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GULF TIMES BUSINESS



NEW OPPORTUNITIES: Page 3

Qatar and Pakistan hold first meeting of trade and investment working group

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البنك التجاري COMMERCIAL BANK

QIB reports QR986mn net profit in Q1

Qatar Islamic Bank (QIB) has reported net profit of QR986mn in the first three months of this year. Total assets stood at QR224bn in January-March 2026, representing a growth 5.9% on an annualised basis. Financing and investing activities were the primary drivers for the asset growth. Financing assets reached QR146.4bn, having grown by 11.1% against March 2025 levels. Investment securities reached QR60.7bn, surging 14% year-on-year. Customer deposits grew 5.4% year-on-year to QR140.7bn at the end of March 2026. Financing-to-deposit ratio was 95% at the end of March 31, 2026 compared with the Qatar Central Bank (QCB) maximum requirement of 100%, reflecting the bank's strong liquidity position. Total income stood at QR2.71bn while net income from financing and investing activities was QR2.47mn in the first quarter (Q1) of 2026. Total general and administrative expenses stood at QR277mn in Q1-2026. The bank's drive to improve the efficiency supported by strict cost management measures helped it to

maintain the cost-to-income ratio at 17% in the review period, which is the lowest in the Qatari banking sector. QIB was able to manage the ratio of non-performing financing assets to total financing assets at 1.56%, one of the lowest in the industry, reflecting the quality of the bank's financing assets portfolio and its effective risk management framework. QIB continues to pursue the conservative impairment policy by building precautionary impairment charge for financing assets, other assets and other provisions and maintain a healthy coverage ratio for non-performing financing assets at 95% at the end of March 2026. Total shareholders' equity reached QR29.4bn in Q1-2026, an increase of 9.4% on an annualised basis. Total capital adequacy, under Basel III guidelines, was 22.9%, well above the regulatory minimum requirements prescribed by the QCB and Basel Committee. In March 2026, Capital Intelligence Ratings has affirmed QIB's long-term rating at 'AA-' with a stable outlook.



QIB's total assets stood at QR224bn in January-March 2026, representing a growth 5.9% on an annualised basis as financing and investing activities were the primary drivers for the asset growth

Qatar Islamic Bank (Q.P.S.C.) INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 MARCH 2026

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF QATAR ISLAMIC BANK (Q.P.S.C.)

Introduction
We have reviewed the accompanying interim consolidated statement of financial position of Qatar Islamic Bank (Q.P.S.C.) (the "Bank") and its subsidiaries (the "Group") as at 31 March 2026, and the related statements of income, comprehensive income, income and attribution related to quasi-equity, changes in equity, condensed consolidated statement of cash flows and changes in off-balance sheet assets under management for the three-month period then ended, and a summary of material accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with Financial Accounting Standard ("FAS") Interim Financial Reporting FAS 41 issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI") as modified by the Qatar Central Bank ("QCB"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with FAS 41 issued by the AAOIFI as modified by the QCB.

Other matter
The interim financial information of the Group for the three-month period ended 31 March 2025 and the consolidated financial statements for the year ended 31 December 2025 were reviewed and audited respectively by another auditor who expressed an unmodified conclusion on that information and an unmodified opinion on those statements on 16 April 2025 and 15 February 2026 respectively.

Doha - Qatar
15 April 2026

For Deloitte & Touche
Qatar Branch
Walid Slim

Partner
License No. 319
QFMA Auditor License No. 120156

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 March 2026

	31 March 2026 (Reviewed)	31 December 2025 (Audited)	31 March 2025 (Reviewed)
Assets			
Cash and balances with central banks	7,694,283	8,971,445	9,192,065
Due from banks	1,618,350	5,796,109	5,530,736
Financing assets	146,385,509	138,481,616	131,753,074
Investment securities	60,745,769	60,249,013	53,271,561
Investment in associates	2,138,448	2,133,528	1,109,864
Investment properties	3,327,451	3,329,839	2,489,208
Fixed assets	594,086	576,157	366,381
Other assets	1,506,034	1,513,071	2,455,650
Assets held for sale	-	-	5,429,553
TOTAL ASSETS	224,009,930	221,050,778	211,598,092
Liabilities, Quasi-Equity and Equity			
Liabilities			
Due to banks	25,077,372	24,007,991	28,438,971
Customers' current accounts	19,029,867	17,219,483	16,496,194
Sukuk financing	13,852,261	11,074,236	11,031,129
Other liabilities	10,874,255	9,493,479	3,529,516
Liabilities directly associated with assets held for sale	-	-	3,683,376
Total liabilities	68,833,755	61,795,189	63,179,186
Quasi-Equity			
Participatory investment accounts	121,595,183	125,400,405	116,904,086
Reserves attributable to quasi-equity	72,810	106,736	53,639
Total quasi-equity	121,667,993	125,507,141	116,957,725
Equity			
Share capital	2,362,932	2,362,932	2,362,932
Legal reserve	6,370,016	6,370,016	6,370,016
Risk reserve	3,183,218	3,183,218	3,102,283
General reserve	81,935	81,935	81,935
Fair value reserve	104,536	137,424	(109,449)
Foreign currency translation reserve	(683,620)	(671,584)	(631,717)
Other reserves	216,820	216,820	216,820
Retained earnings	17,747,951	17,943,777	15,459,438
Total equity attributable to equity holders of the bank	29,383,788	29,624,538	26,852,258
Non-controlling interests	124,394	123,910	608,923
Sukuk eligible as additional capital	4,000,000	4,000,000	4,000,000
Total equity	33,508,182	33,748,448	31,461,181
Total liabilities, Quasi-Equity and equity	224,009,930	221,050,778	211,598,092
Off-balance sheet assets under management	10,520	10,520	10,520
Contingent liabilities and commitments	19,728,028	20,564,242	20,797,923

