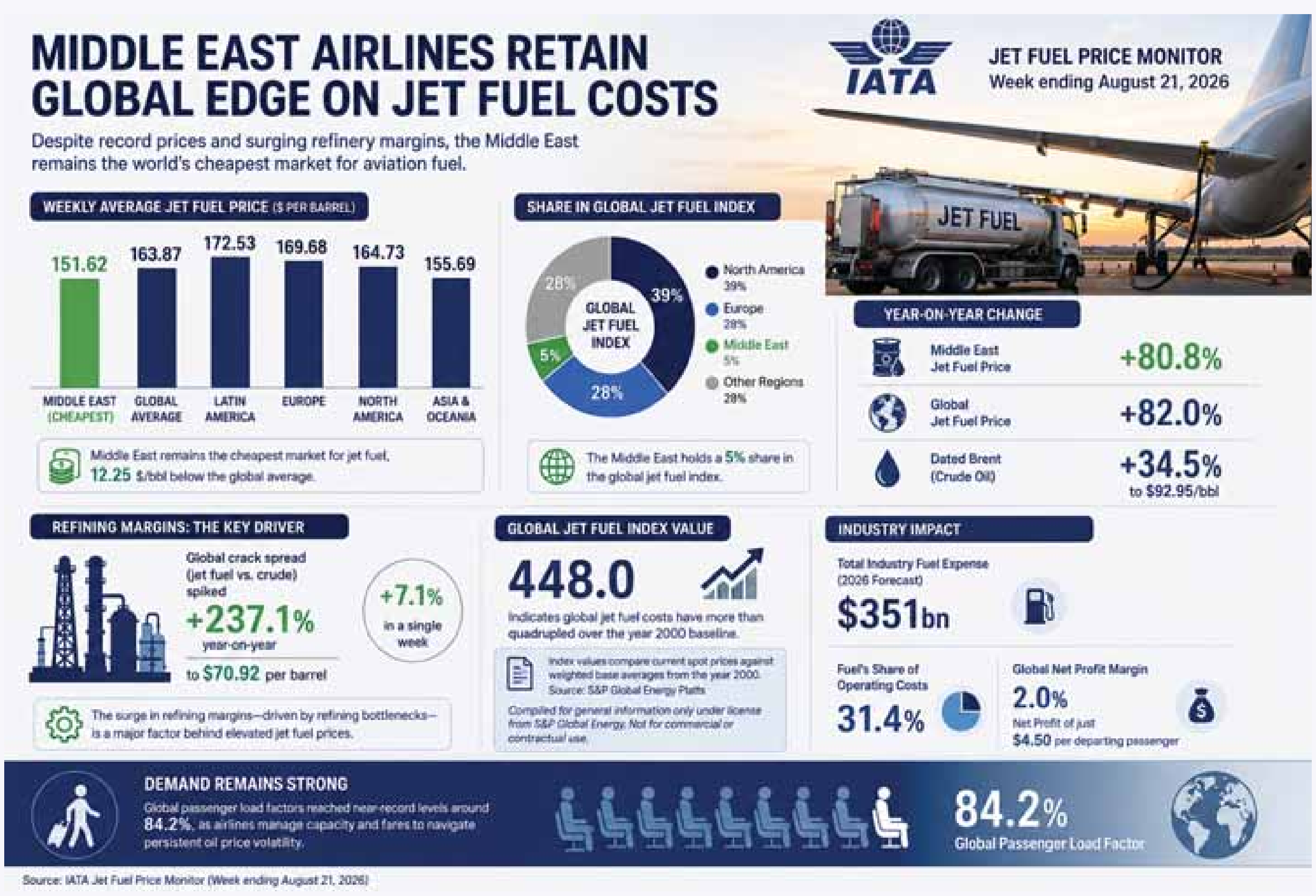
United Airlines unveiled the largest route announcement in its history on Tuesday, and the map it drew tells you where the money now sits in the European market. The carrier is opening ten new international destinations and thirteen new routes for summer 2027.
Nine of the ten new cities are in Europe. Eight of them launch from Newark. The list reads as a catalogue of secondary Europe: Ljubljana, Olbia, Catania, Ibiza, Valencia, Marseille, Terceira, Luxembourg and Toulouse. Seven of the ten cannot be reached nonstop from the US today. Only two of them are served by another US carrier.
United has planted its flag where the competition is not.
The timing follows the demand. Travel to Europe's secondary cities is booming. American outbound travel reached a record 56mn people last year, and the growth is concentrating away from the capitals.
Italy recorded the pattern most clearly. International arrivals rose 6.45% in the first half of 2026, led by regions that sat off the tourist map a decade ago: Calabria up more than 23%, Puglia up close to 15%, Sardinia up more than 11%. Italy's tourism board reports strong US interest in Sicily, Puglia, Sardinia and the Dolomites, well beyond Rome and Venice.
These travellers want to arrive directly. A nonstop to Olbia or Catania removes the connection, the second bag drop and the lost half-day over a major hub. Demand at that level now fills a slim, seasonal route. The thin, direct sector has become a genuine commercial proposition, and United has moved to serve it.
The enabling factor is an aircraft. Five of the ten new routes will fly on the Airbus A321XLR, the long-range single-aisle jet that United ordered back in 2019. The economics of that aeroplane are the whole story. It carries fewer seats than a widebody and costs materially less to operate. It turns a profit on demand that a 767 or a 787 could never fill. Luxembourg, Toulouse, Ibiza, Valencia and Marseille all arrive on the XLR.
United's network chief, Patrick Quayle, was explicit that the daily year-round Luxembourg service would not exist without it. The aircraft has unlocked a tier of the market that sat beyond reach for decades.
The yield holds up because of how United has configured the jet. The XLR carries the airline's latest Polaris business suites and a true premium economy cabin. A thin route to a fashionable secondary city now supports a genuine premium product at the front. That combination, low trip cost and high front-cabin yield, is the commercial engine behind the whole announcement.
The airline is capturing demand that used to leak away to connections over the big hubs. Two of the new cities target corporate demand. Luxembourg is a banking and tax corridor with deep US ties, and United has scheduled it year-round on that basis. Toulouse is the home of Airbus, and the route lands at Washington Dulles, a few miles from the manufacturer's North American headquarters. These are precise, high-value business markets that a widebody could not have justified. The XLR reaches them with the right amount of aircraft.
