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# GULF TIMES BUSINESS



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COMMERCIAL BANK

## Qatar Chamber Food Security Committee holds meeting on inflow of consumer goods

The Food Security and Environment Committee of Qatar Chamber recently held a meeting to discuss the challenges facing the country's private sector during the current regional developments.

The meeting, presided over by Qatar Chamber board member Mohammed bin Ahmed al-Obaidli, who is also committee chairman, reviewed key proposals and solutions on the movement of trade, ensuring the flow of goods and products into the country.

Representatives from the Ministry of Transport, the Ministry of Commerce and Industry, Qatar Airways, and the General Authority of Customs, as well as a number of business owners and representatives of food companies attended the meeting.

The agenda also included discussions on the measures taken by the public sector to address the current situation, their effectiveness and impact on the private sector, as well as mechanisms to tackle import-related challenges, rising prices, and increased shipping and operational costs.

It also included ways to enhance the sustainability of local production and ensure the

availability of essential goods under these circumstances, in addition to the role of GCC chambers in accelerating the flow of goods and services across GCC countries.

Al-Obaidli lauded the public sector's responsiveness in addressing private sector challenges, noting that the chamber has received several concerns related to transportation, logistics, and storage. He reviewed several key topics, such as the emergency plan, joint data on strategic storage and shared procurement.

He underscored the chamber's commitment to presenting the concerns of the private sector to the Federation of GCC Chambers to address them with the relevant authorities to expedite the movement of trade.

Al-Obaidli further emphasised the pivotal role of the private sector during the current crisis and its commitment to working closely with government entities to address the challenges and repercussions arising from the situation.

He noted that the chamber will launch several initiatives in the coming period, in collaboration with government agencies, aimed at facilitating procedures and enhancing coordination

between the public and private sectors.

Hamad al-Marri, director of the Land Transport Licensing Department at the Ministry of Transport, stated that the ministry has held several meetings with transport and logistics companies to identify the challenges facing the sector. He noted that several measures have been implemented, such as allowing empty Qatari trucks to enter neighbouring countries. He also praised the steps taken by GCC countries to facilitate truck movement.

Yousef al-Hammadi, director of the Land Customs Department at the General Authority of Customs, stated that the authority is coordinating with GCC customs authorities to facilitate the smooth movement of commercial shipments through various ports and to meet local market demands efficiently amid current regional challenges.

He added: "The authority has implemented a number of flexible and proactive measures to ensure the continuity of supply chains, most notably a recently issued circular temporarily allowing the use of copies of official documents for customs declarations until the origi-

nal documents are submitted, thereby accelerating customs clearance procedures."

Ali al-Yafei from the Department of Specific Licensing and Market Control at the Ministry of Commerce and Industry, affirmed the ministry's commitment to ensuring the availability of goods in markets and facilitating their access through various outlets.

He also reviewed the mechanisms for registering goods by companies through the goods and services registration system for monitoring purposes.

Al-Yafei noted that the ministry, in co-operation with the private sector and in its capacity as a member of the committee responsible for overseeing the implementation of food security policies, and in co-ordination with the Civil Defense Council, has identified alternative supply routes monthly to ensure their readiness for use when needed.

Al-Yafei further explained that the ministry has held several key meetings since the early stages of the crisis, including meetings with logistics companies across land, sea, and air transport, as well as with major suppliers of consumer goods and leading manufacturers.

## QCB governor meets French envoy



HE Sheikh Bandar bin Mohammed bin Saoud al-Thani, the Governor of the Qatar Central Bank, held a meeting yesterday with Arnaud Pescheux, the ambassador of the French Republic to the State of Qatar. During the meeting, they reviewed the key facets of bilateral co-operation between the two countries, with a focus on enhancing collaboration within the financial and banking sectors.

## Qatar networking and communications market projected to hit \$25bn in 2028

By Peter Alagos  
Business Editor

Qatar's communications and networking technologies market is projected to reach \$25.12bn by 2028 as the state expands its digital infrastructure, according to a study from the International Trade Administration at the US Department of Commerce.

The 'Qatar Country Commercial Guide' stated the sector was valued at \$13.30bn in 2023. The growth is expected to be driven by the adoption of Internet of Things (IoT) technology, ICT modernisation, and a rising demand for mobility solutions across the public and private sectors.

Similarly, the study stated that the Qatari cybersecurity market is estimated to reach \$1.6bn by 2027. It also reported that while the sector was valued at \$1.1bn in 2023, ongoing investments in e-government and digitisation will facilitate further public sector spending.

The study also stated that the local artificial intelligence (AI) market is currently valued at more than \$400m and is expected to grow rapidly through 2030. To support this expansion, the government recently an-

nounced a \$2.4bn incentive package to bolster AI capabilities and technological innovation, the study stated.