These interim condensed consolidated financial statements were approved by the Board of Directors on 15 April 2026 and were signed on its behalf by:

Jassim Bin Hamad Bin Jassim Bin Jaber Al Thani
Chairman

Bassel Gamal
Group Chief Executive Officer

INTERIM CONSOLIDATED STATEMENT OF INCOME For the three-month period ended 31 March 2026

	For the three-month period ended 31 March	
	2026 (Reviewed)	2025 (Reviewed)
Continuing operations		
Net income from financing activities	2,156,722	2,286,844
Net income from investing activities	454,017	384,631
Sukuk holders' share of profit	(143,711)	(112,723)
Total income from financing and investing activities, net	2,467,028	2,558,752
Fee and commission income	329,685	316,701
Fee and commission expense	(120,988)	(109,069)
Net fee and commission income	208,697	207,632
Net foreign exchange gain	12,655	11,134
Net share of results of associates	22,419	17,948
Other income	1,967	2,879
Total income	2,712,766	2,798,345
Staff costs	(160,446)	(157,845)
Depreciation and amortisation	(20,842)	(15,476)
Other expenses	(95,334)	(95,087)
Total expenses	(276,622)	(268,408)
Net impairment reversals on investment securities	21	204
Net impairment losses on financing assets	(173,422)	(265,828)
Other impairment losses	(62,649)	18,132
Net profit for the period before tax and attribution to quasi-equity	2,200,094	2,282,445
Less: Net profit attributable to quasi-equity holders	(1,086,177)	(1,179,645)
Net profit for the period before tax from continuing operations	1,113,917	1,102,800
Tax expense	(128,429)	(115,116)
Net profit for the period from continuing operations	985,488	987,684
Discontinued operations		
Loss after tax for the period from discontinued operations	-	(7,540)
Net profit for the period	985,488	980,144
Net profit for the period attributable to:		
Equity holders of the Bank	985,640	985,089
Non-controlling interests	(152)	(4,945)
Net profit for the period	985,488	980,144
Earnings per share		
Basic and diluted earnings per share and earning per share from continuing operations (QAR per share)	0.42	0.42

Qatar's banking assets touch QR2.17tn in February: QNBFS

Qatar banking sector's total assets stood at QR2.17tn in February, according to QNB Financial Services (QNBFS). In its research note, QNBFS said assets grew by an average 5% over the past five years and liquid assets to total assets stood at a "healthy" 30% level in February 2026. The banks' loan book remained flat at QR1.46tn, while deposits were up 1.6% to QR1.06tn in February 2026. As such, the LDR (loan-deposit ratio) increased to 138% in February against 137% in January (December 2025: 137%). The overall loan book remained flat month-on-month in February 2026 despite strong performance from the international sector loans as public sector loans declined 2.7%, while private sector loans remained flat. Total public sector loans sequentially receded by 2.7% (-0.6% against FY2025) in February 2026, it said, adding loans grew by an average of 4.9% over the past five years. The government segment (representing about 39% of public sector loans) increased by 2.2% month-on-month (+17.6% vs. FY2025), while the government institutions segment (53% of total public sector loans) contracted by 8.3% on a monthly basis (-11.9% vs FY2025). On the other hand, the semi-government institutions' segment (8% of total public sector loans) contributed positively although immaterially, expanding by 15.4% month-on-month (+7.8% vs. FY2025) in February 2026. Public sector deposits fell 1.3% month-on-month (-4.4% vs. FY2025) in February 2026. The government segment (constituting about 30% of public sector deposits) contracted by 5.8% on a monthly basis (-13.0% vs. FY2025). Nevertheless, the government institutions' (55% of public sector deposits) remained flat month-on-month (-1.8% vs. FY2025), while the semi-government institutions' segment (16% of public sector deposits) rose 2.2% month-on-month (+5.6% vs. FY2025) in the review period. Deposits grew by an average 2.9% over the past five years.

Non-resident deposits retreated by 2.3% month-on-month (-7.3% vs. FY2025) in February 2026. Non-resident deposits as a percentage of total deposits moved up from 18.8% in FY2025 to 19.8% in February 2026. The net interbank position remained negative at QR387bn as of February 2026 with due from banks totaling QR171.6bn, due to banks (QR559.0bn), and due to banks abroad remaining at a high of QR488.3bn in December 2025. Private sector deposits were up 1% on a monthly basis (+3.8% vs. FY2025) in February 2026. On the private sector front, companies and institutions inched up 0.6% sequentially (+5.0% vs. FY2025). Moreover, the consumer segment increased by 1.2% month-on-month (+2.8% vs. FY2025). Qatar banking sector loan provisions to gross loans remained flat at 4% month-on-month in February 2026. Loan loss provisions were flat on a monthly basis (+1.1 vs. year-end 2025). "So far Stage 3 loans have remained stable," the note said.