The rest of the list is a study in European leisure demand. Valencia and Ibiza give United eight destinations in Spain, and the airline framed Valencia openly as an option for travellers avoiding the crowds and rising charges of Barcelona. Catania and Olbia add Sicily and Sardinia. Terceira extends the airline's Azores presence into the mid-Atlantic. Ljubljana opens Slovenia and the eastern Alps as a genuinely novel gateway.
Every one of these cities carries a real demand story with its own momentum. United rounded out the slate with three routes to cities it already serves, adding Denver to Paris and Washington Dulles to Milan from deeper in its US network.
The European carriers are chasing the same seam. Lufthansa Group has built its leisure brand, Discover Airlines, around precisely this demand, adding Shannon, Larnaca and Brindisi for summer 2026 and describing them as hidden gems away from the classic hotspots. It opened a Frankfurt to Genoa link for the cruise market.
Eurowings has launched Southern European beach routes and cooler northern escapes from Berlin, Hanover and Düsseldorf. Air France raised its Paris to Zagreb service to as many as ten flights a week and added Dubrovnik. The continent's largest groups have reached the same conclusion as the Americans about where the growth lives.
The forces behind the shift are structural. European tourism bodies expect foreign visits to the bloc to run above 2019 levels again this year. The crowds have concentrated in the famous districts of Barcelona, Lisbon and Rome to the point of visible strain, and several of those cities now manage the flows with restrictions and higher taxes.
Travellers have spread out in response.
The coolcation has entered the vocabulary. Puglia, the Dalmatian coast, Sardinia and the Spanish islands have absorbed the overflow. The airlines are converting that dispersal into route maps in real time.
A discipline runs alongside the expansion. Carriers have concentrated frequency on their strongest trunk routes and trimmed the marginal ones. The cities that win are the ones with sustained demand behind them. United tested this market carefully, with Palermo, Bilbao, Nuuk and the Azores in recent years, and it has read the results before committing this much metal.
The selection is commercial before it is romantic.
The Gulf carriers watch the rotation with close interest. Their model runs on a different geometry, gathering global demand into a single hub and connecting it onward. Doha and Dubai turn secondary-city demand into feed. A traveller bound for Split, Olbia or Valencia from Asia, Africa or Australasia still routes most naturally over a Gulf hub and onto a European sector.
Every new dot on the European leisure map widens the catchment that the Gulf hubs exist to serve. Qatar Airways and its peers gain from the dispersal, wherever the American nonstop happens to begin.
Tuesday's announcement is the clearest statement so far of where European demand has gone. The capitals have plateaued. The demand has moved to the second cities. United has now matched it with an aircraft built to serve it, and it has committed to that bet at a scale no US carrier has attempted before. The map has been redrawn around the places travellers actually want to go.

