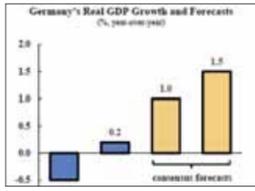


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GULF TIMES BUSINESS

GROWTH OPPORTUNITIES: Page 2

QIC shareholders approve the distribution of 11% dividends

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البنك التجاري
COMMERCIAL BANK

Agility is seen as Qatar's strength in challenges, says top LuLu executive

By Peter Alagos
Business Editor

Qatar's agility in responding to global challenges has enabled the country to consistently play an outsized role in global affairs, a top official of LuLu Group has said.

Dr Mohamed Althaf, LuLu Group Global director, noted that Qatar's ability to adapt quickly to different situations has allowed it to maintain continuity and stability even during periods of uncertainty.

According to Dr Althaf, Qatar's resilience was most visible during the Covid-19 pandemic, when supply chains worldwide were disrupted. Despite global shortages, Qatar ensured uninterrupted access to essentials, he pointed out.

He recalled: "During Covid-19, the challenge was last-mile delivery and staffing. That problem does not exist

now. Stores are full, and as I often say, Qatar may be a small country, but it has a big heart."

"Everyone here – residents and citizens alike – will be treated well without discrimination. We have historical examples to draw from. During Covid-19, everyone was cared for, and I am confident Qatar is capable of protecting all its people again," he said.

Two weeks into the US-Israel-Iran war, Dr Althaf reiterated the Qatari government's reassurance to its citizens and residents that food supplies and essential goods in the country are well stocked.

Speaking to Qatar TV on Friday, HE

Dr Althaf underscored Qatar's investments in infrastructure, which have reinforced its ability to respond quickly to challenges. The country has built robust logistics networks, storage facilities, and digital systems that support both resilience and growth. These investments ensure Qatar remains attractive to entrepreneurs and investors seeking a reliable hub in the region

Sheikh Khalifa bin Hamad bin Khalifa al-Thani, Minister of Interior and Commander of the Internal Security Force (Lekhwiya), announced that "Qatar has clear, applicable strategies in the field of food security, as the strategic food supply stock has already been increased to meet the country's needs for 18 months, up from nine months previously."

The minister emphasised that the country did not need to use this stock, as long as there were open supply channels and routes that ensured an uninterrupted food supply by both land and air.

Qatar's strategic water supply is also secure and sufficient for over four

months of consumption, the minister confirmed, adding that the relevant authorities are actively working to increase the volume of this supply, ensuring a continuous flow.

Dr Althaf also underscored Qatar's investments in infrastructure, which have reinforced its ability to respond quickly to challenges. The country has built robust logistics networks, storage facilities, and digital systems that support both resilience and growth. These investments, he said, ensure that Qatar remains attractive to entrepreneurs and investors seeking a reliable hub in the region.

He pointed out that Qatar's proactive stance has consistently enabled it to benefit from shifting global dynamics. The combination of agility, responsiveness, and strategic investment has strengthened its reputation as a country capable of adapting to change while maintaining stability, Dr Althaf stressed.



Dr Mohamed Althaf, LuLu Group Global director.

البنك التجاري
COMMERCIAL BANK

The Commercial Bank (P.S.Q.C.)

COMMERCIAL BANK ANNOUNCES CHANGE OF VENUE FOR ITS ORDINARY GENERAL ASSEMBLY MEETING ON 16 MARCH 2026

Due to the current situation in the country, Commercial Bank has announced the venue for the Shareholders' Ordinary General Meeting to be held on Monday 16 March 2026 has been moved to **The Ritz-Carlton Hotel, Doha, Al Mukhtasar Ballroom at 9:00 p.m.**



LEGAL PERSPECTIVE

Insurance policies as contracts

By Dr AbdelGadir Warsama Ghalib

The insurance relationship is basically contractual in nature. As a result, insurance policies must satisfy all of the elements required for a binding contract. The standard practice in insurance is to have the potential insured make an offer to enter an insurance contract by completing an application provided by the insurer's agent and submitting it and the premium to the insurer. The insurer may then either accept or reject this offer. What constitutes acceptance depends on the kind of insurance requested and the language of the application. It is very important to know the precise time when

an acceptance occurs. Any losses suffered prior to this point must be borne by the insured.

Applications for life insurance often provide that acceptance does not occur until the insurer delivers the policy to the insured. If the application calls for the policy to be delivered to an agent of the insured, delivery to the agent constitutes acceptance, unless the agent has discretionary power not to deliver the policy.

In property insurance contracts, the application may be worded so that insurance coverage begins when the insured signs the application. This can provide temporary coverage until the insurer either accepts or rejects the policy.

The same result may also be achieved by the use of a binder, an agreement for temporary insurance pending the insurer's decision to accept or reject the risk.

Applicants for insurance have a duty to reveal fully to insurers all the material facts about the nature of the risk so that the insurer can make an intelligent decision about whether to accept the risk. Misrepresentation of material facts or failure to disclose such facts generally has the same effect in insurance cases that it does in other contracts cases; it makes the contract voidable at the election of the insurer. There are, however, two common provisions in life insurance policies that help to offset the potentially harsh effects that could

otherwise result from strictly applying the general rule.

1. Misstatement of Age Clause: It is common for life insurance policies to contain a misstatement of age clause. Such clauses allow the insurer, in cases in which the insured has misstated his age, to adjust the benefits payable on the insured's death to reflect the amount of protection that the insured's premiums would have purchased for a person of the insured's true age.

2. Incontestability clause: Another common clause in life insurance policies is an incontestability clause, which bars the insurer from contesting its liability on the policy on the basis of the insured's misrepresentations if the policy has been in force for a specified period of



time. Incontestability clauses, however, do not bar the insurer from objecting on the basis of absence of insurable interest, an imposter taking the required physical exam in the insured's place, or the purchase of the policy with the intent to murder the insured.

■ Dr AbdelGadir Warsama Ghalib is a corporate legal counsel.
Email: awarsama@warsamalc.com

QIC shareholders approve distribution of 11% dividends

Shareholders of Qatar Insurance Company (QIC) approved yesterday the distribution of 11% cash dividends for FY2025, equivalent to QR0.11 per share, during the Annual General Assembly, presided over by QIC chairman, Sheikh Hamad bin Faisal bin Thani Jassim al-Thani.

QIC confirmed that the approved dividend will be transferred to Edaa for distribution to eligible shareholders. The company has invited shareholders to contact Edaa for any clarifications regarding the dividend distribution.

Sheikh Hamad, who also presided over QIC's Extraordinary General Assembly, said the financial results of FY2025 reflect QIC's strong financial position and the success of its strategy in achieving sustainable growth despite global economic challenges.

"Qatar Insurance Company continues to strengthen its presence in key markets while maintaining a balanced and diversified portfolio, supporting the creation of long-term shareholder value," he said.

Salem al-Mannai, QIC Group CEO, said: "These results underscore the group's continued progress in executing its strategy across domestic, regional, and international markets. We remain focused on innovation, digital transformation, and enhancing customer experience to support the company's future growth opportunities."

Shareholders also approved the election of the board of directors for a three-year



QIC chairman Sheikh Hamad bin Faisal bin Thani Jassim al-Thani, and Group CEO Salem al-Mannai.



term. Sheikh Hamad bin Faisal bin Thani Jassim al-Thani was confirmed as a board member on behalf of the General Authority for Retirement and Social Insurance (Civil Pension Fund).

The following are the elected non-independent board members: Abdulrahman Issa al-Mannai, on behalf of Al Ghariya Real Estate Investment Co; Sheikh Faisal bin Thani bin Faisal al-Thani, Brooq Trading Co; Sheikh Saud bin Khalid bin Hamad al-Thani, Al Dawodiya Holding Co; Sheikh Fahad bin Hamad bin Jassim Jabr al-Thani,

Al Mirqab Capital Co; Ali Hussain Ibrahim Alfardan, Alfardan Investment Co; Ali Yousef Hussein Kamal; and Khalifa Hussein al Naama.

The following were appointed as reserve members: Abdulaziz Mohammed Hamad Abdullah al-Mana, on behalf of Al Mana Capital Co; and Mohammed Jassim Ibrahim Jaidah, Al Jaidah Automobiles & Trading Co. Independent board members elected by acclamation were Ibrahim Jassim al-Othman Fakhro and Sheikh Jabr Abdullah bin Ali bin Jabr al-Thani.

Work on massive Meta cable project in Gulf stalled by war

Bloomberg
London/Johannesburg

Meta Platforms Inc has paused part of a massive effort to expand internet service across Africa as the war in the Middle East freezes activity in the region.

The disruption comes less than six months after Meta acknowledged that another section of 2Africa, a planned 45,000-kilometer (28,000-mile) underwater cable system, was delayed by geopolitical conflict.

The tech giant, along with consortium partners including Saudi Telecom Co's Center3, had planned to launch a segment of the cable, which will run through landing stations in Oman, the United Arab Emirates, Qatar, Bahrain, Kuwait, Iraq, Pakistan, India and Saudi Arabia, as soon as this year. But Alcatel Submarine Networks, the French state-owned company tasked with laying the fiber-optic cable for 2Africa, can no longer safely continue operating, according to people familiar with the matter. A large part of the cable has been installed on the sea floor but has not yet been connected to all of the landing stations.

ASN sent force majeure notices to customers, some of whom asked not to be identified discussing a politically and commercially sensitive matter, notifying them that it is currently

unable to fulfill its cable-related contracts. The company's Ile De Batz cable installation ship, which had been working in the Arabian Gulf for the past few months, is now stranded by Dammam in Saudi Arabia.

When reached for comment, ASN referred questions to Meta. Meta declined to comment. Subsea cables are the fastest and most popular way to transmit internet data, with hundreds of the lines accounting for more than 95% of global internet traffic. When completed, 2Africa will be the world's largest fiber-optic cable system, linking countries along the entire coast of Africa to Europe and the Middle East. The Arabian Gulf section, known as "Pearls," and a segment in the Red Sea are the two portions that still need to be finished.

Just four months ago, Meta disclosed that it had stopped work on a section of 2Africa in the Red Sea following Houthi attacks and problems getting permits to install the cable. Other live cables that had been damaged in Houthi strikes in early 2025 were only repaired within the last four months, said Alan Mauldin, at the telecommunications research firm TeleGeography.

Such conflicts highlight how vulnerable internet infrastructure can be to physical attacks and have raised questions about whether technology giants will continue to invest billions of dollars in geopolitically volatile regions.

Laying cables in the Red Sea has historically been the most direct and cost-effective way to connect Europe with Asia and Africa. But the Houthi threat has compelled tech companies to explore other options.