Qatar's banking assets grew by an average 5% over the past five years and liquid assets to total assets stood at a "healthy" 30% level in February 2026, according to QNBFS



Qatar's banking assets grew by an average 5% over the past five years and liquid assets to total assets stood at a "healthy" 30% level in February 2026, according to QNBFS



QATARI INVESTORS GROUP (Q.P.S.C.)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

Interim Condensed Consolidated Statement of Financial Position As at 31 March 2026		
	In Qatari Riyals	
	March 31, 2026 (Unreviewed) QR.	December 31, 2025 (Audited) QR.
ASSETS		
Non-current assets		
Property, plant and equipment	2,037,063,547	2,047,412,435
Right of use assets	23,706,557	23,973,287
Investment properties	864,846,114	864,417,894
Goodwill	230,506,403	230,506,403
Investment in associates	31,866,173	30,412,019
Financial assets at fair value through other comprehensive income	9,670,503	9,670,503
Derivative financial asset	21,739,943	23,423,443
Total non-current assets	3,219,399,240	3,229,815,984
Current assets		
Derivative financial asset	9,662,197	9,369,376
Contract assets	2,011,228	3,017,565
Inventories	334,423,422	313,598,796
Prepayments and other debit balances	49,822,829	56,509,375
Advances to contractors and suppliers	2,974,206	2,562,969
Due from related parties	8,284,826	8,789,257
Accounts receivable	101,671,531	108,973,847
Cash and bank balances	457,056,180	594,540,205
Total current assets	965,906,419	1,097,361,390
Total assets	4,185,305,659	4,327,177,374
EQUITY		
Share capital	1,243,267,780	1,243,267,780
Legal reserve	621,633,890	621,633,890
Fair value reserve	6,054,702	6,054,702
Hedging reserve	31,402,140	32,792,819
Revaluation surplus	8,660,631	8,660,631
Retained earnings	1,002,122,916	962,238,959
Proposed dividends	-	124,326,778
Equity attributable to the shareholders of the Company	2,913,142,059	2,998,975,559
Non-controlling interests	(5,442,896)	(5,433,658)
Total equity	2,907,699,163	2,993,541,901
LIABILITIES		
Non-current liabilities		
Bank borrowings	588,672,871	674,271,418
Lease liabilities	24,857,189	24,542,131
Employees' end of service benefits	10,008,856	10,122,964
Total non-current liabilities	623,538,916	708,936,513
Current liabilities		
Bank borrowings	140,613,540	135,139,224
Lease liabilities	4,545,820	4,102,286
Accounts payable	34,866,318	30,464,066
Due to related parties	1,182,647	1,224,056
Retention payables	4,979,077	5,025,772
Notes payable	3,156,434	4,495,715
Accruals and other liabilities	464,723,744	444,247,841
Total current liabilities	654,067,580	624,698,960
Total liabilities	1,277,606,496	1,333,635,473
Total equity and liabilities	4,185,305,659	4,327,177,374

These interim condensed consolidated financial statements were approved on April 15, 2026, by the Board of Directors and were signed on their behalf by:

Abdulla Bin Nasser Al Misnad
Chairman

Interim Condensed Consolidated Statement of Profit or Loss For the three months period ended 31 March 2026		
	In Qatari Riyals	
	For the three-month period ended March 31,	
	2026 (Unreviewed) QR.	2025 (Unreviewed) QR.
Revenue	115,838,733	136,532,486
Cost of revenue	(57,960,817)	(80,177,363)
Gross profit	57,877,916	56,355,123
Income from short-term deposits and saving accounts	3,778,644	4,687,509
Other income	3,471,502	8,325,576
Investment income	1,615,600	1,615,600
Share of profits of associates	3,326,553	1,981,436
Selling and distribution expenses	(779,135)	(902,192)
General and administrative expenses	(21,019,350)	(20,951,870)
Finance costs	(7,708,423)	(8,683,445)
Net profit for the period before income tax	40,563,307	42,427,737
Income tax expense	(688,588)	(950,619)
Net profit for the period after income tax	39,874,719	41,477,118
Attributable to:		
Shareholders of the Company	39,883,957	41,954,698
Non-controlling interests	(9,238)	(477,580)
	39,874,719	41,477,118
Basic and diluted earnings per share	0.03	0.03

Interim Condensed Consolidated Statement of Other Comprehensive Income For the three months period ended 31 March 2026		
	In Qatari Riyals	
	For the three-month period ended March 31,	
	2026 (Unreviewed) QR.	2025 (Unreviewed) QR.
Net profit for the period after income tax	39,874,719	41,477,118
Other comprehensive income		
Change in fair value of cash flow hedging derivatives	(1,390,679)	(9,344,249)
Total comprehensive income for the period after income tax	38,484,040	32,132,869
Attributable to:		
Shareholders of the Company	38,493,278	32,610,449
Non-controlling interests	(9,238)	(477,580)
	38,484,040	32,132,869