"Ooredoo and Nvidia signed an agreement to install thousands of Nvidia Tensor Core GPUs in Ooredoo's AI data centres in future years," stated the study, adding that Ooredoo is reportedly investing heavily to increase its data centre capacity, with plans to triple the current capacity by the end of the decade.

The study stated that the National Digital Agenda 2030 aims to create 26,000 new ICT jobs to support these emerging sectors. It stated that the Communications Regulatory Authority (CRA) has designated the 6GHz band for Wi-Fi use to improve national connectivity. To further optimise radio spectrum resources, the CRA has established a deadline for the shutdown of all 3G services by late 2025. The upgrades are intended to enhance the overall performance of the nation's 4G and 5G networks, the study noted.

According to the study, the human-machine interface market is thriving due to high demand within the manufacturing, utilities, and healthcare sectors. It stated that the national implementation roadmap is designed to elevate the country's position in global digital trade through 2030.



Qatar Chamber board member Mohammed bin Ahmed al-Obaidli.



Representatives from the Ministry of Transport, the Ministry of Commerce and Industry, Qatar Airways, and the General Authority of Customs, as well as a number of business owners and representatives of food companies attended the meeting.

## Two Qatari lenders figure among top 20 MEA banks in Q1

By Santhosh V Perumal  
Business Reporter

QNB and Qatar Islamic Bank (QIB) were the two lenders from Qatar that figured among the top 20 Middle East and Africa (MEA) banks by market capitalisation during the first quarter (Q1) of 2026, according to S&P Global Market Intelligence.

QNB's market capitalisation stood at \$42.66bn (which was 6.13% of total capitalisation) and QIB's at \$14.7bn (2.11%) during the review period, S&P Global Market Intelligence said in its latest report.

QNB ranked sixth and QIB at 20. The ranking is based on market capitalisation (including government capital infusion) converted to the US dollars as of the last trading day in each respective market.

The top 20 banks in the Middle East and Africa reported total capitalisation

of \$696.48bn in the first three months of this year.

There are nine banks listed on the Qatar Stock Exchange. QNB is the biggest bank overall, while QIB is the largest Shariah-principled bank in the country.

Apart from these, the Qatar Financial Centre ecosystem has banks and financial institutions, which come under the regulated financial services firms.

Saudi Arabia had seen five banks figure among the top 20 list, followed by the UAE with four, South Africa and Israel with three each, Kuwait with two, and Morocco with one, according to the S&P Global Market Intelligence report.

Among its Gulf peers, only Saudi Arabian banks recorded market cap increases in Q1-2026, largely thanks to domestic investors who doubled down on their support for local equities rather than investing abroad, according to a Bloomberg News report. Saudi corporates and government-related entities accounted for

net purchases of 3bn Saudi riyals of local equities in the week to March 5.

Saudi Arabian banks boosted their market capitalisation during the first quarter, defying stock market declines across the Gulf region prompted by the war in the Middle East.

Local investors in the UAE have made similar efforts, but that country has a higher share of foreign ownership in its companies compared to Saudi Arabia, making it more exposed to outflows, it said, adding the Iran war has heightened risks to the UAE banks, prompting several authorities to introduce support packages for the industry.

S&P Global Market Intelligence is a division of Standard & Poor's Global, the world's foremost provider of credit ratings, benchmarks and analytics in the global capital and commodity markets, offering ESG (environmental, social and governance) solutions, deep data and insights on critical business factors.

## US core capital goods orders and shipments increase in February

Reuters  
Washington

New orders for key US-manufactured capital goods increased more than expected in February while shipments of those products rose solidly, suggesting business spending on equipment was on firmer footing before the war with Iran.

The strength reported by the Commerce Department on Tuesday followed weakness in January, which some economists had blamed on harsh weather.

The US-Israel war with Iran, now in its second month, has boosted oil prices and snarled

supply chains. "I suspect that firms turned cautious again in March, and likely April, waiting to see how high energy prices would move and for how long," said Stephen Stanley, chief US economist at Santander US Capital Markets.

"My base case remains that the spike in energy prices seen in March will last no more than a few months, which would suggest no worse than a pause in investment activity with little impact on the broader trend."

Non-defense capital goods orders excluding aircraft, a closely watched proxy for business spending, rose 0.6% after a downwardly revised 0.4% drop in January, the Com-

merce Department's Census Bureau said. Economists polled by Reuters had forecast these so-called core capital goods orders would increase 0.4% after a previously reported 0.1% gain in January.

The Census Bureau is still catching up on data releases following delays caused by last year's government shutdown.

There were increases in orders for primary metals and fabricated metal products. Orders for machinery jumped 1.5%. Orders for computers and electronic products were unchanged as an increase in the computers and related products category was offset by a decline in communications equipment.