"Everyone has been trying to find alternate routes," said Hasnain Ali, a subsea cable consultant. Until the US and Israel launched their joint military campaign against Iran, the Arabian Gulf was a popular substitute. Meta does have plans to build a new cable, Project Waterworth, that will bypass the Middle East to connect the US, India, South Africa and Brazil. But that is years away from completion. Other undersea cable projects in the Gulf have also been impacted by the war, though they're in earlier stages of development, said Mauldin and the people. Work has been halted on Sea-Me-We 6, a cable under development by a consortium involving the French telecom company Orange.

The conflict has also made it virtually impossible for repair ships to service the undersea cables already in use in the area. "Cable ships are not going to operate in areas where there is active military operations happening, it's too risky," Mauldin said. Cables could also be damaged by the anchors of ships hit by missiles, as happened in the Red Sea last year, said Bertrand Clesca, a submarine consultant at Pioneer Consulting.

Hedge funds turn most bullish on oil since 2020 amid Iran war

Bloomberg
New York

Hedge funds turned the most bullish on Brent oil in six years at the outset of one of the crude market's most volatile weeks ever.

Money managers increased net-long positions on the global benchmark by 65,438 lots to 351,032 in the week ending March 10, weekly ICE Futures Europe data on futures and options show. That's the highest since February 2020. Meanwhile, bullish bets on US oil rose to an eight-month high, data from the

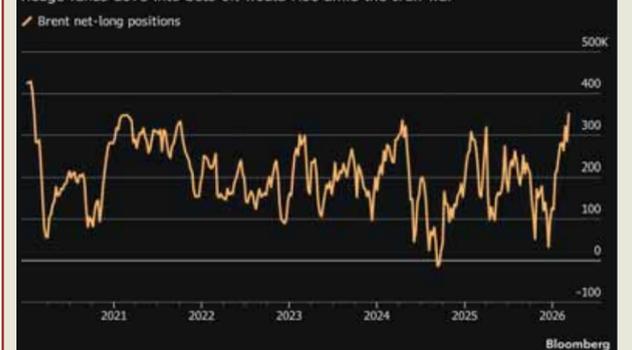
Commodity Futures Trading Commission show.

The Iran war has brought traffic at the Strait of Hormuz, a critical choke-point that normally carries about one-fifth of global oil supplies, to a near-halt for almost two weeks. The prolonged disruption caught market participants off guard, many of whom had expected the US-Israeli campaign to be surgical.

The seismic shock to energy markets has forced major crude producers across the region to curb output as storage capacity fills, while some refiners default on contracts.

Bullish Oil Bets Rise to Highest Since 2020

Hedge funds dove into bets oil would rise amid the Iran war



India asks China for urea cargoes as gas crunch hits plants

Bloomberg
New Delhi

India has asked China to allow the sale of some urea cargoes as the war in the Middle East curtails the nation's gas supplies, threatening fertilizer production in the agricultural powerhouse.

Indian officials have asked their Chinese counterparts to consider easing export restrictions as an expanding conflict in the Arabian Gulf upends supplies of liquefied natural gas — a crucial feedstock — and forces some fertilizer makers in the South Asian nation to shut plants, according to people familiar with the matter.

The move is a sign of the unusual measures countries are taking to secure key commodities as US-Israeli attacks in Iran snarl global trade and raise risks for food and energy supplies. Discussions are ongoing and a decision has yet to be made, said the people, who declined to be named as they were not authorized to talk to the media.

China controls urea exports under a quota system. While some shipments were permitted last year — including to India — it has yet to allocate allowances for outbound shipments in 2026, one of the people said. The country is the world's top

urea producer and farmers are gearing up for spring planting, the peak period for fertilizer use. A spokesperson for India's fertilizer ministry did not immediately reply to a request for comment. China's commerce ministry did not immediately reply to a fax seeking comment.

India's request comes just as it eased investment rules for bordering countries to support local manufacturing, a step largely aimed at China that signals improving economic ties with its largest neighbor and geopolitical rival.

Though India faces no immediate fertilizer shortage, the country is the world's biggest urea importer and any prolonged gas disruption could force the nation to seek more supplies before the main planting period begins in June with the arrival of monsoon rains.

Possible sources of urea to offset the shortfall from the Middle East include China, Russia, Indonesia, Malaysia and Egypt, one of the people said.

India has imported 9.8mn tons of urea so far in the fiscal year ending March 31, with another 1.7mn tons scheduled to arrive over the next three months, according to the fertilizer ministry. The country is expected to issue a new urea import tender by the end of this month or early April, the people said.

India plans \$6.2bn fund and export relief amid Iran war

Bloomberg
New Delhi

India is setting aside \$6.2bn to help the economy weather any adverse impacts from global crisis, Finance Minister Nirmala Sitharaman said on Friday, while separately weighing measures to safeguard exporters amid high energy prices due to the war in the Middle East.

The Economic Stabilization Fund will give India fiscal headroom to respond to global challenges, she added, as oil prices crossed \$100 a barrel, raising the risk of massive supply-chain disruption.

The country imports nearly 90% of its annual crude requirements. It "enables us to absorb the economic shocks of various nature without deviating from the fiscal consolidation roadmap," Sitharaman told lawmakers in Parliament. The minister sought approval for additional spending in the year through March as part

of the supplementary demand for grants.

Prime Minister Narendra Modi's administration is taking steps to protect India's import-dependent economy from the impact of rising oil prices. Prices of diesel and petrol have not been changed, helping to contain inflation, and the government has secured additional supplies after the US allowed some imports of Russian oil, easing pressure on the country's energy needs and trade balance.

Apart from the fund, the government is also discussing support measures for exporters similar to those implemented during the Covid pandemic to help soften the blow of trade disruptions triggered by the Iran war, people familiar with the matter said.

Some of the steps being discussed include extending the time that exporters must repatriate proceeds of overseas sales, relaxing rules for bank overdraft facilities and implementing a moratorium on loan repayments, the people said, asking



The Liberia-flagged tanker Shenlong Suezmax, loaded with crude, arrives at a port after transiting the Strait of Hormuz amid supply disruptions fears linked to the US-Israeli conflict with Iran, in Mumbai, India, on Thursday. The country imports nearly 90% of its annual crude requirements.

not to be identified as the discussions aren't public. India's Ministry of Commerce and Industry will discuss the proposals with the Ministry of Finance before a final decision is

made, they said. Trade through the Strait of Hormuz, a vital shipping route for oil and goods from the Middle East to the Indian Ocean, has effectively been halted after the

US and Israel launched airstrikes against Iran almost two weeks ago. Almost all of India's exports to the Gulf countries pass through the strait, totaling about 14% of India's total exports.

Some global shipping lines have nearly doubled rates to ferry cargo from India to the US, Europe and South America starting April 1, the people said. They have also added surcharges with immediate effect to make up for longer routes, higher energy prices and insurance premiums, they added. The most affected would be small exporters, who were slammed last year by steep US tariffs. Goldman Sachs lowered its growth forecast for India, citing disruption to key trade and energy routes. The economy is expected to grow at 6.5% in 2026 from 7% forecast earlier, while inflation is seen higher at 4.2%, according to analysts Santanu Sengupta, Arjun Varma and Andrew Tilton. The economic fallout from the cur-

rent crisis isn't comparable to the pandemic six years ago, the people said, and the proposals are still under discussion. The support measures are likely to be restricted to exporters reliant on Middle East trade and be rolled out if the Iran conflict, which began on February 28, becomes a drawn-out war, they said.

India's Ministry of Commerce and Industry didn't immediately respond to a request for information. Other support measures under discussion include a plan to partly offset costs, such as emergency conflict surcharges, demurrage charges — penalties if cargoes remain at ports longer than agreed upon — and higher freight charges that exporters have to pay to ship goods to the Middle East, the people said.

The government has already set up an inter-ministerial group to ease trade procedures for exporters and coordinate with ports and customs officials to mitigate the impact of any disruptions.

Judge rejects subpoenas of Fed in Powell case

Bloomberg
Washington

US Attorney Jeanine Pirro vowed to continue her investigation of Federal Reserve Chair Jerome Powell after a judge rejected subpoenas issued to the central bank, threatening to delay the confirmation of Kevin Warsh as Powell's successor. US District Chief Judge James Boasberg said the government had advanced no evidence to justify the subpoenas — related to renovations of the Fed's headquarters and Powell's comments about the project — and said they clearly reflected an “improper motive” of retaliating against Powell over policy differences. Pirro, who leads the US Attorney's Office for the District of Columbia, called the ruling wrong and said she would appeal the decision.

“This process has been arbitrarily undermined by an activist judge,” Pirro said in a press conference on Friday. “The process should have been allowed to run its course, and it wasn't. And shame on them.”

The White House didn't immediately respond to a request for comment. The Fed declined to comment.

Pirro's decision to appeal could result in at least one significant negative outcome for the White House: It will seriously jeopardise President Donald Trump's ability to replace the Fed chair he has long criticised when Powell's term at the helm of the central bank ends in May.

Trump has nominated Warsh, a former Fed governor, for the top job at the Fed, but GOP Senator Thom Tillis of North Carolina, who sits on the committee charged with vetting Fed nominees, has pledged to block Warsh's confirmation until the probe is resolved. Tillis has said he believes the investigation is politically motivated.

“This ruling confirms just how weak and frivolous the criminal investigation of Chairman Powell is and it is nothing more than a failed attack on Fed independence,” Tillis said Friday in a post on social media. “Appealing the ruling will only delay the confirmation of Kevin Warsh as the next Fed chair.”

Together with all of the committee's Democrats, Tillis — who isn't running for re-election — has the power to block nominees in the closely divided panel. Pirro's insistence on pursuing an appeal points to a legal battle that could leave Warsh's nomination in limbo for months. It may even result in Powell remaining in control of the Fed's interest-rate setting panel beyond his term as chair of the Board of Governors.

Powell's seat on the board doesn't expire until January 2028, and if he elects to remain on as a governor, he would be eligible to continue as head of the Federal Open Market Committee, the panel that sets rates.

“It is growing more likely that Jerome Powell will preside over the March, April and June policy decisions of the Federal Open Market Committee at the very least, if not the remainder of the year,” Joseph Brusuelas, chief economist at RSM, wrote in a note to clients.

The DOJ issued subpoenas to the Fed in January threatening a criminal indictment, Powell said at the time. The subpoenas are related to the Fed's ongoing \$2.5bn renovation of its headquarters in Washington and testimony Powell provided about the construction before the Senate Banking Committee last year.

Switzerland's franc brings fresh pain to exporters

Bloomberg
Bern

Swiss entrepreneur Christian Taennler knew early on that he had to get his business ready for a stronger franc. Since taking over the firm in 2017 — two years after the country's central bank dropped a currency cap — he's been streamlining Alme AG, cutting jobs and automating production at the precision components firm. But as the currency has continued to advance, making his goods more expensive, he's having to fight harder to keep customers from going to rivals.