Interim Condensed Consolidated Statement of Cash Flows For the three months period ended 31 March 2026		
	In Qatari Riyals	
	For the three-month period ended March 31,	
	2026 (Unreviewed) QR.	2025 (Unreviewed) QR.
OPERATING ACTIVITIES		
Net profit for the period after income tax	39,874,719	41,477,118
Adjustments for:		
Depreciation of property, plant and equipment	14,961,075	15,753,383
Amortization of right-of-use assets	1,086,057	5,199,980
Accrued finance cost	12,605,416	24,583,905
Interest expense on lease liabilities	520,858	1,611,442
Share of profits of associates	(3,326,553)	(1,981,436)
Income tax expenses	688,588	950,619
Net movement in provision for advances to supplier	(70,348)	33,618
Net movement in provision for inventory	-	(1,206,809)
Net movement in provision for impairment of accounts receivable	275,645	35,443
Gain on lease modification	-	(1,218,333)
Loss/ (gain) on disposal of property, plant and equipment	2,440	(512,422)
Employees' end of service benefits	579,405	544,673
	67,197,302	85,271,181
Movements in working capital:		
Inventories	(20,824,626)	(9,969,066)
Prepayments and other debit balances	6,686,546	9,467,800
Advances to contractors and suppliers	(340,889)	501,510
Due from related parties	504,431	(176,371)
Accounts receivable	7,026,671	9,718,598
Contract assets	1,006,337	(359,477)
Accounts payable	4,402,252	3,859,552
Due to related parties	(41,409)	848,918
Retention payables	(46,695)	(738,163)
Accruals and other liabilities	(8,188,303)	(4,986,344)
Cash generated from operations	57,381,617	93,438,138
Employees' end of service benefits paid	(693,513)	(406,560)
Interest paid on lease liabilities	(62,955)	(1,144,046)
Finance cost paid	(29,742,297)	(47,265,946)
Net cash generated from operating activities	26,882,852	44,621,586
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	89,984	1,451,817
Additions to property, plant and equipment	(4,704,611)	(4,458,797)
Additions to investment properties	(428,220)	(895,078)
Dividend from investments in associates	1,872,399	1,281,747
Net cash used in investing activities	(3,170,448)	(2,620,311)
FINANCING ACTIVITIES		
Proceed from bank borrowings	-	3,256,285
Repayment of bank borrowings	(62,987,350)	(54,395,188)
Payment of lease liabilities	(518,638)	(3,990,886)
Notes payable	(1,339,281)	(2,210,215)
Dividend paid	(124,326,778)	(161,624,811)
Net cash used in financing activities	(189,172,047)	(218,964,815)
Net decrease in unrestricted cash and cash equivalents	(165,459,643)	(176,963,540)
Unrestricted cash and cash equivalents at the beginning of the period	327,182,302	408,319,260
Unrestricted cash and cash equivalents at the end of the period	161,722,659	231,355,720

Interim Condensed Consolidated Statement of Changes in Equity For the three months period ended 31 March 2026										
	In Qatari Riyals							Attributable to the shareholders of the Company		
	Share capital	Legal reserve	Fair value reserve	Hedging reserve	Revaluation surplus	Retained earnings	Proposed dividend	Company	Non-controlling interests	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Balance as at January 1, 2025 (Audited)	1,243,267,780	621,633,890	5,348,775	64,469,212	--	945,749,529	161,624,811	3,042,093,997	(5,454,621)	3,036,639,376
Net profit for the period after income tax	--	--	--	--	--	41,954,698	-	41,954,698	(477,580)	41,477,118
Other comprehensive income for the period after income tax	--	--	--	(9,344,249)	--	-	-	(9,344,249)	-	(9,344,249)
Total comprehensive income for the period after income tax	--	--	--	(9,344,249)	--	41,954,698	-	32,610,449	(477,580)	32,132,869
Dividend paid	--	--	--	--	--	--	(161,624,811)	(161,624,811)	--	(161,624,811)
Balance as at March 31, 2025 (Unreviewed)	1,243,267,780	621,633,890	5,348,775	55,124,963	--	987,704,227	--	2,913,079,635	(5,932,201)	2,907,147,434
Balance as at January 1, 2026 (Audited)	1,243,267,780	621,633,890	6,054,702	32,792,819	8,660,631	962,238,959	124,326,778	2,998,975,559	(5,433,658)	2,993,541,901
Net profit for the period after income tax	--	--	--	--	--	39,883,957	--	39,883,957	(9,238)	39,874,719
Other comprehensive income for the period after income tax	--	--	--	(1,390,679)	--	--	--	(1,390,679)	--	(1,390,679)
Total comprehensive income for the period after income tax	--	--	--	(1,390,679)	--	39,883,957	--	38,493,278	(9,238)	38,484,040
Dividend paid	--	--	--	--	--	--	(124,326,778)	(124,326,778)	--	(124,326,778)
Balance as at March 31, 2026 (Unreviewed)	1,243,267,780	621,633,890	6,054,702	31,402,140	8,660,631	1,002,122,916	--	2,913,142,059	(5,442,896)	2,907,699,163