# Oil shock turbocharges Asia foreign exchange intervention risk

By Jamie McGeever  
Orlando, Florida

Several Asian countries, including India and the Philippines, have already intervened in the foreign exchange market to support their currencies since the Iran war broke out. They're unlikely to be the last.

Asia, which imports 60% of its crude oil from the Middle East, is the continent most exposed to the energy shock triggered by the Iran war. Brent crude prices have soared 55% since the conflict broke out on February 28.

As a result, many Asian countries now potentially face a doom loop of rising energy costs, imported inflation, demand destruction and weakening currencies that could spiral rapidly if not checked. The MSCI emerging market currency index fell 3% in March, its worst month since September 2022. Several currencies from

Asian countries running current account deficits unsurprisingly underperformed: India's rupee, Indonesia's rupiah and the Philippine peso all slumped to record lows against the dollar.

But even nations with strong external balance sheets, like Japan and South Korea, have come under fire. South Korea's won just hit a 17-year low, while the Japanese yen is historically weak at 160 per dollar. The yen was struggling long before the Iran conflict began, but the war has amplified the risk, leading Tokyo's Ministry of Finance to crank up its verbal intervention to prevent further weakening. Many central banks in Asia are currently facing an "FX intervention trilemma," according to Bob Savage, head of markets macro strategy at BNY. "The energy supply shock clearly leads to cost-push inflation, but the currency transmission is problematic because the dollar bid goes up too."

Unfortunately for policymakers across the

region, unless there is a quick cessation of hostilities in the Middle East, including the full reopening of the Strait of Hormuz, the pressure to intervene will only grow - resulting in even more volatility for FX investors.

Asia is facing a double whammy from dollar-denominated oil. Global crude prices have surged. Brent is now 70% more expensive than it was a year ago, which feeds into Asian countries' inflation models. On top of that, the physical shortage of oil across the continent means Asian buyers must pay a premium on physical cargoes and refined products. That premium above the "paper" price of oil quoted on financial screens has soared to record levels of up to \$40 a barrel.

Asia's oil and gas trade deficit is around 2.1% of GDP, compared with the euro zone's deficit of 1.5% of GDP, according to economists at Morgan Stanley. The US, remember, is a net exporter of oil and gas.

Morgan Stanley estimates that if Brent remains around \$120 a barrel and natural gas stays around \$3 per million British thermal units, Asia's energy burden would soar to around 6.5% of GDP. That's where demand destruction historically kicks in and growth risks intensify. This isn't an outlandish scenario - the bank's oil analysts' base case scenario is that the Strait of Hormuz remains effectively closed through the end of April.

The impact would be uneven, of course. China would be better insulated, while Thailand, South Korea, Taiwan, India, and Japan would be much more exposed - though even relatively cosseted countries could ultimately suffer if their trading partners take a hit. Governments across the continent are already implementing a range of fiscal and other measures to tackle the energy crisis, such as introducing subsidies, export bans on fuel, and releasing national oil and gas reserves. But that probably won't be enough.

If the energy squeeze persists, authorities across Asia may be compelled to dip into their FX reserves and sell assets like US bonds to ward off inflationary pressures. The recent decline in US Treasuries held in custody at the New York Fed on behalf of foreign central banks suggests the Iran war has already prompted some reserve managers to sell dollars for local currency. Deutsche Bank analysts estimate around 80% of the fall in custody holdings in March was down to active selling of Treasuries. Much of that will have been from Asian central banks. If there is no resolution to the war, currency intervention across the continent is almost certain to spread, which risks triggering a larger selloff in US Treasuries and one of the most volatile periods for Asian currencies in decades.

■ Jamie McGeever is a columnist for Reuters. The opinions expressed here are those of the author.

## Air India CEO Campbell Wilson resigns

AFP  
New Delhi

Air India chief executive Campbell Wilson has resigned, the airline said on Tuesday, adding fresh uncertainty to a carrier struggling with rising costs and a string of safety-related incidents.

New Zealand-born Wilson, appointed in 2022 after the Tata Group took over the loss-making former state carrier, left before the end of his five-year term but will remain in charge until a successor is appointed, Air India said in a statement.

Wilson had informed group chairman N Chandrasekaran in 2024 of his intention to step down this year and had been preparing the organisation for a smooth transition, the airline said.

"Campbell and his team have demonstrated tenacity and resolve and have aligned an organization drawn from many backgrounds behind the shared goal



Wilson: On the way out.

of building the new Air India that is now emerging," Chandrasekaran said.

A committee has been formed to select a new CEO "in the coming months", the statement added. Since the privatisation of Air India in 2022, the Tata conglomerate has embarked on an ambitious overhaul, ordering hundreds of aircraft and upgrading its ageing fleet.

Wilson led efforts to improve

service, modernise operations and integrate the group's aviation businesses, but faced persistent headwinds, including aircraft delivery delays, airspace closures caused by the 2025 India-Pakistan conflict, and disruptions linked to the ongoing Middle East war.