It's a perennial problem for Switzerland's exporters, who are stuck between cutting prices or losing business, but it's now rapidly getting worse. As the war in Iran drives money into haven assets, the franc is near the strongest in more than a decade against the euro and the

dollar, squeezing firms like Alme and forcing them to make tough choices.

“The key question for us is whether we want to invoice in dollars in the future,” Taennler said. That would cost about 20% of profit margin, “but at least we would avoid customers building new supply chains and permanently cutting us off,” he said. The franc has risen about 3% against the euro this year and briefly broke through 0.90 against the single currency this week. It's up less against the dollar, though the euro is more important given the trade between the bloc and Switzerland.

The gains prompted the Swiss National Bank to step up its rhetoric, saying it's “increasingly prepared” to intervene amid the market fallout from the Middle East conflict.

That was welcomed by manufacturers after the SNB shifted away from deploying

vast sums to keep the franc below levels seen as overvalued. President Martin Schlegel also said policymakers can't focus on “specific industry concerns,” and noted how the franc is a spur for businesses to improve.

“It's a relief that the SNB has so far shown it's alert to safe haven flows in such uncertain times,” said Jean-Philippe Kohl, head of economic policy at manufacturing lobby Swissmem. He added that he believes the country's exporters are “very much on their radar.”

Industry, which has been in a long-term downturn, is desperate for any support it can get.

Manufacturers cut 6,600 jobs last year, according to Swissmem, factories are running below their average long-term potential, and the country's overall unemployment rate is creeping higher.

The franc is now back as Swiss exporters' top worry, replacing US tariffs, according to a January

survey by Switzerland Global Enterprise. It was cited by 58% of respondents as the issue most likely to occupy them in the next 12 months.

A chorus of Swiss large-cap companies — from chocolate maker Lindt & Sprüngli to food giant Nestle and logistics firm Kuehne + Nagel — have addressed the rise of the Swiss franc in recent weeks and noted the impact on the bottom line. In January, watchmaker Swatch reported that the stronger franc cost it about 300mn francs (\$380mn) in 2025. Its chief executive officer, Nick Hayek, told CH Media that the central bank needs to acknowledge the “damaging” overvaluation and use its tools in response.

The SNB's struggle to restrain the franc dates back years and has taken many forms, from the currency cap to an extended period of negative interest rates. Now, as the franc appreciates again, it's already resorted to

rhetoric. Also in the playbook are actual franc sales, which some economists suspect are already happening, and subzero borrowing costs.

The institution's next scheduled decision is Thursday. The main interest rate is already at zero and policymakers have said they are reluctant to go below that level again. What may further reinforce this view is that it's yet unclear how the Iran war fallout will impact Switzerland.

Analysts say the effect of the conflict on Swiss energy prices is being limited by the stronger franc, and rates will remain on hold.

“While inflation risks are balanced for the time being, the stronger franc is weighing on Swiss exporters and the broader growth outlook,” UBS AG economists Maxime Botteron and Alessandro Bee said this week. “Sporadic foreign exchange intervention to curb rapid appreciation looks likely in a risk-off environment.”

US Treasuries decline as oil's rise fuels investor angst on inflation

Bloomberg
Washington

US Treasuries ended the week lower as oil prices rise above \$100 a barrel, stoking concern about inflation that will keep the Federal Reserve from lowering interest rates anytime soon.

Most US government debt was lower in late trading on Friday, pushing yields on 30-year bonds up two basis points to 4.90% — the highest since early February. Interest-rate swaps tied to the Fed's policy meeting dates showed about 22 basis points of easing priced for this year, compared to 18 basis points seen late on Thursday.

Traders are now fully pricing in the next quarter-point rate reduction in mid-2027, and a growing chorus of Wall Street economists — including TD Securities, Barclays Plc and Goldman Sachs & Co — have pushed their calls for the next cut further out the calendar.

The latest moves leave the \$31tn bond market on course for steep weekly losses driven by mounting concern that war in the Middle East will ignite inflation and keep the Fed on hold for longer. A sustained rise in yields since the US attacked Iran on February 28 has already nearly erased the Treasury market's gain for the year.

“The recent spike in oil prices introduces an additional source of uncertainty and raises the possibility that inflation could remain elevated for longer,” said John Lloyd, portfolio manager at Janus Henderson Investors. “While employment has been moderating, inflation persistence limits the Fed's ability to respond pre emptively, increasing the risk that policy remains restrictive for longer than markets might otherwise expect.”

The two-year yield remains 16 basis points higher than it was a week ago after a wave of selling convulsed the market and oil soared.

Longer-dated yields were also higher at the end of the week, with 30-year yields up 15 basis points to 4.91% on the week. A heavy slate of corporate issuance, plus a trio of Treasury auctions this week, added to the pressure.

Brent crude futures advanced again at



The US Treasury building in Washington. US Treasuries ended the week lower as oil prices rise above \$100 a barrel, stoking concern about inflation that will keep the Federal Reserve from lowering interest rates anytime soon.

the end of the week, moving above \$100 — far higher than the \$70-per-barrel area they traded in late last month. As concern about inflation rises, the challenge for bond investors is that oil prices may need to rise a lot further before tipping the scales from inflation worries to one of a bigger hit to economic activity that would prompt Fed easing. Oil price shocks in prior decades have ultimately helped drive the US economy into recession, as seen in 1974, 1981, 1990, 2001 and 2008.

Treasuries offered a muted reaction to a barrage of data, which showed US consumer spending barely ticked higher in January and growth that was weaker than previously reported for the fourth quarter of 2025.

The so-called core personal consumption expenditures price index, which excludes food and energy items and is favored by the Fed, rose a firm 0.4%. US consumer sentiment also declined to a

three-month low. Two-year yields were little changed on the session around 3.73% after earlier falling.

The figures, taken together with the inflationary risks tied to war in the Middle East, have investors weighing the path for rates as the Fed is forced to reckon with price pressures — and pressure from President Donald Trump for cuts.

“The rates market has been focused on the inflation shock posed by the war over the last two weeks, and the curve has significantly bear flattened,” said Priya Misra, portfolio manager at JPMorgan Asset Management. The firm has increased its interest-rate exposure in portfolios as rates have backed up because “we think that a geopolitical shock is more a stagflationary shock.”

Before this week's spike in oil prices, the market had been fully pricing in one or more quarter-point cut this year. As recently as late February, traders had fully priced in at least 50 basis points of

easing. Now, the next fully priced-in rate cut is seen next year.

Economists at both TD and Barclays shifted their forecasts for the next Fed cut in September from June, while ING acknowledged the risk that reductions are delayed into 2027. Earlier this week, Goldman Sachs economists also scrapped their call for a Fed rate cut in June based on “a higher inflation path.” They now predict cuts in September and December, versus June and September.

Those shifting expectations ramp up the temperature around the central bank's meeting next week, with all eyes on how Chair Jerome Powell defines the oil price shock and last month's negative jobs report. The Fed is widely expected to leave rates steady in March.

“How Powell frames this narrative in the press conference is really important, and we could have a lot more potential volatility than before,” said John Briggs, head of US rates strategy at Natixis North America.

Europe's whipsawed bond market puts hedge funds in spotlight

Bloomberg
London

A burst of volatility in European rates markets, unleashed by war in the Middle East, is reviving a discussion about the role hedge funds play in amplifying the swings.

By some measures, Monday saw some of the choppiest trading since the early days of the pandemic.

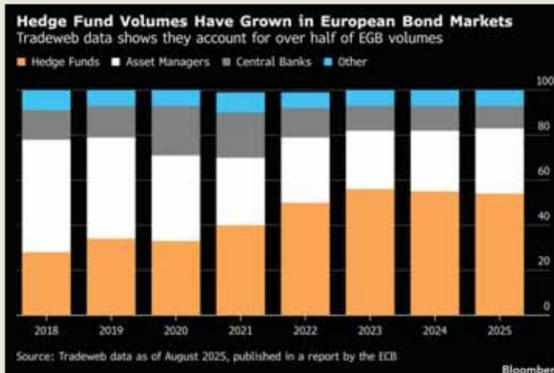
A key euro interest-rate swap curve inverted, only for the move to reverse within hours. At one point, traders were pricing two European Central Bank hikes this year, while wagers on Bank of England policy flipped from cuts to hikes and back again.

At their root, the moves were triggered by the economic shock of soaring energy prices that forced a broad unwinding of popular investment strategies. While hedge funds aren't the sole drivers of the volatility, brokers and fund managers interviewed by Bloomberg suggested that their reliance on borrowed cash to boost returns, as well as aggressive exit

strategies during times of stress, had magnified the ructions seen this week.

“The expansion of the speculative community over the last few years could have contributed to pockets of concentrated risk,” said Tom Prickett, head of GIO rates trading for EMEA at Citigroup Inc. “Liquidation of positioning has definitely played a part — both in the outright move in front-end rates and the increase in volatility levels.”

Hedge funds are now behind more than half of electronic European government bond trading volumes on Tradeweb, according to analysis by the ECB last year — compared with about a quarter in 2018. Jefferies research estimating the activity of hedge funds show that positions in UK front-end rates are now flat, having been one of the most crowded trades before the Iran war. There was a similar rapid adjustment in European rates, Jefferies said. While the swings ultimately didn't pose a systemic risk, they were a reminder of how quickly markets can destabilise. Regulators are increasingly concerned about



the growing role of leveraged hedge funds: A welcome source of liquidity in good times, the worry is they fuel financial instability by derisking in union when markets come under stress.

“The structure of modern hedge fund activity matters,” said Fraser Lundie, global head of fixed income at Aviva Investors. “Multi manager platforms run tightly risk controlled strategies with similar horizons, similar stop loss

frameworks and similar reliance on short term funding.” When volatility increases or the cost of funding jumps, “positions that appear diversified at the portfolio level can behave in a highly correlated way once risk limits are hit. That can amplify short term moves,” Lundie said. Jillien Flores, chief advocacy officer at the Managed Funds Association, defended the role hedge funds play.

“Hedge funds foster deeper, more efficient sovereign debt markets that keep government borrowing costs low,” she said. “Policymakers should continue strengthening market infrastructure, including by encouraging central clearing, to ensure these markets remain resilient and attractive to global investors.”