■ *The author is an aviation analyst.*
X handle: **@AlexInAir**

Mideast keeps lowest jet fuel price despite 80% annual rise, says IATA

By Peter Alagos
Business Editor

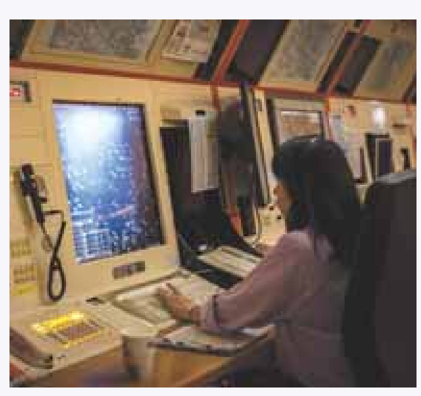
Middle East airlines continue to enjoy a distinct operational edge in jet fuel costs over global competitors, even as soaring global refinery margins push regional expenditures to historical highs, according to data from the International Air Transport Association (IATA) Jet Fuel Price Monitor.
Figures published by IATA show the Middle East weekly average jet fuel price stood at $151.62 per barrel (/bbl) for the week ending August 21, 2026. This maintains the region's position as the cheapest market for aviation fuel worldwide. By comparison, global average prices reached $163.87, driven by significantly higher costs across Latin America ($172.53), Europe ($169.68), North America ($164.73), and Asia & Oceania ($155.69).
The Middle East holds a 5% share in the global jet fuel index, whereas North America and Europe account for 39% and 28%, respectively.
However, the localised advantage offers only partial relief from broader inflationary pressures, according to the report. Regional prices jumped 80.8% compared to the prior year's average, matching a steep global trajectory where total jet fuel prices rose 82.0% year-on-year. The rapid escalation reflects broader crude oil trends, with Dated Brent rising 34.5% year-on-year (y-o-y) to $92.95.
The report showed that a major driver behind the widening gap between crude oil and aviation fuel is the surge in refining margins. The global crack spread spiked 237.1% y-o-y to reach $70.92 per barrel, up 7.1% in a single week. This dramatic shift underscores how refining bottlenecks, rather than raw crude supply alone, are driving elevated operational costs for commercial carriers, the report noted.
Pricing data for the index is supplied by S&P Global Energy Platts, which measures daily physical spot market assessments across primary regional supply hubs. In its technical documentation, IATA notes that index values compare current spot prices against weighted base averages from the year 2000. The global index value of 448.0 indicates that worldwide jet fuel costs have more than quadrupled over the baseline period.
IATA emphasised that the figures are compiled strictly for general informational purposes under license from S&P Global Energy and do not constitute direct commercial or contractual advice for procurement decisions. The broader industry background illustrates how these fuel price shocks impact balance sheets, IATA noted.
In its Global Outlook for Air Transport, IATA forecasts total industry fuel expenses to reach $351bn in 2026, lifting fuel's share of operating costs to 31.4%. Global net profit margins are projected to shrink to 2.0%, translating to a net profit of just $4.50 per departing passenger, according to IATA.
Despite these expense burdens, IATA highlighted that commercial demand remains steady. In its Air Passenger Market Analysis, IATA reports global passenger load factors reaching near-record levels around 84.2%, as airlines adjust fares and manage capacity to absorb persistent oil price volatility.