But the biggest setback of his tenure came in June 2025, when Air India Flight 171 -- a London-bound Boeing 787-8 Dreamliner -- crashed shortly after take-off from Ahmedabad, killing all but one of the 242 people on board and 19 people on the ground.

A preliminary report by India's Aircraft Accident Investigation Bureau said fuel supply to the jet's engines was cut off moments before impact, raising questions about possible pilot error.

Two major Indian commercial pilots' associations, as well as the father of one of the dead pilots, have rejected suggestions that human error caused the disaster. Indian authorities have yet to release a final report into the crash.

## RBI set to hold interest rates while confronting sharply weaker rupee

Bloomberg  
Mumbai

The Reserve Bank of India (RBI) is likely to hold interest rates today in its first policy decision since the Iran war, as it grapples with a sharply weaker rupee while trying to support economic growth.

All 30 economists surveyed by Bloomberg expect the central bank to keep the benchmark repurchase rate unchanged at 5.25%, after the RBI signalled a prolonged pause at its last meeting, though the outlook has since clouded.

The Middle East crisis has left the six-member Monetary Policy Committee led by Governor Sanjay Malhotra in a tough spot. The rupee's slide since the conflict began has emerged as a key pressure point, prompting the central bank to take some of its most aggressive steps in over a decade to curb speculative bets against the currency. The RBI now faces a dilemma over whether to raise interest rates to support the currency or keep borrowing costs low to cushion economic growth.

Even as economists expect the RBI to focus on calming markets this week, they say it may eventually be forced to raise rates if the Iran war drags on, as costlier energy imports risk fueling inflation. Standard Chartered Plc economists Anubhuti Sahay and Saurav Anand said while they don't expect a rate hike in April or this fiscal year, there's a "risk of a 25-50 basis points increase in the repo rate if a sustained rise in energy prices pushes global rates higher, putting further pressure on the Indian rupee."

India, which relies on the Middle East for about half of its crude and most of its cooking gas, has been hit hard by the effective closure of the Strait of Hormuz. The rupee has tumbled 7.6% over the past year, making it Asia's worst-performing currency. Benchmark yields have surged to near two-



The Reserve Bank of India headquarters in Mumbai. The RBI is likely to hold interest rates today in its first policy decision since the Iran war, as it grapples with a sharply weaker rupee while trying to support economic growth.

year highs as crude prices spike, with any signal of monetary tightening likely to further roil markets.

Sakshi Gupta, an economist at HDFC Bank Ltd, said markets are looking for "conditioning and reinforcement of the RBI's commitment to maintaining rupee stability," adding that the central bank's view on rupee depreciation will be key to shaping expectations going forward. "Communication will be key" this week, said Gaura Sen Gupta, an economist at the IDFC Bank Ltd, as "the April policy comes at a time when it may be too early to react to the unfolding West Asia crisis."

The RBI recently has taken some of its most forceful steps in the currency market by cracking down on speculative trading. After the rupee slid past 95 per dollar, the RBI capped banks' daily currency positions at \$100mn and barred them from offering non-deliverable forwards to clients. The rupee has since rebounded nearly 2%.

While policymakers will refrain from raising rates just yet, the central bank could consider some additional measures to control the currency. One immediate option is to open a dedicated dollar swap

window for oil refiners, who account for \$250mn to \$300mn in daily demand. It is a playbook the central bank used during the 2013 taper tantrum, when the RBI supplied about \$12bn to refiners as the rupee slid past 60 per dollar - then a record low.

Investors will also watch for any comments from Malhotra on the impact of the war on India's growth. In February, the central bank had held back from providing full-year growth and inflation forecasts, as the government was in the process of revising the data series. The mood was more upbeat then, with policymakers expressing confidence in growth of over 7% following an interim trade deal with the US. The RBI also said inflation would likely remain around its 4% target at least through September.

Those assumptions may now need to be reassessed in light of the conflict, with some economists sharply cutting growth forecasts to reflect India's oil dependence. Goldman Sachs sees calendar year growth at 5.9%, while Standard Chartered has lowered its forecast for the current financial year to 6.4% from 7%.

## EM assets climb as traders hunt for winners

Reuters  
Singapore

Emerging market (EM) stocks climbed on Tuesday, cruising towards their third consecutive session of gains as investors weary of the relentless headlines from the Middle East picked winners selectively. Repeated false dawns and harsh rhetoric from both sides have dimmed investors' hopes of a swift end to the US-Israel war with Iran, now in its sixth week. Iran rejected a US proposal for an immediate ceasefire and the lifting of its effective blockade of the Strait of Hormuz, according to a source aware of the plan.