In the run up to the war, volatility had been subdued, which can encourage investors to juice their returns by betting with borrowed money. Investors piled into bets on the differences between European short- and long-terms rates, according to a report last month by the Financial Stability Board. Wagers on duration, or how much bond prices move when interest rates change, were also popular. But when the US-Israeli attack on Iran propelled oil prices past \$100 a barrel, inflation fears spiraled. Traders were forced to think about central bank hikes — rather than cuts — and many of their trades suddenly looked like a bad idea. Large hedge fund stop-outs — particular levels where a trade has to be unwound to curtail losses — hastened the sprint for the exits,

according to RBC BlueBay. “We see, especially in the hedge fund space, large capitulation trades,” said Kaspar Hense, a portfolio manager at RBC BlueBay. “It looks nasty for sure. We see a lot of stop-loss taking which indicates the market is not pricing in fundamentals any longer but has overshot in the rates space.” Targeting a larger gap between 10- and 30-year rates on the European interest-rate swap curve was a consensus trade for much of the last year.

On Monday, it suddenly inverted for the first time since May as hedge funds were stopped out of popular steeper positions — only for the move to entirely reverse later in the session. There was similar upheaval in front-end euro area rates, with traders at one point fully pricing in two ECB hikes. The market-implied rates path appeared to move in lockstep with the moves in energy prices — even as many investors and economists remain skeptical ECB officials will be keen to hike amid an energy shock as it could derail economic growth.



Investors hunt for hedges as war shatters decades-old strategies

Bloomberg
London

The basic assumptions that have underpinned hedging strategies for decades are coming undone by the escalating war in Iran.

Government bonds, which typically rise during periods of market stress to cushion equity losses, are now moving in the same direction with stocks as oil markets are going through unprecedented turmoil. On Thursday, for example, bonds fell, sending two-year US yields up about 9 basis points to their highest level since August, while the S&P 500 Index dropped 1.5%.

That has forced fund managers to look beyond traditional playbooks. The strategies that have emerged since include selected equities, as well as option overlays and some more esoteric corners of the credit market, in addition to the dollar. Chinese stocks and the Australian dollar are among the targets, while commodities like aluminium and soybean oil have seen an uptick in demand.

At the heart of the reordering is the rising anxiety of a stagflationary shock if a lasting oil-price increase ignites inflation and undercuts global economic growth at the same time. Such a scenario will make

the usual policy response of aggressive rate cuts unavailable in case of an economic downturn. Without central bank action, the traditional 60/40 portfolio may once again fail to deliver.

"Since correlations have shifted, the obvious rebalancing between equities and bonds, and instruments such as inflation-linked bonds and gold isn't protecting portfolios," said Rajeev de Mello, a global macro portfolio manager at Gama Asset Management. "The opportunity set for effective risk diversifiers has narrowed materially."

Goldman Sachs Asset Management has reduced portfolio sensitivity to market moves with non-linear equity downside protection — strategies that limit losses in case of a large-scale selloff — credit hedges and deploying more cash to risk hedging strategies.

Invesco has recommended buying commodities shipped through the Strait of Hormuz, including aluminium and grains, while Gama Asset Management has raised dollar cash and hedging via equity futures. Pictet Asset Management's multi-asset team has cut equities, added put options on stocks and corporate bonds, while increasing dollar exposure.

As investors try to pinpoint pockets of safety, a multi-theme defense spanning

stocks exposed to nuclear energy and the digital economy is gaining traction in Asia, according to Bloomberg Intelligence strategists including Shirley Wong.

"Investors should look at a combination of up-in-quality trades in equity, credit and currencies, allocations to alternatives, dynamic risk allocation, and option overlays in equities and across assets," according to strategists including Christian Mueller-Glissmann, the head of asset allocation research at Goldman Sachs' Global Investment Research division.

They like selective bearish option spreads, calls on the Euro Stoxx 50 Volatility Index, and puts on European industrials and German equities.

A popular move has been to increase exposure to the US dollar to wait out the market palpitations. Glissmann and his team at Goldman Sachs have turned tactically neutral on stocks and overweight on cash, citing mounting risks that the Middle East conflict may spark an energy shock comparable to those of the 1970s.

"It still feels early to reposition aggressively, especially as recent price action has been quite choppy and would have penalised overly decisive changes," said Fesa Wibawa, a Singapore-based investment manager at Aberdeen. "We have made some light adjustments to currency risk,

rising valuation and relative fundamentals as our main guide, while largely looking through near term volatility."

But unlike in 2022, when Russia's invasion of Ukraine also sparked energy-led market turmoil, the reversal this time is catching a market that was positioned for dollar weakness. The Bloomberg Dollar Spot Index is near its strongest in almost two months and option metrics show traders are betting it can rise to its highest level since December.

"When you look at the dollar pre-war," the dominant stance was "hedging America," said Mitul Kotecha, a Barclays Bank strategist in an interview with Bloomberg Television on Wednesday. "Now, it suddenly looks like the dollar's back as a safe haven" and has rallied on the back of this.

For dollar-funded investors, the costs of hedging currency risk have fallen to an average of 0.28% for eight major Asian currencies, the lowest in over a year, according to three-month forward implied yields compiled by Bloomberg.

Chinese stocks have worked as a surprising haven, holding up on the logic that the country's more diversified energy supplies make it less reliant on Hormuz shipping lanes and oil imports. Meanwhile, Australia's dollar has become a refuge, supported by higher oil and gas prices and

rising expectations of a near-term rate hike. Malaysia has been another under-the-radar target for its oil and commodities exposure and weakened correlation with other emerging markets, according to Nirguman Tiruchelvam, an analyst at Aletheia Capital. "When volatility spikes sharply, we often look to sell it rather than buy it, for example by selling puts on assets we are comfortable owning at lower levels," said Mohit Mirpuri, a partner at SGM Capital Pte. "We also maintain buffers through short-duration high-quality bonds and a meaningful allocation to precious metals such as gold and silver."

Hironori Akizawa, a fund manager at Tokio Marine Asset Management said he has been raising cash levels as a prolonged Middle East crisis can raise the probability of stagflation. Danny Wong, chief executive officer of Areca Capital is focusing on stocks tied to high dividends, and local demand.

With traditional correlations in flux, managers say flexibility and selectivity now matter more than textbook diversification. "Traditional hedges aren't attracting the usual safe haven flows, so we are leaning less on broad cross asset hedges and more on selective stock picking and targeted equity risk management," said Gary Tan, a fund manager at Allspring Global Investments.

Global shipping industry caught in storm of war

AFP
Paris

For anyone in the import business, the economic risks from the war in the Middle East arrive by sea — and that goes for everyone who buys their products, too.

As the war rages into its third week, the effective closure of the strategic Strait of Hormuz has upended not just the oil and gas industries but worldwide transport via container ship, the symbol of globalised trade.

Just ask French importer Emmanuel Benichou, who is nervously watching the war's impact on prices for the lawn furniture he imports from China and sells online.

"Our prices haven't gone up yet, but if the war goes on for months, we'll either have to cut our margins or raise our prices," he told AFP.

The Middle East accounted for just 9.8% of global container trade last year, according to British maritime consultancy Clarksons, cited by Bloomberg.

But in a world of intricate trade links, the chaos unleashed by the war has knock-on effects around the globe.

Iran's de facto closure of the Strait of Hormuz has blocked thousands of commercial ships, meaning many cannot reach the right port at the right time.

"There's merchandise sitting in India that's supposed to be delivered in Saudi Arabia," the chief executive of maritime transport giant CMA CGM, Rodolphe Saade, told French newspaper *Le Figaro*.

The fact that civilian ships have become targets in the Gulf exacerbates the situation.

Twenty commercial ships, among which nine oil tankers, have been attacked since the war began with US-Israeli strikes on Iran on February 28, or have signalled incidents, according to AFP

monitoring with British maritime security group UKTMO and other sources. And the surge in fuel prices caused by the blockade of the strait — the usual shipping lane for around 20% of global oil and liquefied natural gas — is causing transport companies to impose surcharges.

Both CMA CGM and its competitor Hyundai Merchant Marine (HMM) have jacked up prices because of the war, Benichou said. "HMM is charging an extra \$230 per container in emergency fuel surcharges," he said. "CMA CGM is charging a \$155 surcharge."

He is no stranger to the market. His business savvy, he said, consists of "knowing how to buy and how to transport".

His company Aosom imports around 400 containers a month.

"I know how to take advantage of shipping opportunities," he said. In peacetime, he jumps at the chance whenever shipping companies with spare capacity offer discounts in freight rates.

Conversely, "in the busy season, just before Chinese New Year, for example, we always see extra fees," he said.

But they usually return to normal soon enough.

Now, shipping prices keep climbing. The cost of sending a container from Asia to Europe has jumped from \$2,500 before the war to as much as \$4,000, he said.

And prices rise the longer the route grows.

Most container ships are already required to avoid the Red Sea and Suez Canal over fears of attacks by Yemen's Iran-backed Houthi rebels — making the route to Europe longer, and fuel costs more expensive.

If the war drags on, Benichou said he fears more surcharges for security risks, ship blockages, insurance, and storing merchandise stranded far from its final port of call. In the Middle East, shipping companies have taken to using lorries to get containers to their destinations.

US investors await Fed rate outlook as Iran war keeps markets on edge

US central bank expected to hold rates steady on Wednesday; investors look to updated economic projections, view of Middle East fallout; surging oil prices in focus as inflation pressure point

Reuters
New York

Investors will seek clarity in the coming week on how much the Middle East conflict is complicating expectations for interest-rate cuts this year, as they brace for developments in the Iran war that could rattle markets.

US Federal Reserve policymakers meet for the first time since the US and Israel began air strikes on Iran about two weeks ago, setting off a surge in oil prices that has reverberated across assets.

Fed members will grapple in their two-day meeting with questions about the energy shock's impact on inflation and economic growth. The central bank will release economic projections on Wednesday. Markets are now pricing in tempered hopes for rate cuts in the wake of the conflict, even as expected cuts have been a key source of optimism for bullish stock investors this year.

"The Fed is going to be front and centre, especially given the fact that we have seen the market push back... these rate cut expectations," said Angelo Kourkafas, senior global investment strategist at Edward Jones.

U.S. stock indexes have fallen and equity volatility has ratcheted higher since the Iran war began. Investors are fixated on the massive moves in oil prices, with US crude soaring close to \$120 a barrel to start the week, and last trading near the closely watched \$100 level. Iran said the world should be



People walk outside of the New York Stock Exchange. Investors will seek clarity in the coming week on how much the Middle East conflict is complicating expectations for interest-rate cuts this year, as they brace for developments in the Iran war that could rattle markets.

ready for oil at \$200 as its forces hit merchant ships during the week. The benchmark S&P 500 as of Thursday was down over 4% from its record closing high from late January, on course for its third straight weekly decline.

"We're seeing wild swings in the market as traders are latching on to any hint of developments, positive or negative, on the Iran conflict," said Sid Vaidya, chief investment strategist at TD Wealth.

The Fed is widely expected to hold interest rates steady for a second straight meeting when it gives its policy statement on Wednesday. The central bank lowered rates last year to shore up a weakening labor market, but paused its easing cycle in January as it noted risks to employment and inflation had diminished.