Qatar, Pakistan hold first meeting of joint trade and investment working group

QNA
Doha

The State of Qatar and The Islamic Republic of Pakistan have held the inaugural meeting of a joint working group aimed at boosting trade and investment ties between the two countries. The virtual meeting on Wednesday was co-chaired by HE the Minister of State for Foreign Trade Affairs at the Ministry of Commerce and Industry, Ahmed bin Mohammed al-Sayed and Pakistan's Federal Minister of Commerce, Jam Kamal Khan, with participation from representatives of key government bodies in both nations. In his opening remarks, HE al-Sayed said

the meeting comes at a time of global economic uncertainty, with ongoing challenges affecting supply chains and international trade flows. He stressed the importance of strengthening economic cooperation to create new opportunities for mutual investment. Officials noted that bilateral trade between Qatar and Pakistan reached \$3.25bn in 2025, reflecting steady growth in economic ties. Both sides reaffirmed that relations are built on longstanding trust and cooperation, supported by high-level exchanges and a series of agreements and memoranda of understanding across multiple sectors. Discussions focused on expanding collaboration in priority areas including infrastructure, food security,

manufacturing, logistics supply chains, and the digital economy. The two countries also explored ways to improve the efficiency of trade flows, support exports, and enhance air and maritime connectivity. Participants highlighted the role of the private sector and the joint business council in deepening commercial engagement, alongside efforts to increase joint investments and develop more resilient supply chains. The meeting concluded with a commitment to continue joint coordination, with the aim of expanding bilateral trade, encouraging investment, and strengthening economic partnership in ways that support sustainable development in both countries.



The virtual meeting on Wednesday was co-chaired by HE the Minister of State for Foreign Trade Affairs at the Ministry of Commerce and Industry, Ahmed bin Mohammed al-Sayed and Pakistan's Federal Minister of Commerce, Jam Kamal Khan, with participation from representatives of key government bodies in both nations.

QSE sees six of seven sectors in buying mode as benchmark crosses 10,700 levels

By Santhosh V Perumal
Business Reporter

Hopes over renewed US-Iran peace talks lifted sentiments in the Gulf bourses, including the Qatar Stock Exchange, which yesterday gained 43 points to cross the 10,700 levels, adding more than QR6bn in capitalisation.

The industrials, banking, insurance, realty and consumer goods counters witnessed higher than average demand as the 20-stock Qatar Index rose 0.4% to 10,733.95 points, although it touched an intraday high of 10,770 points.

The domestic funds were seen increasingly net buyers in the main market, whose year-to-date losses truncated further to 0.27%.

More than 69% of the traded constituents extended gains to investors in the main bourse, whose capitalisation added QR6.49bn or 1.03% to QR639.62bn mainly owing to large and midcap segments.

The Gulf retail investors turned bullish in the main market, whose trade turnover and volumes were on the decline.

The Gulf institutions' weakened net selling had its influence on the main bourse, which saw as many as 0.01mn exchange traded funds (sponsored by Al-Rayyan Bank and Doha Bank) valued at QR0.11mn trade across 11 deals.

However, the local retail investors were increasingly net sellers in the main market, which saw no trading of sovereign bonds.

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

The Total Return Index gained 0.4%, the All Share Index by 0.53% and the Al Rayan Islam-



The industrials, banking, insurance, realty and consumer goods counters witnessed higher than average demand as the 20-stock Qatar Index rose 0.4% to 10,733.95 points, although it touched an intraday high of 10,770 points.

ic Index by 0.17% in the main bourse.

The industrials sector index shot up 0.71%, banks and financial services (0.68%), insurance (0.65%), realty (0.58%), consumer goods and services (0.49%) and transport (0.02%); while telecom declined 0.54%.

As many as 36 gained, while 14 gained and two were unchanged in the main market.

Major movers in the main market included Doha Bank, Industries Qatar, Gulf International Services, Widam Food, Al Meera, Aljarah Holding, QNB, Meeza, Al Faleh Educational Holding, Ezdan and United Development Company.

Nevertheless, Mannai Corporation, QLM, Commercial Bank, Al Khaleej Takaful, Milaha, Qamco and Ooredoo were among the shakers in the main bourse.

In the venture market, Techno Q saw its shares depreciate in value.

The domestic funds' net buying increased noticeably to QR18.2mn compared to QR15.17mn the previous day.

The Gulf individuals turned net buyers to the tune of

QR1.97mn against net sellers of QR2.08mn on April 14.

The Gulf institutions' net selling decreased drastically to QR0.99mn compared to QR19.06mn on Tuesday.

However, the local individuals' net selling expanded perceptibly to QR17.26mn against QR15mn the previous day.

The foreign institutions' net profit booking grew markedly to QR7.3mn compared to QR2.54mn on April 14.

The Arab individual investors' net buying weakened substantially to QR2.7mn against QR20.15mn on Tuesday.

The foreign retail investors' net buying eased notably to QR2.67mn compared to QR3.38mn the previous day.

The Arab funds had no major net exposure for the fourth straight session.

The main market saw a 19% contraction in trade volumes to 204.62mn shares, 7% in value to QR548.59mn and 3% in deals to 30,142.

In the venture market, a total of 0.36mn equities valued at QR0.86mn changed hands across 92 transactions.

Waseef launches new website to deliver integrated digital experience for property management and leasing

Waseef, a leading company in real estate management and marketing, has launched its new website in a step reflecting its strategic direction toward enhancing digital transformation. The new website features a contemporary look and an advanced interactive design focused on ease of use and quick access to information, elevating customer experience, and delivering integrated real estate services through a modern approach aligned with market expectations. It enables users to efficiently explore a wide range of real estate services, whether they are property owners or tenants, through a seamless digital experience that meets their needs anytime and anywhere. The platform offers a suite of advanced features, most notably a smart property search function



and an updated listing of available rental units across various categories. Each property is presented with detailed information, including images, specifications, and location, helping users make well-informed decisions. The website also provides an exceptional experience through a 360-degree viewing feature, allowing users to explore

properties remotely as if they were visiting in person. This enhances transparency and significantly reduces the time and effort required to select the right property. As part of efforts to enhance leasing services, the platform also offers a simplified process for listing and applying for properties, with clear information on leasing terms and procedures, contributing to faster transactions and an overall improved customer experience. This update aims to strengthen Waseef's digital presence and provide a unified platform that integrates its various real estate services. It supports operational efficiency, increases customer satisfaction, and reflects the company's commitment to adopting the latest technological solutions in real estate management and marketing.