Tourism boom pushes limits of Athens air traffic control

AFP
Athens

Green arrows representing tourist-laden jets pile up on the screens of the Athens air traffic controllers, a puzzle to solve at the height of tourist season.
"Look at this sky, it's crazy, there's no room for any more planes!" exclaimed Olga Toki, vice-president of the Association of Air Traffic Controllers of Greece.
There is no doubt that this is a busy summer for the overworked air traffic controllers.
In the low season, Greece's airports typically handle between 1,000 and 1,500 flights per day, according to the Greek Civil Aviation Authority.
In the first week in July, by contrast, they handled an average of 2,700 flights per day.
Overall traffic in southeast Europe, which includes Greek airspace, has risen about 40% from 2019, according to Eurocontrol, the air navigation safety organisation.
That underlined a boom in tourist arrivals in Greece, which last year were 23% higher than the 2019 pre-Covid peak, at 38mn, in a country of around 10mn people.
Even before the summer rush, nerves were on edge; a January 4 breakdown in the communication system linking air traffic controllers and aircraft had laid bare a glaring weakness.
Controllers could see the planes on their screens but were unable to hear or talk with the pilots. The authorities had to close Greek airspace for many hours, causing chaos, with a chain of cancellations and diversions to neighbouring countries.
The crisis was the catalyst for the announcement of a renovation programme costing around €300mn ($350mn), including the installation of new digital communication systems. The systems began to be installed in mid-August. The entire project — which includes replacing ageing radar — is supposed to be completed by 2028.
The European Commission last year brought a case before the Court of Justice of the European Union reproaching Greece for failing to bring its navigation procedures in line with the global Performance-Based Navigation (PBN) standard.
For those charged with keeping travellers safe, meanwhile, it is a sober responsibility. In the control room, the map of Greece is divided into 10 sectors, each managed by a controller assisted by an aide.
"In summer, we are desperately short of staff," explained shift supervisor Giorgos Stamoulakatos. "There are 154 of us controllers; we need 250," he estimated. New controllers have been hired — 92 in 2025 and 77 in 2026 — but each newcomer must be trained for five years.
Areti Anastopoulos, an air traffic controller for more than 30 years, helps approaching pilots to line up their planes, one behind the other, before they touch down on the tarmac. Her husky voice is familiar to pilots in Greek skies — as are her outbursts.
"Normally, we guide around 20 pilots over the course of an hour. But right now, 40 are in the queue. Inevitably, delays build up," she lamented.
"Thirty-three planes landed in one hour. Twenty-eight is supposed to be our limit!"
More than once, she said, she has had to order planes to slow down or alter their trajectories to avoid accidents.



An air traffic control employee works on a radar of the Athens FIR space at the Greek Civil Aviation Authority in Athens on August 18. In the low season, Greece's airports typically handle between 1,000 and 1,500 flights per day, according to the Greek Civil Aviation Authority. In the first week in July, by contrast, they handled an average of 2,700 flights per day.