With few assets looking attractive, traders looked harder for pockets of strength. A 2.8% gain in TSMC drove Taiwan's AI-heavy benchmark 2% higher, while South Korea's Kospi index rose 0.8%. The MSCI index of emerging

market equities gained 1%. Czech stocks rose 1.2% as data showed that surging fuel prices drove a less-than-expected jump in March inflation.

Later this week, inflation figures are also due for Hungary, which is gearing up for an election that is expected to be a tough challenge for nationalist Prime Minister Viktor Orban. Hungarian equities climbed 1.8% while the forint rose 0.3% against the dollar.

"We expect a tight race," said ING's EMEA FX strategist Frantisek Taborsky, referring to the election. "Hungarian assets are the only ones in CEE (Central and Eastern Europe) to have visibly reacted to the local story and have somehow deflected the global influence. We've seen the forint outperforming the rest of the region in recent days, which is likely to continue this week as well." In Poland, the equities benchmark rose 1% and the zloty was flat against the euro,

following three straight days of gains.

Eisewhere, South African stocks were largely steady, while the rand was up 0.3% against the dollar.

The African Export-Import Bank approved a \$10bn programme to help African and Caribbean economies, as well as their banks and companies, counter the severe economic shocks triggered by the Middle East conflict.

In Asia, the Indonesian rupiah breached the 17,100 level against the dollar for the first time, defying the central bank's efforts to prop it up, as energy shocks and lingering fiscal and governance concerns chased foreign investors away. "Policymakers will have no choice but to hike fuel prices by up to 5% in the months ahead. Crucially, Indonesia's fiscal position was already shaky before the Iran war started," economists at Pantheon Macroeconomics wrote.

## Wall Street watchdogs pull back amid Trump's deregulatory push

Bloomberg  
Washington

Finance has been moving fast. From crypto to prediction betting to exchange-traded funds to private credit, new markets - and risks - are proliferating. And in his second term in the White House, Donald Trump is going all-in on deregulation.

The US Securities and Exchange Commission (SEC) has flipped from its Biden-era scepticism of crypto to a full embrace. A new law, the Genius Act, has put digital stablecoins that act like dollars in a position to compete with banks for deposits. Regulators at the Federal Reserve are reversing an effort to beef up the capital cushions at large banks.

**The Securities and Exchange Commission**  
When Atkins took the helm at Wall Street's top regulator, he promised a new day. Hello to ideas to "make IPOs great again" by making it easier for a company to go public. Goodbye to so-called regulation by enforcement. That's the label crypto executives and lobbyists applied to many of the SEC's cases under previous Chair

Gary Gensler against crypto companies. They said the agency was applying unclear rules too aggressively.

Under Atkins, the SEC has determined that many crypto tokens aren't securities under its purview but rather commodities to be regulated by the CFTC.

More broadly, Atkins says the SEC should embrace new financial technologies. "The SEC's head-in-the-sand posture - as well as its shoot-first-ask-questions-later approach - are days of the past," Atkins said in a speech in July.

The agency has also made it harder for small stockholders to bring proposals to public companies and has signalled that it wants to allow Main Street investors to gain access to private credit.

There are still rules, though: Staffers in March hit the brakes on a new kind of exchange-traded fund, designed to deliver as much as five times the daily return of an underlying index.

**The Commodity Futures Trading Commission**  
Few Americans have heard of the CFTC or understand what it does. With 540 employees, compared with the SEC's 4,000, the



The Securities and Exchange Commission headquarters in Washington, DC. The SEC has made it harder for small stockholders to bring proposals to public companies and has signalled that it wants to allow Main Street investors to gain access to private credit.

CFTC oversees swaps, futures and certain options. Now it wants a bigger role in regulating crypto and prediction markets - another hot and volatile industry that the Trump administration has embraced.

The CFTC has joined with the SEC to write crypto rules. And the CFTC's new chairman, Michael Selig, has said the agency has "ex-

clusive jurisdiction" over prediction markets such as Kalshi that let customers trade on sports, elections and most anything else. States have initiated several lawsuits contending that these online platforms are actually dressed-up gambling sites that need to be subject to state laws and taxation. Selig disagrees.

Selig has a lot of work ahead of

him, especially because he's running the CFTC solo.

**Banking regulators**  
Since the start of Trump's second term, the Federal Reserve and other banking agencies have loosened restraints on the largest US lenders. Those moves include relaxing how much capital a bank must hold as a buffer against potential losses, narrowing the scope of bank supervision, shrinking a Fed unit dedicated to bank oversight and roping crypto assets into the fold of the traditional banking system.

The regulators say these steps are necessary to boost economic growth, increase competitiveness and support innovation - all to the benefit of everyday Americans, who are struggling with an affordability crisis. But the embrace by top banking agencies of the White House's deregulatory drive has left some academics, attorneys and advocates concerned. Those critics worry the changes now underway could effectively restore the more lax regulatory regime in place before the 2008 global financial crisis.