Qatar Chamber holds training course on project sustainability

Qatar Chamber, in cooperation with the Young Entrepreneurs Club (YEC), recently organised a training course titled "Sustainability of Projects in Light of Economic Changes."

The session, conducted via video conferencing, comes as part of the chamber's ongoing efforts to support entrepreneurs and enhance their capabilities to face current economic challenges.

The course was delivered by Nayef Mohammed al-Ibrahim, founding partner and chief executive officer of Ibtetchar, highlighting the modern approaches to maintaining project stability and explored practical strategies to ensure sustainability amid rapid economic changes.

He also emphasised the importance of innovation in resource management and enhancing operational efficiency.

Fatima Issa al-Kuwari, Head of the Training and Development Department at Qatar Chamber, stressed that sustainability has



The session, conducted via video conferencing, comes as part of the chamber's ongoing efforts to support entrepreneurs and enhance their capabilities to face current economic challenges

become a key factor in the success and continuity of projects, particularly in light of evolving economic conditions.

She noted the chamber's commitment to delivering specialised training programmes that empower entrepreneurs to adapt to challenges and turn them into opportunities for growth.

This course is part of a broader series of initiatives aimed at supporting the business environment in Qatar and enhanc-

ing the capabilities of small and medium-sized enterprises by equipping them with practical knowledge to achieve long-term stability, according to her.

The session witnessed notable participation from project owners, entrepreneurs, and individuals interested in the investment sector. It also featured interactive discussions on best practices for mitigating economic risks and enhancing project resilience in the face of future challenges.

Average value of real estate transactions jumps 35% in Q1: Aqarat

QNA
Doha

Data from the Real Estate Regulatory Authority (Aqarat) shows that the average value of real estate transactions in the State of Qatar saw a significant increase during the first quarter of 2026, driven by growing activity in higher-value assets, reflecting the strength and sustainability of the Qatari real estate market.

Aqarat revealed in a post on X that the average value of a single real estate transaction jumped by nearly 35% year-on-year, rising from approximately QR4.3 mn in the first quarter of 2025 to around QR5.8 mn during the same period this year.

The authority attributed this growth to a clear investment trend towards higher-value transactions, fueled by increased activity in the luxury and high-value real estate asset category during this period. This indicates investor confidence in the economic viability of Qatari real estate and its ability to attract substantial capital. The release of this data is part of Aqarat's ongoing monitoring and analysis of market trends, providing accurate data to both decision-makers and investors.

Saudi wealth fund unveils new strategy to boost returns

Bloomberg
Riyadh

Saudi Arabia's sovereign wealth fund will reorganize its investments into three portfolios as it seeks to boost returns at a time when the kingdom contends with the economic costs of the Iran war. The Public Investment Fund unveiled its 2026-2030 strategy, saying it would prioritize building competitive domestic ecosystems, unlocking the value of strategic assets and increasing the role of the private sector as a partner in economic development, according to a statement in the Saudi Press Agency. Governor Yasir al-Rumayyan said the new strategy represented "a natural next step" in the fund's development and would create further opportunities for partners to invest alongside it in "high-quality assets and ecosystems". The PIF's updated strategy comes amid a two-week ceasefire between the US and Iran in a war that saw Gulf nations bear

the brunt of the Islamic Republic's attacks. Saudi Arabia's oil and gas production and exports were hampered by a series of strikes on critical energy infrastructure even as crude prices surged.

In the months before the conflict began, officials in Riyadh had started making tough spending decisions, ordering sweeping reviews of ambitious projects across the country and pivoting toward areas more likely to attract foreign investment. The PIF, too, has been looking to sharpen its focus on portfolio companies, with an eye on attracting investors and building global champions.

Still, the war's fallout makes advancing Crown Prince Mohammed bin Salman's Vision 2030 agenda to diversify the economy away from oil — in which the PIF plays a central role — even more challenging. Under the 2026-2030 strategy, PIF created a "Vision Portfolio" to integrate key sectors of the domestic economy and drive growth. The fund identified six priority ecosystems: tourism, travel and entertainment; urban



The Public Investment Fund Governor, Yasir al-Rumayyan.

development and livability; advanced manufacturing and innovation; industrials and logistics; clean energy, water and renewables infrastructure; and Neom. Alongside this, a "Strategic Portfolio" will focus on actively managing key assets to maximize financial returns and economic impact, while supporting portfolio companies in attracting capital and scaling into global champions. The fund said it would also continue to pursue investments linked to long-term global trends.

A separate "Financial Portfolio" will manage the fund's direct and indirect investments in global markets. The fund's internal rate of return has averaged about 7.2% since 2015, al-Rumayyan said in September. The plan dovetails with the kingdom's broader goals of focusing on developing aspects of the local economy like tourism, entertainment and gaming, while potentially paring back some elements — including megaprojects like Neom. The fate of the project, located in a remote desert area in the country's

northwest, has been in question in recent months amid a slew of challenges including with design and feasibility, Bloomberg has reported.