Investors have been assuming more rate cuts are coming this

year, which would be expected to support prices for stocks and other assets. Those expectations have been dialed back due to fears that the surge in energy prices will push up inflation.

"We believe this will just keep the Fed in a holding pattern for longer," Vaidya said. At the same time, a surprisingly weak jobs report for February could encourage the Fed to maintain a bias toward easing. Fed fund futures on Thursday were pricing in about one standard quarter-percentage point cut by December, down from two such cuts as of late February before the war began, according to LSEG data.

As part of its meeting, the Fed will release updated projections from policymakers on their future expectations for rates, as well as for inflation and the labour market. Fed Chair Jerome Powell's press conference on Wednesday,

following the central bank's policy statement, also could shed light on how Fed members are viewing the impact of the conflict.

"I think it's going to set the table for the year and how to look at inflation being induced by oil prices," said Paul Nolte, senior wealth adviser and market strategist at Murphy & Sylvest Wealth Management.

For Powell, it will be his second-to-last meeting before his term as chair expires in May. The next rate move may not come until President Donald Trump's nominee for Fed chair, former Fed Governor Kevin Warsh, is expected to have taken over the helm of the central bank.

In the coming week, Nvidia's annual developer conference also could bring renewed focus to the artificial-intelligence trade, which sparked volatility for technology and other shares earlier in the year.

From Amazon to Airbnb, US blue-chip bond sales hit with record

Bloomberg
New York

Middle East war, rising yields, oil prices and private credit distress. It barely seemed to matter for corporate borrowers this week as US investment-grade bond sales came close to yet another record. Volumes reached \$115bn, just shy of the record weekly high of around \$117bn notched in 2020 when pandemic-related shutdowns and unprecedented measures by the Federal Reserve fueled a rush of capital raising by companies staring into the unknown.

"With plenty of dark clouds out there — geopolitics, rate volatility, private credit nerves — it's impressive how smoothly IG is functioning," said John Lloyd, global head of multisector credit and a portfolio manager at Janus Henderson Investors.

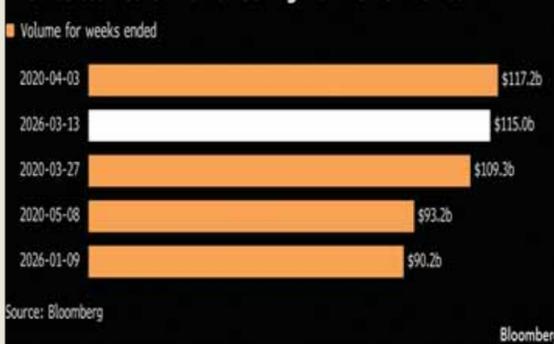
The borrowing frenzy was driven by three blockbuster deals from Amazon.com Inc., software company Salesforce Inc. and Honeywell Aerospace Inc. The biggest of those, Amazon's \$37bn transaction, was the fourth-largest dollar bond ever. Home-rental firm Airbnb Inc. also made a debut appearance to refinance debt.

In all, 23 firms sold bonds, about half the number of issuers in the 2020 week.

The market also smashed forecasts for \$60bn of issuance, helped in part by strong demand. Investors are still pouring cash into funds that buy high-grade debt as they become more cautious about their exposure to junk bonds and leveraged loans.

"Public credit markets have been healthy and resilient, and technicals certainly remain supportive," said Mike Sobel, co-chief executive officer of Trumid,

The Busiest Weeks Ever for US High-Grade Bond Sales



an electronic fixed-income trading platform. "Barring a day where volatility spikes across global markets, the IG market is open for large deals and issuers with the right story can still move size." Investors had been plowing money

into the sector ahead of the Iran war. Short- and intermediate-term high-grade bond funds took in \$43.4bn in January, the most in five years, and \$32.1bn in February, according to LSEG Lipper data. But signs of softness amid the

surging supply are emerging, and some issuers are taking a cautious approach by setting up investor calls before officially launching deals. New issue concessions, the yield premium offered compared to where an issuer's existing debt trades, have also generally been well above this year's average. Salesforce's \$25bn sale to fund share repurchases had a final order book less than 1.5 times the issuance amount — far below averages typically seen. Investors were especially concerned about the software company's vulnerability to artificial intelligence and its debt-funded buyback.

Meanwhile, spreads have widened to the highest levels since May 2025 and investment-grade corporate bonds have lost 2.13% to start March, according to Bloomberg-compiled data. If that should hold, it would result in

the largest monthly decline since October 2024, the data show. Issuance is liable to slow next week, as activity often does around a Federal Reserve policy meeting. Syndicate desks are calling for about \$40bn of issuance, which may include one jumbo deal. One potential offering could come from London Stock Exchange Group Plc, which is holding calls with investors on Friday, according to a person with knowledge of the matter. Prospective borrowers are anticipated to remain agile. "We'd expect those issuers waiting in the wings, including hyperscalers, to be opportunistic on the size and timing of their issuance," said Brett Kozlowski, portfolio manager at GW&K Investment Management. "In volatile markets, many will be patient and come to market with new-issue deals only when demand is strong."

Bloomberg QuickTake Q&A

Can tapping oil reserves tame the Iran war price shock?

By Ari Natter and Grant Smith

As conflict chokes off oil exports from the Arabian Gulf, governments around the world are activating a critical line of defense against price shocks: emergency crude stockpiles. To ease surging prices, member nations of the International Energy Agency have agreed to release 400mn barrels from such reserves, which would be the group's largest discharge ever. Among the stockpiles that will be tapped are the US Strategic Petroleum Reserve, or SPR, created in the 1970s as a safety net against energy crises. Earlier, US President Donald Trump had expressed reluctance to release oil from the US reserve, characterizing high energy prices as temporary.

How big are emergency oil stockpiles?

According to the IEA, the 38 mostly wealthy members of the Organization for Economic Cooperation and Development collectively have at least 1.2bn barrels of oil put aside in emergency public stores. The Paris-based energy group, which coordinates stockpile discharges for OECD countries, has helped implement five such interventions in the past: in the buildup to the 1991 Gulf War, after hurricanes Rita and Katrina in 2005, following the outbreak of civil war in Libya in 2011, and twice in 2022 in response to disruptions connected to the war in Ukraine.

Among IEA members, the US has the largest buffer, which is made up of four heavily-guarded sites along the Gulf of Mexico. These deep and massive underground caverns have the capacity to hold more than 700mn barrels of oil. According to Energy Department data, they currently hold about 415mn barrels, so are just 60% full, having been depleted in a record drawdown by then-President Joe Biden following Russia's attack on Ukraine. The Trump administration plans to release 172mn barrels as part of the IEA's coordinated effort.

China — the world's biggest oil importer — has in recent years built up what appears to be an even larger reserve capacity. The country has about 1.4bn barrels of crude in strategic storage, according to estimates from Columbia University's Center on Global Energy Policy.

Will tapping the reserves make up for the oil that's being choked off by the war?

Oil traders have expressed doubts about that. Even if the US SPR's maximum drawdown rate is coupled with flows from other IEA members, it might cover just a portion of the 11mn-to-16mn barrels of supply from the Arabian Gulf that Citigroup Inc estimates is being lost each day.

The maximum drawdown capability of the SPR is 4.4mn barrels a day, according to the Energy Department's website, and it takes 13 days for SPR oil to reach the open market after a presidential decision. However, an analysis prepared by the Energy Department in 2016 said the actual amount could be limited to 1.4mn barrels to 2.1mn barrels per day. During the 2022 release following the Russia's invasion of Ukraine, the amount of oil released from the SPR never topped more than 1.1mn barrels a day, according to an analysis of Energy Information Administration data by ClearView Energy Partners.

It will take about 120 days to fully deliver the amount the US plans to release, according to the Energy Department.

Why was the Trump administration reluctant to tap US oil reserves?

One line of argument was that oil markets had enough supply to withstand the crisis. US Energy Secretary Chris Wright said on March 8 that there's "no shortage" thanks to booming US production. Part of the Trump administration's hesitation may have been political. The president and other Republicans have spent years bashing the Biden administration for drawing down the US reserve, and unleashing oil from it could open them up to criticism from Democrats.

There were logistical reasons as well. The Trump administration has been trying to replenish the reserve — the president has vowed to refill it "right to the top" — but the cache isn't set up to receive oil and release it at the same time. In addition, the administration has said the drawdown initiated by Biden damaged the facilities, and repairs are ongoing.

In what circumstances can US presidents release stockpiled oil?

It's pretty much the president's prerogative. The 1975 law that established the SPR says a president can order a full drawdown in the event of a "severe energy supply interruption" that threatens national security or the economy. A limited drawdown (as much as 30mn barrels) can be ordered in the event of "a domestic or international energy supply shortage of significant scope or duration."

How have US presidents tapped the reserve?

Beyond ad hoc responses to localized oil disruptions, the US had tapped its oil reserve only a handful of times before 2022. Biden did so late in 2021, authorizing the release of 50mn barrels as part of a coordinated multi-nation bid to lower surging fuel costs. In 2011, President Barack Obama released 30mn barrels as part of the joint effort with other nations to counter supply disruptions from Libya. In 2005, President George W Bush released 11mn barrels in the wake of Hurricane Katrina. And in 1991, under President George HW Bush, 17mn barrels were released during the first Gulf War. In 2017, the Energy Department authorized the release of 5mn barrels to Gulf Coast refineries when Hurricane Harvey wreaked havoc on the region. Such arrangements are designed to address short-term emergency needs, and the crude is repaid, in kind, at a future date. Test releases take place from time to time, as well as limited releases in the form of swaps.

What's the outlook for refilling the US stockpile?

Trump has vowed to refill the reserve, but doing so far has been a struggle. Last March, when oil prices were around \$68 a barrel, Secretary Wright estimated a refill would cost \$20bn. So far, Congress has only given the Energy Department \$171mn with which to purchase crude, a portion of which the agency is using to buy some 1mn barrels. Wright has said the US is examining "creative ways" to refill the oil stockpile by which private companies would provide the oil. This was an apparent reference to the use of a so-called royalty-in-kind arrangement in which the US accepts oil and gas from producers in lieu of cash royalties on federal energy resources.