**The Consumer Financial Protection Bureau**  
After the financial crisis, Congress created the CFPB to focus on

the welfare of individuals rather than the soundness of financial institutions.

Republicans argued that the agency had too much power to impose burdensome rules.

Shortly after Russell Vought was appointed acting director, he halted work at the bureau and promised to shutter the agency "within the next two, three months." But judges in two separate lawsuits against his efforts have forced Vought to request funding from the Federal Reserve so that the agency can operate as Congress intended. Vought is now fighting to be able to slash half of remaining staff, from 1,174 to 556.

For now, the agency is performing statutorily required functions and pushing through deregulation, which includes rolling back oversight of nonbank lenders and rewriting a Biden-era rule that would have given bank customers more control of their data. "There's still a lot of people," says Alan Kaplinsky, senior counsel of the consumer financial services group at the law firm Ballard Spahr. But he says the agency may be short-handed on the regulatory expertise it needs to push through its new agenda.

## Central banks risk losing another battle by trying to win last war

By Mike Peacock  
London

On the face of it, the Middle East energy crisis is precisely the sort of external shock that central banks should "look through". But there are growing reasons why that may not happen this time around.

The US-Israeli war on Iran that began on February 28 has sent Brent crude up about 50% to \$108.50 a barrel, raising the risk of an inflationary spike globally. In theory, central banks should avoid changing policy in relation to this event unless it's clear that it will persist or boost inflation expectations long term. The Bank for International Settlements - a group that promotes financial stability among central banks - has urged policymakers not to rush to action, calling the current crisis a textbook case of when to "look through" a supply shock.

Central banks may not heed this advice. They are still stinging from the criticism - fair or not - that they moved too slowly after Russia's 2022 invasion of Ukraine, mistakenly labelling elevated inflation "transitory" only to see it remain above target for years.

On top of this, the claim that inflation expectations in developed markets are "well anchored" - something central bankers

have long reiterated - is now questionable. The world has witnessed a succession of "black swan" events in recent years that risk structurally elevating inflation expectations, leading to an upward spiral of ever higher prices and greater wage demands.

First, there was the Covid-19 pandemic - supposedly a once-in-a-century shock - that led to a significant jump in prices as snarled supply chains were coupled with a stimulus-driven demand surge. That was swiftly followed - and exacerbated - by a global energy jolt caused by Russia's full-scale invasion of Ukraine. Now that conflict has been compounded by a fresh shock: the war in the Middle East. Amid all this, the globalised trading system that suppressed inflation for decades has been fractured by US President Donald Trump's tariff wars. Put that all together, and it starts to look like policymakers won't be able to sit on their hands for long - whether or not that's the appropriate choice.

The Bank of England, Federal Reserve and European Central Bank all held rates steady at their most recent policy meetings. But there was little indication that they would be "looking through" the current energy crisis. Instead, the communication seemed designed to send the opposite message.

"We're well aware of the performance of inflation over the last few years and how a se-

ries of shocks have interrupted progress that we've made over time," Fed Chairman Jerome Powell said last month. The BoE's policy meeting minutes from March 19 warned that "households and businesses could have a heightened sensitivity to any new inflationary shock, following successive negative supply shocks in recent times."

And the ECB said on the same day, "If persistent, higher energy prices may lead to a broader increase in inflation through indirect and second-round effects, a situation which requires close monitoring."

Central banks may feel compelled to act unless the Strait of Hormuz, the global energy artery currently blockaded by Iran, fully reopens soon. But recent history should give policymakers pause for thought. Alan Taylor, an external member of the BoE's Monetary Policy Committee, recently discussed a thought experiment he and his colleagues conducted, asking what central bankers might have done from 2020 onwards if they were solely focused on bringing inflation back to target, with no concern for the knock-on growth effects.

In his scenario, UK rates would have exceeded 10% in 2023 instead of peaking at 5.25%, and would still be around 7% today, triggering a deep recession ... and inflation still would have hit 7%. That's just one sce-

nario, but the situation today calls for caution for other reasons as well.

For one, the starting point for rates is quite different than it was after the pandemic. Back then, interest rates were close to zero. Today, the Fed's policy rate is 3.5-3.75%, and the BoE's is 3.75%. Both have indicated they view their respective rates as somewhat restrictive. The ECB has signalled readiness to hike its 2% key rate to combat rising inflation risks.

The lesson from the post-pandemic inflation surge is not necessarily to act faster, but to communicate better.

There were errors back then, particularly the insistence that the leap in prices was "transitory", but central banks are clearly being more careful about the projections they make this time around. Both the ECB and BoE have introduced scenarios showing what could happen to the economy under different conditions.