Experiencing turbulence: Gulf air hubs weather wartime downturn

DXB first-half passenger traffic falls more than 30%

Dubai International Airport saw passenger traffic fall 31.3% in the first half of the year, its operator said on Wednesday, as the Iran war heavily disrupted traffic across the Gulf including at the busy international travel hub, reports Reuters.
DXB welcomed 13mn passengers in the second quarter, bringing the traffic in the first six months of the year to 31.5mn, Dubai Airports said in a statement. That compared to 46mn passengers in the same period a year earlier. Aircraft movements totalled 150,600 during the first half, down 32.1% year on year, it added.
The conflict, which started on February 28, has thrown the aviation sector into turmoil this year, with flights cancelled, rescheduled and rerouted and the fallout reaching well beyond the Gulf as soaring jet fuel prices weighed on airlines globally.
Middle Eastern carriers, some of the world's biggest, have seen their networks upended by the conflict, but have gradually resumed their activity.
Emirates President Tim Clark said last month the airline was flying at 90% capacity.
However, while more airlines are restoring flights across the Middle East, major carriers including Lufthansa, British Airways and Singapore Airlines remain have extended suspensions on a range of routes in the region.
Still, Dubai Airports said the hub had shown resilience, while capacity was returning and investment continued.
"The steady return of international carriers, improving connectivity and strengthening load factors signal resilient demand across key markets and growing confidence ahead of DXB's traditionally busier second half," it said.
The company had forecast passenger traffic of nearly 100mn passengers this year before the war started

AFP
Paris

After six months of war in the Middle East, the Gulf's major aviation hubs are navigating turbulence as a hefty portion of their lucrative transit traffic opts for other airports such as Istanbul.
Between April and June, business for Middle Eastern airlines — measured by passenger kilometres — was down 30%, with that figure down close to 50% on routes to Europe, according to the International Air Transport Association (IATA).
In Dubai, the number of flight seats scheduled was down 15% year on year in August, the biggest drop among the world's top 10 airports, aviation data specialist OAG said, though the UAE hub remained the world's leading international airport by that measure.
The shock to the Gulf is significant because the region had made connecting travel a linchpin of its economic strategy.
As recently as last year, nearly one in six connecting passengers worldwide passed through the Middle East.
These travellers represented nearly half of all traffic through Dubai and the UAE capital Abu Dhabi, and almost three-quarters of traffic through Doha.
Since the outbreak of war on February 28, airspace restrictions over Iran and Iraq have taken a toll.
Risk-averse European carriers have cut services to the region, making Turkish Airlines "the big winner", according to Paul Chiambaretto, an air transport specialist at France's Montpellier Business School.
With Russian airspace also off limits to many Western airlines, Istanbul's strategic location has made it a desirable alternative, placing it at the "global centre of gravity for air transport", Chiambaretto said.
Istanbul is able to connect Europe to Asia with only a slight detour, he added.
Turkish Airlines' customer base is up 5% since the start of the conflict, with a decrease in capacity on Middle East flights offset by a 6% bump on routes to Europe and a 16% rise for East Asia.
The national carrier has been "expanding strongly for several years, offers a very good product and relies on a modern airport", Chiambaretto said.
In July, Istanbul's main airport even overtook London Heathrow with more than 8mn travellers.
The question is whether passengers will return to the Gulf once the situation stabilises.
Early last month IATA was still describing the diversion of traffic as likely a temporary phenomenon. But the longer the conflict lasts, the greater the risk that these new aviation habits will become entrenched.
In the longer term, the Gulf hubs and their reliance on connecting flights are also under threat from the arrival of a new generation of aircraft capable of flying farther.
Single-aisle jets such as the Airbus A321XLR can now fly 11 hours carrying 200 passengers. They can make direct routes between secondary cities profitable without passing through a hub, such as a route announced by United Airlines on Tuesday from Washington to the French city of Toulouse, which will begin in April 2027.
Ultra-long-haul flights are also bypassing stopovers. Australian airline Qantas plans to launch at the end of next year a 22-hour non-stop flight between Sydney and London using specially configured Airbus A350s.