Oil Stocks of IEA Countries

Measured in days of net imports

Country	Total	Industry	Public
Australia	47	47	0
Austria	113	32	82
Belgium	175	85	90
Canada	Net exporter	0	0
Czech Republic	117	34	83
Denmark	345	217	128
Estonia	1111	5,344	5,767
Finland	292	115	177
France	122	38	85
Germany	130	38	92
Greece	144	144	0
Hungary	215	118	97
Ireland	108	18	90
Italy	133	115	18
Japan	206	84	122
Korea	214	107	107
Latvia	116	60	56
Lithuania	166	130	37
Luxembourg	98	98	0
Mexico	Net exporter	0	0
Netherlands	413	260	153
New Zealand View oil security legislation	95	44	51
Norway	Net exporter	0	0
Poland	121	86	35
Portugal	113	57	56
Slovak Republic	159	72	87
Spain	96	56	40
Sweden	177	177	0
Switzerland	163	163	0
Turkiye	94	94	0
United Kingdom	120	120	0
United States	Net exporter	0	0

Source: International Energy Agency

Note: Figures are for November 2025; IEA website has additional data showing amounts held abroad

Bloomberg

Oil crisis deepens as traders fret on longer Hormuz blockage

Bloomberg
London

The worst supply disruption in the history of the oil market is showing no signs of abating anytime soon, offering the global economy little respite from crude prices that have surged 40% since the Iran war began.

In the first few days after the US and Israel bombed Iran, some traders said they thought the closure of Strait of Hormuz, for years the oil market's worst-case scenario, could be brief. Now, fully two weeks in, they're bracing for longer disruption and one that with every passing day is reducing supply.

Mojtaba Khamenei used his first comments as Iran's new leader to say his country should keep the waterway closed. At the same time, US President Donald Trump posted

on social media that stopping Iran from having nuclear weapons was more important to him than high oil prices — even as his country led a record global release of emergency stockpiles.

For shipowners, who are almost all avoiding Hormuz, their comments will reinforce wariness about transits after a week that included multiple attacks on commercial vessels, one of which left three crew members unaccounted for. Norway, among the world's top maritime nations, has told its fleet to stay away.

"We understand that the situation has deteriorated further, and that we are now experiencing a greater degree of insecurity," Alf Tore Sorheim, the country's director of maritime affairs, said. "Conditions remain very dangerous for commercial shipping." For Trump, allowing Hormuz to stay shut is a high-stakes decision that's already driven up gasoline prices at

the pump to the highest of any point in his presidency — with midterm elections taking place later this year. If hostilities did stop, and Iran assured ships of safe passage, then millions of barrels would flood back into global markets, and help to bring oil and fuel prices crashing back down.

Instead, traders have been grappling with giddy volatility. In just two days this week, prices soared up to \$120 a barrel before crashing back down to just above \$80 — a bigger swing in 48 hours than the entire trading ranges of the prior three years. Brent futures are now near \$100.

And the market impact is growing by the day. Middle Eastern producers have already shut in more than 6mn barrels a day of oil production. The International Energy Agency, the world's main energy adviser, says the Hormuz blockage is causing

the biggest supply disruption on record, and fuelmakers are curbing output, reductions that can take weeks to reverse.

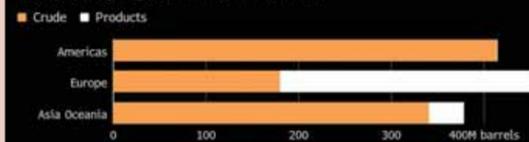
Consuming nations — led by the US — embarked on an effort to tame prices this week, starting with plans to release 400mn barrels of oil from storage across the globe.

Some are adopting protectionist measures to keep fuel supplies at home, including levies and export restrictions. US officials have also publicly considered intervening directly in futures markets, though some downplayed the prospect of such a move.

All of those measures are sticking plasters compared to the full closure of Hormuz, and the toolkit for taming oil prices is emptying fast. The IEA estimated on Thursday that more than 600mn barrels of oil and fuel flows via Hormuz will be disrupted this month, and almost

OECD Government-Controlled Oil Reserves

Stockpiles, by region, as of December 2025



Note: Figures are estimates and are for stockpiles held for emergency purposes; include government-owned supplies and stores held by organizations established to stock inventories. Source: International Energy Agency

Bloomberg

250mn barrels of Middle East oil production. "Every day the strait remains shut, we are closing now more and more upstream production," Amrita Sen, co-founder of consultant Energy Aspects, said in a Bloomberg TV interview. "We should be a lot higher. There is fear about US policy intervention, but the US is also running out of options." Saudi Arabia, the largest producer in

the region, is now pulling every lever it can to keep supplying barrels to refineries around the world. The boss of Saudi Aramco said this week that he expects a pipeline across the country to its Red Sea coast to soon be up to its full capacity, which will allow about 5mn barrels a day of exports. A flotilla of supertankers that stretch from the Red Sea to Singapore is on its way to haul those barrels.

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The Qatar Stock Exchange (QSE) fell 213.34 points or 2.0% to close at 10,485.94 for the week.

Market capitalisation declined by 2.5% to QR620.3bn from QR636.4bn at the end of the previous trading week. Of the 54 companies traded, 13 ended the week higher, 40 ended lower, and one unchanged. Zad Holding (ZHCD) was the best performing stock for the week, rising 3.5%. Meanwhile, Barwa Real Estate (BRES) was the worst performing stock for the week, falling 11.6%.

QNB Group (QNBK), Qatar Islamic Bank (QIBK) and Qatar Aluminum (QAMC) were the main contributors to the weekly index decline. They removed 47.26, 29.20 and 15.11 points from the index, respectively.

Traded value during the week declined 8.3% to QR2,295.1mn vs. QR2,501.7mn in the prior trading week. QAMC was the top value stock traded during the week with total traded value of

QR218.0mn. Traded volume decreased 3.9% to 851.0mn shares compared with 885.3mn shares in the prior trading week.

The number of transactions fell 13.6% to 138,255 vs. 160,052 in the prior week. QAMC was the top volume stock traded during the week with total traded volume of 161.0mn shares.

Foreign institutions remained bearish, ending the week with net selling of QR328.2mn vs. net selling of QR430.6mn in the prior week.

Qatari institutions remained bullish with net buying of QR96.5mn vs. net buying of QR146.5mn in the week before. Foreign retail investors ended the week with net buying of QR37.2mn vs. net buying of QR0.7mn in the prior week. Qatari retail investors recorded net buying of QR194.5mn vs. net buying of QR283.3mn.

Global foreign institutions are net buyers of Qatari equities by \$398.9mn YTD, while GCC institutions are long by \$62.4mn.



Weekly Market Report

Market Indicators	Week ended, March 12, 2026	Week ended, March 05, 2026	Chg. %
Value Traded (QR mn)	2,295.1	2,501.8	(8.3)
Exch. Market Cap. (QR mn)	620,308.8	636,446.5	(2.5)
Volume (mn)	851.0	885.3	(3.9)
Number of Transactions	138,255	160,052	(13.6)
Companies Traded	54	54	0.0
Market Breadth	13:40	6:48	-

Source: Qatar Stock Exchange (QSE)

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	25,637.02	(0.7)	(3.7)	(0.4)
ALL Share Index	4,046.45	(1.2)	(4.0)	(0.3)
Banks and Financial Services	5,238.16	(1.2)	(3.8)	(0.1)
Industrials	3,960.99	(1.3)	(5.3)	(4.3)
Transportation	5,604.72	(0.4)	(6.7)	2.5
Real Estate	1,450.71	(4.0)	(4.2)	(5.1)
Insurance	2,703.01	(5.6)	(4.6)	8.1
Telecoms	2,330.10	1.5	(0.5)	4.5
Consumer Goods & Services	8,257.33	(0.6)	(1.4)	(0.8)
Al Rayan Islamic Index	5,053.73	(0.8)	(3.4)	(1.2)

Source: Qatar Stock Exchange (QSE)

Regional Indices	Close	WTD%	MTD%	YTD%	Weekly Exchange Traded Value (\$ mn)	Exchange Mkt. Cap. (\$ mn)	TTM P/E**	P/B**	Dividend Yield
Qatar*	10,485.94	(2.0)	(5.1)	(2.6)	629.92	170,150.7	11.8	1.3	4.7
Dubai	5,518.08	(9.8)	(15.2)	(8.7)	1,998.67	250,624.8	9.3	1.6	5.2
Abu Dhabi	9,635.57	(4.1)	(7.8)	(3.6)	2,076.99	741,688.2	17.2	2.4	2.4
Saudi Arabia*	10,942.00	1.5	2.2	4.3	7,468.50	2,619,914.0	25.7	2.2	3.6
Kuwait	8,609.12	0.7	0.4	(3.4)	876.06	167,964.4	16.9	1.8	3.5
Oman	7,739.43	4.9	4.7	31.9	1,078.97	54,294.5	15.5	1.7	4.0
Bahrain	1,948.34	(1.8)	(5.5)	(5.7)	18.03	19,797.8	16.6	1.3	9.8

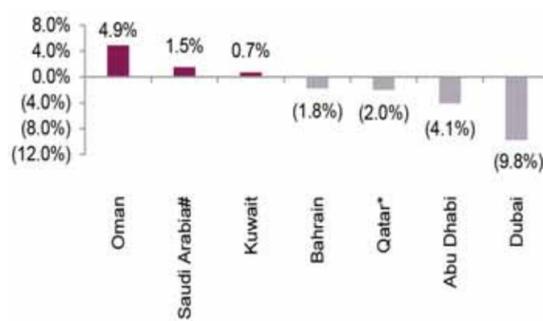
Source: Bloomberg

QSE Index and Volume



Source: Qatar Stock Exchange (QSE)

Weekly Index Performance



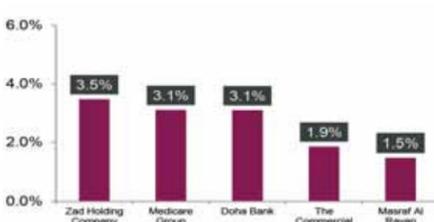
Source: Bloomberg

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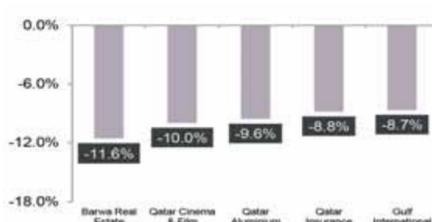
Qatar Stock Exchange

Top Five Gainers



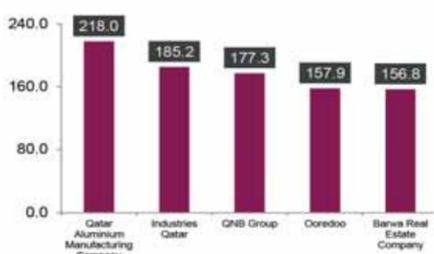
Source: Qatar Stock Exchange (QSE)

Top Five Decliners



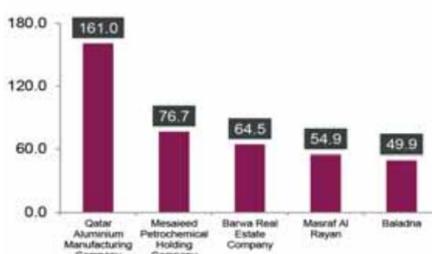
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