In its annual Stress Test Scenarios, published in February, the Fed used a 2.2% inflation projection for its baseline and a much lower 1.0% for its severely adverse scenario, which typically models a demand-shock recession. They would presumably look very different if conducted now. The ECB's baseline puts inflation at 2.0% next year, its adverse scenario projects 2.1%, while its severe scenario is 4.8%. Only the latter signals

the need for rate rises. The BoE will publish its equivalents at the end of April. If underpinned by an unwavering commitment to deliver the inflation target - not now but over the medium term - such scenarios could help anchor inflation expectations without central bankers having to rapidly pull the policy lever.

They should also be wary of overreacting to credibility concerns. By responding more nimbly to the situation at hand - rather than trying to fix mistakes made in the past - policymakers could actually enhance their reliability.

Regarding the BoE, David Aikman, director at the UK's National Institute of Economic and Social Research, recently said, "Credibility is not demonstrated by reacting mechanically to a number the Bank cannot control. It is demonstrated by being clear about what the Bank can control, what it is watching, and what it will do if the situation deteriorates."

Ultimately, if central bankers focus on trying to win the last war instead of responding to the reality of the current one, they risk being accused of making a major policy mistake yet again.

■ Mike Peacock is the former head of communications at the Bank of England and a former senior editor at Reuters. The opinions expressed here are those of the author.

## QSE sees domestic and foreign funds extend buying support

By Santhosh V Perumal  
Business Reporter

The Qatar Stock Exchange (QSE) yesterday witnessed domestic and foreign institutions extend buying support, even as it overall settled lower.

The 20-stock Qatar Index, which had reached an intraday high of 10,375 points, could not however sustain the bull-run as it finally fell 61 points or 0.59% to 10,285.66 points.

The real estate, banking, industrials and telecom sectors saw higher than average selling pressure in the main market, whose year-to-date losses widened to 4.43%.

Markets have been treading a cautious path in view of the deadline set by the US President Donald Trump for Iran to reopen the Strait of Hormuz, which carries about 20% of the energy supplies to the world.

The foreign retail investors were seen less inclined to square off their positions in the main bourse, whose capitalisation melted QR4.35bn or 0.71% to QR608.21bn mainly on midcap segments.

The local retail investors were seen net profit takers in the main market, whose trade turnover and volumes were on the rise.

The Gulf funds turned bearish in the main bourse, which saw as many as 0.03mn exchange traded funds (sponsored by AlRayan Bank and Doha Bank) valued at QR0.07mn trade across 10 deals.

The Arab individuals were increasingly net sellers in the main market, which saw a total of 0.23mn sovereign bonds valued at QR2.25bn change hands across seven transactions.

The Islamic index was seen declining slower than the other indices of the main bourse, which saw no trading of treasury bills.

The Total Return Index shed 0.59%, the All Share Index by



The 20-stock Qatar Index, which had reached an intraday high of 10,375 points, could not however sustain the bull-run as it finally fell 61 points or 0.59% to 10,285.66 points

0.66% and the Al Rayan Islamic Index by 0.31% in the main bourse.

The realty sector index tanked 1.06%, banks and financial services (0.72%), industrials (0.68%), telecom (0.68%), transport (0.53%) and consumer goods and services (0.41%); while insurance was up 0.04%.

As many as 36 declined, while only 13 gained and five were unchanged in the main market.

About 67% of the traded constituents were in the red in the main market with major losers being Inma Holding, Widam Food, Gulf International Services, Commercial Bank, QNB, Doha bank, Al Mahhar Holding, Industries Qatar, United Development Company, Barwa, Mazaya Qatar, Gulf Warehousing and Nakilat. In the juniour bourse, Techno Q saw its shares depreciate in value.

Nevertheless, Qatar Cinema and Film Distribution, Doha Insurance, Al Khaleej Takaful, Mesaieed Petrochemical Holding, Estithmar Holding and Vodafone Qatar were among the movers in the main market.

The Gulf institutions turned net sellers to the tune of QR63.21mn compared with net buyers of QR1.79mn on Monday.

The local retail investors were net sellers to the extent of QR7.72mn against net buyers of QR2.22mn the previous day.

The Arab individuals' net profit booking expanded substantially to QR7.28mn compared to QR0.86mn on April 6.

The Gulf individual investors' net selling increased perceptibly to QR0.72mn against QR0.01mn on Monday.

The Arab funds turned net

sellers to the tune of QR0.08mn compared with net buyers of QR0.04mn the previous day.

However, the domestic institutions were net buyers to the extent of QR68.03mn against net sellers of QR5.08mn on April 6.

The foreign institutions' net buying strengthened markedly to QR12.46mn compared to QR6.4mn on Monday.

The foreign individuals' net profit booking weakened noticeably to QR0.37mn against QR4.5mn the previous day.