Last month, al-Rumayyan had signaled that the fund remains committed to investments around the world despite growing concerns over the war's mounting economic costs. And the wealth fund has remained active in dealmaking, even amid the war. Savvy Games Group, a unit of the PIF, agreed to buy Moonton from ByteDance Ltd in March in a deal valuing the mobile games maker at \$6bn, and more recently another affiliate committed an additional \$550mn to electric-car maker Lucid Group Inc.

Al-Rumayyan had previously flagged the PIF's intention to boost total annual capital deployment to \$70bn after 2025 and emphasized that its investments, in absolute dollar terms, will continue to rise abroad even as it focuses at home. The wealth fund, which oversees more than \$1tn, last year raised its 2030 target for assets to almost \$2.7tn.



Chinese suppliers, Mideast importers fret about war fallout on trade

AFP
Guangzhou

Suppliers and buyers at a trade show in southern China were cautious on Wednesday as they weighed costs for ice cream machines, home appliances and cars that have risen since the start of the Middle East war. Chinese exporters and Middle Eastern buyers at the opening day of the Canton Fair — one of the largest trade shows in the world — gloomily told AFP that the Iran war has pummeled orders and led to price hikes. The fair gives foreign buyers a chance to meet face-to-face with Chinese manufacturers and assess their products up close, establishing new supply agreements and shoring up old contacts. But standing by a row of deep fryers and

ovens, kitchenware company sales manager Li Jin told AFP that some customers in the Middle East “dare not place orders” while shipments still have not reached others. Many cargo vessels that would normally pass through the Strait of Hormuz en route to the Middle East have been floating in limbo since Tehran effectively closed the vital waterway in response to US and Israeli strikes on Iran that began February 28. Washington announced its own blockade of Iranian ports on Sunday after peace talks with Tehran failed, dashing hopes for an imminent reopening of the trade route. Fresh orders from Middle East customers have dried up, said Li, whose company usually exports 20% to 30% of its products to the region. “If it weren’t for the war, we would have had a steady stream of new orders coming in,” Li said.

The rising cost of raw materials has also pushed the company to hike prices to make up for thinner profit margins, she added. Customers remain in a “wait-and-see” mode, said Zora Wang, a sales manager at a company selling factory machinery. “Even though they are sending out inquiries, their actual intent to purchase in the near term is not very strong,” Wang told AFP. But Wang said many of her clients work with freight forwarders — third-party logistics and transportation agents — to use other shipping channels or overland routes to ensure shipments still reach them in the Middle East. Ahmad Alibasha, a Syrian general manager at a Chinese trading company, said Middle East customers “just don’t want to order right now”, with purchases from the region plummeting more than 50% since the conflict began.

“We will prefer the calm and the quiet and the safety, because more safety means more business,” Alibasha told AFP, hopeful business would pick up if the war ends. US President Donald Trump told The New York Post on Tuesday a new round of talks with Tehran could take place in Pakistan “over the next two days”, while a fragile ceasefire between Washington and Tehran holds. In the meantime, Chinese car exporters in a sleek showroom told AFP that the conflict has caused them to pivot operations to other regions, including South America and Africa. This year’s Canton Fair, which is held twice a year in the Chinese manufacturing hub of Guangdong province — is featuring a record 32,000 enterprises, state media said Wednesday. Buyers, including those from the Middle East,

packed into the sprawling exhibition centre to scout new suppliers. Abdallah Mebarkia, a Saudi Arabian business owner, scoured the cavernous halls for televisions, washing machines and household appliances to sell to distributors in his country. The Middle East war has had a “heavy impact” on his business, he told AFP, calling his shipment costs — now up 50% to 70% — a big “headache”. Shipping prices have risen as vessels stay put in the Gulf for fear of attack if they set sail, while others take long and costly alternative routes to avoid the Strait of Hormuz. About a fifth of the world’s oil and natural gas normally pass through the strait, with its closure pushing up the price of shipping fuel. “A lot of delays” have also been caused by the Hormuz blockade, Mebarkia said, with some of his goods still stuck in the key waterway.

China stimulus kept at bay with growth set to rebound amid war

Bloomberg
Hong Kong

China’s growth likely rebounded in the first quarter of 2026, offering policymakers time to assess the impact of the Iran war on the world’s second-largest economy before stepping in with stimulus.

Gross domestic product is expected to have expanded 4.8% from a year ago, according to the median forecast of economists polled by Bloomberg ahead of the official release on Thursday. That would be an acceleration from the 4.5% gain recorded in the final quarter of 2025, which was the weakest reading since the country reopened after Covid in late 2022.

The US-Israel war against Iran probably only had a limited impact on activities so far, thanks in part to China’s moves in past years to strengthen energy security and insulate its economy from global ructions. Years of deflationary pressure have also blunted the potential for an immediate impact on consumer prices from higher oil costs.

But as imports of high-tech products jumped in March, driven in part by an investment boom in artificial intelligence, the goods trade surplus shrank almost 5% in the first quarter from a year ago in yuan terms. Although that could mean less support from net exports, strong global demand linked to AI is helping ward off external threats to Chinese companies at a time when the conflict in the Middle East is wreaking havoc on the world economy.