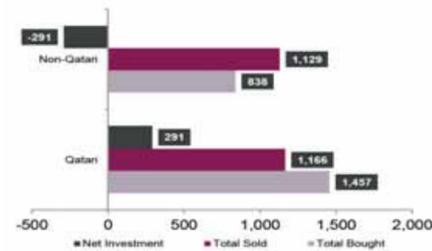
Source: Qatar Stock Exchange (QSE)

Investor Trading Percentage to Total Value Traded



Source: Qatar Stock Exchange (QSE)

Net Traded Value by Nationality (QR Million)



Source: Qatar Stock Exchange (QSE)

Company Name	Price March 12	% Change Weekly	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	18.05	(2.96)	(3.27)	166,718	10.4	1.6	4.0
Qatar Islamic Bank	22.58	(4.00)	(5.72)	53,355	11.6	1.8	4.0
Commercial Bank of Qatar	4.67	1.85	11.19	18,901	9.2	0.9	6.4
Doha Bank	3.03	3.10	5.57	9,394	10.2	0.8	3.3
Al Ahli Bank	3.85	1.13	2.69	9,822	11.0	1.3	6.5
Qatar International Islamic Bank	11.26	0.18	(1.49)	17,044	13.6	2.1	4.5
Al Rayan Bank	2.31	1.49	5.47	21,520	14.5	0.9	4.3
Lrsha Bank	1.72	(0.12)	(7.37)	1,930	9.6	1.3	3.5
National Leasing	0.63	(0.79)	(8.50)	312	14.6	0.5	6.3
Diala Holding	0.90	(0.99)	(7.87)	172	71.6	0.9	N/A
Qatar & Oman Investment	0.71	0.00	(24.02)	222	N/A	0.7	N/A
Islamic Holding Group	2.68	(1.11)	(15.89)	152	48.0	0.9	2.6
Dukhan Bank	3.48	0.29	(0.46)	18,215	13.6	1.3	4.6
Banking and Financial Services				317,756			
Zad Holding	14.60	3.47	5.11	4,196	20.3	2.6	4.8
Qatar German Co. for Medical Devices	1.33	(0.82)	(9.02)	154	N/A	N/A	N/A
Salam International Investment	0.81	(4.25)	11.71	927	9.4	0.6	4.9
Baladna	1.19	0.34	(6.80)	2,266	5.7	0.8	N/A
Medicare Group	5.44	3.11	(17.96)	1,531	20.1	1.5	3.6
Qatar Cinema & Film Distribution	2.35	(10.00)	(2.15)	148	14.3	1.0	4.3
Qatar Fuel	14.63	(1.42)	(3.56)	14,546	14.0	1.6	6.2
Widam Food	1.58	(0.69)	5.76	284	N/A	N/A	N/A
Mannal Corp.	4.56	(6.17)	1.67	2,080	7.6	1.8	6.6
Al Meera Consumer Goods	14.88	(0.47)	2.13	3,065	18.0	1.9	5.7
Mekdam Holding Group	2.80	(3.88)	19.38	448	10.7	1.7	N/A
Meeza QSTP	3.16	(4.50)	(7.03)	2,051	30.8	2.8	2.5
Al Faleh Education Holding	0.57	(1.72)	(16.23)	138	9.3	0.5	2.2
Al Mahhar Holding	2.26	(0.70)	3.33	468	9.9	1.3	5.3
Mananada Facility Management Services	8.98	(4.11)	(5.52)	628	N/A	N/A	6.7
Consumer Goods and Services				32,930			
Qatar Industrial Manufacturing	2.17	(6.93)	(7.65)	1,033	7.5	0.5	6.0
Qatar National Cement	2.87	(1.88)	3.99	1,876	18.3	0.6	9.4
Industries Qatar	11.06	(4.66)	(7.29)	66,913	15.7	1.8	6.4
Qatari Investors Group	1.41	(6.45)	(4.22)	1,751	12.1	0.6	7.1
Qatar Electricity and Water	14.44	(2.04)	(4.05)	15,884	11.7	1.0	5.2
Azmal	0.81	0.12	(4.15)	5,090	11.5	0.6	7.4
Gulf International Services	2.15	(8.67)	(15.93)	3,992	5.9	0.9	4.7
Mesaieed Petrochemical Holding	1.03	0.98	(5.95)	12,915	24.2	0.8	4.1
Estihmar Holding	3.80	(0.05)	(5.71)	14,229	14.4	2.3	N/A
Qatar Aluminum Manufacturing	1.33	(9.59)	(16.88)	7,422	9.7	1.1	7.5
Industrials				131,104			
Qatar Insurance	2.35	(8.84)	15.29	7,682	12.5	1.1	4.3
QLM Life & Medical Insurance	2.32	0.17	(7.24)	812	12.4	1.2	4.3
Doha Insurance	2.59	(2.23)	1.01	1,296	6.5	0.9	7.1
Qatar General Insurance & Reinsurance	1.39	(4.48)	(10.47)	1,212	9.6	0.3	N/A
Al Khaleej Takaful Insurance	2.24	(6.46)	(4.45)	573	8.0	0.9	6.7
Qatar Islamic Insurance	8.43	(1.45)	(4.76)	1,264	7.6	2.1	5.9
Damaan Islamic Insurance Company	4.20	(3.45)	(3.40)	840	8.8	1.4	6.0
Insurance				13,678			
United Development	0.90	(3.23)	(1.42)	3,187	6.4	0.3	6.1
Barwa Real Estate	2.29	(11.58)	(12.42)	8,915	7.2	0.4	7.9
Ezdan Real Estate	0.83	(3.14)	(21.27)	22,095	184.5	0.7	N/A
Mazaya Qatar Real Estate Development	0.54	(2.00)	(6.11)	538	9.9	0.5	N/A
Real Estate				34,735			
Ooredoo	12.88	(2.87)	(1.15)	41,257	10.6	1.4	5.8
Vodafone Qatar	2.42	(3.51)	(0.57)	10,238	14.6	2.0	5.0
Telecoms				51,495			
Qatar Navigation (Milaha)	10.74	0.75	(0.28)	12,202	9.6	0.7	4.2
Gulf Warehousing	2.16	(3.14)	(3.53)	127	10.6	0.5	4.6
Qatar Gas Transport (Nakilat)	4.50	(1.03)	0.31	24,948	14.7	1.8	3.2
Transportation				37,277			
Qatar Exchange				620,309			

Source: Bloomberg

Technical analysis of the QSE index



Source: Bloomberg

The QSE index closed down by -2.0% to 10,485.94 from the week before. The index continued its decline last week and breached below its latest support of the 100-WMA near 10,550, signaling the downside pressure would continue. Meanwhile, the index has been witnessing selling pressure over the past few weeks, on the back of geopolitical tensions, aligning with other global markets. On the downside, any sustained weakness below 10,380 can drag the index further lower, to test its 10,150-10,100 levels. On the flip side, acceptance above 10,850 is required, to show any sort of respite. We continue to advise not to trade in this geopolitical situation, as the markets behaviour can be highly volatile and uncertain.

Definitions of key terms used in technical analysis

RSI (Relative Strength Index) indicator - RSI is a momentum oscillator that measures the speed and change of price movements. The RSI oscillates between 0 to 100. The index is deemed to be overbought once the RSI approaches the 70 level, indicating that a correction is likely. On the other hand, if the RSI approaches 30, it is an indication that the index may be getting oversold and therefore likely to bounce back.

MACD (Moving Average Convergence Divergence) indicator - The indicator consists of the MACD line and a signal line. The divergence or the convergence of the MACD line with the signal line indicates the strength

in the momentum during the uptrend or downtrend, as the case may be. When the MACD crosses the signal line from below and trades above it, it gives a positive indication. The reverse is the situation for a bearish trend.

Candlestick chart - A candlestick chart is a price chart that displays the high, low, open, and close for a security. The 'body' of the chart is portion between the open and close price, while the high and low intraday movements form the 'shadow'. The candlestick may represent any time frame. We use a one-day candlestick chart (every candlestick represents one trading day) in our analysis.

WEEKLY ENERGY MARKET REVIEW

Crude futures climb on continued Hormuz closure

www.abhafoundation.org

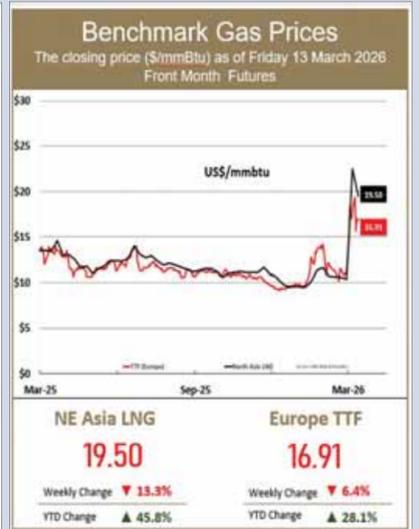
Oil
Crude futures climbed higher on Friday as the Strait of Hormuz remained closed, although analysts warned that the weekend could bring unexpected developments in the conflict, two weeks after it began. Brent crude futures settled at \$103.14, while US West Texas Intermediate crude (WTI) finished at \$98.71. For the week, Brent rose 11.3%, while WTI gained 8.6%. As part of efforts to lower fuel prices for consumers, the US issued a 30-day licence allowing countries to purchase Russian oil and petroleum products stranded at sea. This will affect about 100mn barrels of Russian crude, equal to nearly one day of global oil production, according to Russia's presidential envoy Kirill Dmitriev. The announcement on Russian oil came a day after the US Department of Energy said Washington would release 172mn barrels of oil from the Strategic Petroleum Reserve to help curb surging oil prices.



Strait of Hormuz. Crude futures climbed higher on Friday as the Strait of Hormuz remained closed, although analysts warned that the weekend could bring unexpected developments in the conflict, two weeks after it began. Picture supplied by the Abdullah bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development.