The main market saw 29% surge in trade volumes to 237,92mn shares, 16% in value to QR477.09mn and 62% in deals to 28,636.

In the venture market, a total of 0.43mn equities valued at QR1.09mn changed hands across 77 transactions.

## SpaceX lays out IPO details, targets early June roadshow

SpaceX plans to launch IPO road show in early June; SpaceX to allocate unprecedented IPO share to retail investors, CFO says Johnsen; 1,500 retail investors to be hosted at investor event on June 11; IPO aims to raise \$75bn, valuing SpaceX up to \$1.75tn

Reuters  
New York

SpaceX outlined details of its highly anticipated IPO at a meeting with its team of bankers Monday night, telling them it plans to earmark a large portion of shares for retail investors and will host 1,500 of them at an event in June following the IPO roadshow launch, according to two people familiar with the matter.

"Retail is going to be a critical part of this and a bigger part than any IPO in history," Chief Financial Officer Bret Johnsen said during the virtual meeting, the two people said, asking not to be identified because the discussion was private. Johnsen said the large retail component is by design as "those are folks that have been incredibly supportive of us and of Elon (Musk) for a long time, and we want to make sure that we recognize that."

Reuters reported last month that SpaceX is rewriting the IPO playbook with a large retail portion in the offering.

The meeting brought together the full syndicate for the first time as part of the process for what is expected to be the biggest initial public offering ever as the rocket maker seeks to raise \$75bn, valuing SpaceX at as much as \$1.75tn, Reuters has previously reported.

The Elon Musk-led company plans to launch its roadshow the week of June 8, when executives and bankers will pitch the IPO to investors, the people said. About

125 financial analysts from the 21 banks on the deal are scheduled to meet with the company the day before, they added.

On June 11, SpaceX plans to host 1,500 retail investors at what the people described as a major investor event. In addition to the US, everyday retail investors in the UK, EU, Australia, Canada, Japan and Korea would have the opportunity to participate in the offering, the people added.

One of SpaceX's lead underwriters told the group of 21 investment banks the retail demand and allocation will be something they've "never seen before," the two people said.

The structure of the deal and precise amount of the retail allocation are expected to be finalized closer to the IPO launch, they said. Reuters previously reported that founder Elon Musk wanted to set aside up to 30% of the company's shares for smaller investors, compared with 5% to 10% for most companies.

The company plans to make its IPO prospectus public in late May, they said. SpaceX did not immediately respond to a request for comment.

Morgan Stanley, Bank of America, Citigroup, JP Morgan and Goldman Sachs are leading the deal as active bookrunners, with 16 other banks in smaller roles spanning institutional, retail and international channels, Reuters previously reported. The \$1.75tn target represents a significant step up from the \$1.25tn combined valuation set when SpaceX merged with Musk's artificial intelligence startup xAI in February.

Typically, SpaceX's roughly twice-yearly tender offers - in which employees and investors are able to sell their existing shares, allowing them to cash out from a company that has remained private for nearly 25 years - have served as the primary valuation anchor.



## Fed official expects little change to underlying inflation

Bloomberg  
Washington

Federal Reserve Bank of New York President John Williams said his outlook for underlying price pressures in the US was largely unchanged despite his expectation that higher energy costs stemming from the war in Iran will boost overall inflation.

"The story hasn't changed very much" around underlying inflation, Williams said Tuesday in an interview with Bloomberg TV. He added that he anticipated core inflation, which excludes food and energy components, would rise by just one or two tenths of a percentage point.

Williams said he had slightly downgraded his forecast for economic growth in the US in 2026 to a range of 2% to 2.5%. Just before the war he was expecting 2.5% to 2.75%. He also sees higher headline inflation.

Williams said there was no need to consider any change to the Fed's benchmark interest rate.

"Monetary policy today is really well positioned" to wait for the economic consequences of the conflict in the Middle East, he said. "Monetary policy is exactly where it needs to be, and then we can respond if the

situation changes." The war in Iran is testing the Fed's dual mandate, delivering a spike in energy prices that risks slowing growth while fueling inflation.

The conflict, and its restrictions on the global supply of oil, showed no sign of abating as the Trump administration threatened to target civilian infrastructure in Iran beginning on Tuesday.

Several Fed officials, including Chair Jerome Powell, have said interest rates are well positioned to balance the mounting risks for the time being.

Williams expressed a bit more confidence in the US labor market following a surprisingly strong March jobs report that lowered the unemployment rate to 4.3%.

"We've seen the labor market much more stable now, definitely not a labor market that is weakening," Williams said.

Asked who would lead the Fed's interest rate setting panel, the Federal Open Market Committee, in the months ahead, Williams said Chair Jerome Powell would remain head of that committee until a new chair of the Fed's Board of Governors was confirmed by the Senate.

That could mean Powell retains significant influence over monetary policy for many more months.