Gas
Asia spot liquefied natural gas (LNG) prices edged lower this week but remained elevated as Asia and Europe continued to compete for cargoes amid shipping disruptions and QatarEnergy's halt to LNG production. The average LNG price for April

delivery into North-East Asia was \$19.50 per million British thermal units (mmBtu), down from \$22.50 per mmBtu the previous week. "About 20% of global LNG supply is now offline, with QatarEnergy's LNG facilities shut for the twelfth consecutive day. It could take "weeks to



months" for deliveries to return to normal", His Excellency Saad bin Sherida al-Kaabi, Minister of State for Energy Affairs in Qatar, said. In Europe, the Dutch TTF gas price settled at \$16.91 per mmBtu

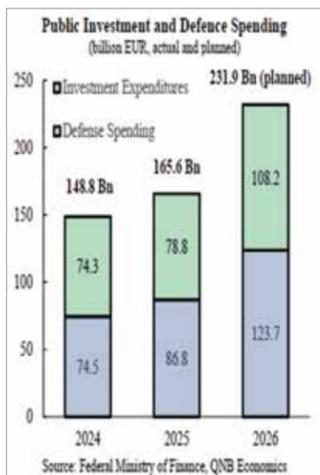
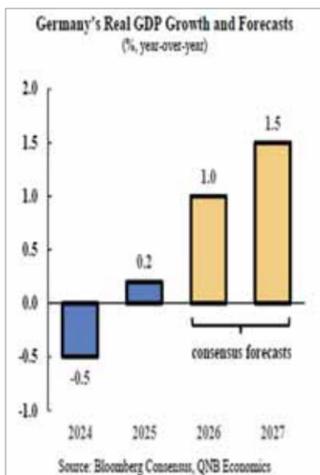
on Friday, posting a weekly loss of 6.4%. With EU gas storage inventories hovering near 29% full, tighter LNG supply and stronger Asian demand may require Europe to maintain higher price signals to secure

cargoes and rebuild inventories.

■ This article was supplied by the Abdullah bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development.

Germany's fiscal expansion marks a turning point for growth: QNB

For decades, Germany stood as Europe's economic growth engine, as well as a pillar of financial stability. However, over the last decade, structural headwinds began to materialise that found its origin two decades ago through strategic decisions by the government, QNB stated in its latest economic commentary. According to QNB, the impact and challenges today include negative demographic trends, excessive regulatory and tax burdens, energy supply bottlenecks, and the insufficient adaptation of leading sectors to a rapidly changing global landscape. As a result, Germany's economy has underperformed, with real GDP remaining almost unchanged in the last six years.



electricity prices have also normalised, easing the critical cost shock faced by energy-intensive industries such as chemicals and metals. "Additionally, the sharp inventory correction of 2022-2023 has largely run its course. At the end of 2025, new manufacturing orders were growing at over 10% in year-over-year terms, partly reflecting the early effects of fiscal stimulus," QNB stated. QNB stated that the Purchasing Managers Index (PMI) for manufacturing continues to recover from lows near 40 during 2024 to around the 50-51 range in recent months, reaching values that signal an incipient expansion in activity. Overall, the data suggests that German industry is stabilising, supported by lower energy costs and policy measures. QNB stated that monetary policy and credit conditions are becoming increasingly supportive. After bringing inflation under control, the European Central Bank (ECB) began a policy rate cutting cycle that reduced its benchmark deposit rate from a restrictive 4% in mid-2024 to around 2%, a level broadly consistent with estimates of neutrality. The 200-basis-point easing is gradually translating into lower borrowing costs, providing support to investment and consumption. As financial conditions improve, total credit to households and firms is growing in real terms, after several years of contraction. Thus, lower borrowing costs and growing credit volumes are expected to reinforce the broader growth recovery in the medium term. "All in all, Germany's macroeconomic outlook is improving, supported by fiscal expansion, an emerging recovery in manufacturing and more accommodative monetary conditions. While structural obstacles remain, the policy shift should mark the beginning of a better growth trajectory," QNB stated.

to improving trends, with growth rates of 1% and 1.5%, respectively, for 2026 and 2027. "In our view, Germany is entering a new expansion phase supported by cyclical tailwinds and a pivot in fiscal and monetary policy. In this article, we discuss the main factors behind the improvement of Germany's macroeconomic outlook," QNB stated.

According to QNB, fiscal policy, with a focus on public investment and defence spending, will provide a significant boost to economic growth. Federal expenditures rose by 6% in 2025, a sizeable expansion in historical terms that is expected to accelerate. This year, Investment Expenditures and Defence Spending are planned to rise to €232bn, implying an increase of 40%.

"Public investment in infrastructure and defence spending carry large fiscal multipliers, meaning that each euro spent by the government has a sizeable impact, of more than one euro, on the economy.

Under conservative assumptions, even if execution faces bottlenecks and delays, additional spending could imply an annual fiscal impulse of over 0.75% of GDP per year. Thus, fiscal policy will act as a significant cyclical tailwind for the German economy over the medium term," stated QNB. QNB noted that manufacturing is gradually stabilising, pointing to the early stages of a cyclical recovery. After reaching its peak in 2017, the sector faced a successive series of negative shocks, including global trade tensions, the Covid-19 pandemic, the energy crisis due to the Russian-Ukrainian war, and the decline of the conventional automotive industry. "In this context, industrial production accumulated a contraction of 19% in Germany from its peak until mid-2025. Since then, natural gas prices have declined by roughly 90% from their 2022 crisis peaks, while German wholesale

Global equity funds see highest outflows since December

Reuters
London

Global equity funds recorded the largest weekly outflows since mid-December in the seven days to March 11 as disruptions to oil supplies stemming from the ongoing US-Israel conflict with Iran stoked concerns about inflation and global economic growth.

According to LSEG Lipper data, global equity funds had \$7.05bn worth of outflows for the week, the largest since the week through December 17, 2025 that had outflows worth \$46.68bn.

Brent crude traded above \$100 a barrel on Friday as global oil markets grappled with what traders described as the largest oil supply disruption in history, with shipping in the Gulf and the narrow Strait of Hormuz coming to a near-standstill.

The CBOE Volatility Index, often referred to as Wall Street's "fear gauge", but more accurately an indicator of market uncertainty, hit 28.15 earlier this month, its highest level since November.

US equity funds saw approximately \$7.77bn worth of outflows after \$21.91bn worth net weekly sales in the prior week. Investors also divested \$7.71bn worth of European funds but invested \$6.15bn into Asia.

Equity sectoral funds saw \$2.1bn worth of net sales, with investors ditching financial and healthcare funds worth \$2.31bn and \$1.31bn, respectively. Industrial sector funds, however, attracted inflows of \$1.31bn.

"The recent decline in North Asian equity markets appears disproportionate relative to underlying fundamentals," said Ray Sharma-Ong, deputy global head of multi-asset Solutions, at Aberdeen Investments.

"When geopolitical risks stabilise, positioning and sentiment could reverse quickly, potentially leading to a sharp recovery in the region." Weekly net investments in global bond funds cooled to a 10-week low of \$5.72bn. The high yield segment recorded \$3.17bn worth of net sales, the largest weekly outflow since mid-April 2025. Weekly inflows into short-term bond funds, meanwhile, surged to a four-week high of \$5.75bn.

Oil turmoil rattles \$134bn complex of quant trades

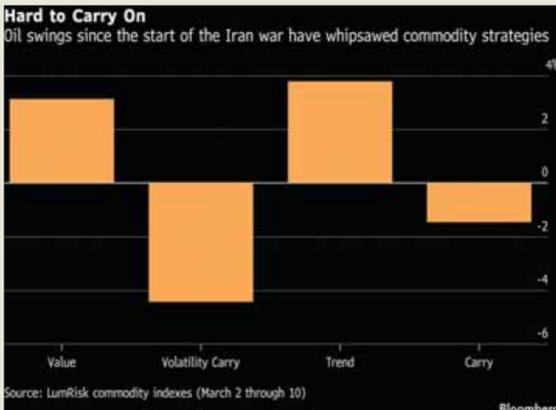
Bloomberg
New York

The rapid surge in oil prices unleashed by conflict in the Middle East is jolting one of the most popular systematic strategies touted by big banks on Wall Street. The trade, known as commodity curve carry, goes short on near-dated futures for raw materials and long on contracts expiring later. The idea is to easily profit from the tendency of longer-dated futures to trade at a higher price to account for the costs of storage and transportation. Curve carry is the main commodity trade that banks package into quantitative investment strategies, or QIS. These are swap-based products that mimic popular systematic approaches, providing hedge funds, pensions and other large institutions easy access to complex exposures. QIS ran \$133.8bn in commodities as of June, with a little less than half in long-short strategies, a survey of 14 broker-dealers by Albourne Partners shows. With the US and Israel's war

against Iran disrupting oil supplies and sending the price of near-term crude contracts surging, commodity curve carry had its worst week ever in early March, according to a UBS Group AG index going back to 2007. It posted a record jump on Tuesday on hopes the conflict might be short-lived and as major economies debated releasing oil from their stockpiles, but with few signs of an end to the hostilities it has since resumed losses.

In trading jargon, the price curve of oil is now firmly in backwardation, with April contracts for WTI trading about \$5 above June futures. Typically, the curve is in what's called contango, upward sloping with the later futures trading higher.

"We're now experiencing a supply chain disruption - not just in Brent and WTI, but really across all energy liquids on a scale that we haven't really seen before," said Benjamin Hoff, global head of commodities quant research at Societe Generale SA. "And while some trend systems have benefited so far, this is exactly where there are very clear limits



to what any self-respecting quant system can claim to capture." The exact implementation of curve carry strategies can vary, with some dynamically adjusting which part of the curve to trade and others neutralizing the exposure to beta, or overall market direction. Regardless of approach, at its core carry is popular because it captures a structural premium

that's expected to last, Hoff said. That's borne out by the long-term performance: The UBS index has been positive in every year but one. The trade has also proved a solid defensive bet in other selloffs, like March 2020, when oil briefly went negative at the start of the pandemic. Nonetheless, a historic shock like this one is exactly the kind of risk

borne by carry trades, which by design reap small profits in normal conditions. And 2026 has already been unusually volatile for the strategy. January was the worst month on record for the UBS index as a winter storm disrupted supply and raised heating demand. Commodity curve carry strategies have dropped 3% this year as of March 11, according to Premialab, a data provider that aggregates QIS returns. That's a big move for a trade built to harvest typically a few percentage points a year. Because most such trades are short near-dated contracts and long three- or six-month ones, "the moves have been quite severe," said Matthew Yeates, co-chief investment officer at Seven Investment Management, which is invested in some of these strategies. "However, over the full-cycle history of these positions it's the carry that matters." Commodities have been a big part of the booming QIS industry, with bank swaps offering easy access for some pensions or hedge funds that might not otherwise trade the asset class. The \$134bn run by QIS compares to just \$7.4bn

in commodity strategies run by risk premia asset managers, the Albourne survey shows. Curve carry aside, other commodity QIS have been a mixed bag. Volatility carry, which sells commodity options, lost 4.4% this month through March 10, according to LumRisk, another QIS aggregator. Trend, which simply rides momentum across futures, rose 3.8% partly thanks to the oil rally. Value gained 3.1%. Value and trend have been able to profit from the recent volatility because early market signals of potential stress in oil enabled those strategies to position accordingly, says Xavier Folleas, global head of QIS at BNP Paribas. As for curve carry, the bank is having early discussions with some clients about positioning for some normalisation. "There's no consensus on that because it depends exactly on the outcome of the geopolitical discussions," he said. "But if the situation is better in the following weeks, you will have a decrease of the price of the front end of the curve and in that respect, it's a good entry point."