A solid report would reduce the urgency for additional stimulus, especially after Beijing adopted a more flexible approach toward growth by lowering its GDP goal to a range of 4.5% to 5% — the lowest since 1991. A rising number of economists is forecasting the People’s Bank of China won’t cut interest rates this year, because the oil shock pushed up inflation expectations.

“We expect policymakers to adopt a wait-and-see mode for now,” Macquarie Group Ltd economists led by



People riding electric bicycles cross a street in Beijing on Wednesday. China’s growth likely rebounded in the first quarter of 2026, offering policymakers time to assess the impact of the Iran war on the world’s second-largest economy before stepping in with stimulus.

Larry Hu said in a report on Friday. “China’s stimulus calculus will depend on the trajectory of the US economy and the ongoing AI boom. Both remain major tailwinds to exports, the key engine of China’s economy.”

Other figures on Thursday are likely to show that imbalances between the supply and demand sides of the economy persisted.

Industrial output is forecast to grow 5.3% in March from a year ago. Even though that would be a step down from the 6.3% rise seen in the January-February period, it would likely be seen as a strong result, given that factories had more days off compared with 2025 due to a later-than-usual Lunar New Year holiday.

That strength is partly a result of a 15% surge in exports in the first quarter from a year ago. A boom in AI investment is driving overseas sales of high-tech items such as chips, while Chinese green products like electric vehicles continue to grab more market share abroad.

Retail sales are expected to rise just 2.4% in March, weakening from the 2.8% expansion in the first two months and reflecting frail household confidence. Domestic car sales contracted almost 8% in the first quarter from a year ago, partly due to the phasing out of government subsidies.

“China’s GDP growth likely poked above 5% in the first quarter, lifted by supply. Production surged in the first two months of the year. High-frequency data suggest the Iran war had only a limited impact on activity in March. Demand tells a weaker story. Consumption growth likely edged lower,” says Chang Shu and David Qu of Bloomberg Economics.

The property market remained weak despite a rebound in transactions of existing homes in megacities like Shanghai. A proxy for outstanding mortgages declined more than 40% from a year ago in March — indicating people are still reluctant to take on more debt.

Fixed-asset investment is forecast to

increase 1.9% for the first three months of the year, an improvement from the 1.8% in the January-February period and the unprecedented contraction seen last year. Economists attribute the uptick to infrastructure projects having been delayed to early this year from late 2025.

Some observers also pointed to an anomaly in the data that suggested last year’s drop might largely have been a result of temporary adjustments to statistical methods. Government bond sales, a key source of funding for construction projects, declined in the first quarter from a year ago.

The International Monetary Fund slightly lowered its forecast for China’s growth this year in its latest World Economic Outlook. GDP is now expected to expand 4.4%, compared with the IMF’s estimate of 4.5% in January.

Still, that’s a smaller downgrade than that for the global economy as a whole, in a scenario of a relatively short-lived conflict and moderate gain in energy prices this year.

Japan to provide \$10bn to Southeast Asia to secure oil

Bloomberg
Tokyo

Japan will provide \$10bn in financial support to nations in Southeast Asia to help them cope with soaring crude oil prices due to the war in the Middle East.

Japanese Prime Minister Sanae Takaichi announced the aid after the nation held a virtual meeting with regional leaders on Wednesday afternoon. She said in a news briefing that Japan relies on Asian nations to secure medical supplies like surgery gloves and equipment used for dialysis patients.

“Japan is closely linked to other Asian countries through supply chains and other means,” Takaichi told reporters. “Fuel shortages and supply-chain disruptions in Asia would hinder the procurement of these medical supplies from Asia to Japan, which would have a significant negative impact on Japan’s economy and society.”

Leaders who attended the gathering of the Asia Zero Emission Community plus included Philippine President Ferdinand Marcos Jr, Malaysia’s Prime Minister Anwar Ibrahim and Vietnamese Prime Minister Le Minh Hung, Takaichi said.

At the gathering, Takaichi said she announced a partnership called Power Asia to strengthen energy supply chain. The initiative aims to provide financing for emergency measures that include procurement of crude oil and petroleum products and supply chain maintenance. It also aims to expand crude oil stockpile days and diversify energy sources, she said.

Southeast Asian nations including Vietnam have previously sought help from Japan as well as from South Korea for crude oil supplies. Japan has tapped its strategic reserves in two tranches since the Iran war began in late February, but has said its stockpiles are meant for domestic refiners and not for foreign nations.

Japan itself isn’t facing an immediate oil shortage. The trade ministry said the country can secure sufficient crude supply for this year by tapping sourcing alternatives to the Strait of Hormuz, where transit remains constrained, and by drawing on its substantial oil reserves.

“The new partnership announced this time does not involve the transfer of Japan’s strategic crude oil reserves, and there will be absolutely no adverse impact on domestic supply and demand,” Takaichi said.

Bloomberg QuickTake Q&A

What to know about the US blockade of Strait of Hormuz

By Weilun Soon, Clara Ferreira Marques and Alex Longley

Frustrated by Iran’s unwillingness to give up its stranglehold over the Strait of Hormuz, US President Donald Trump is trying to force the issue. The US military announced that it had imposed a full blockade of Iran’s southern coastline, including traffic from there through the Strait of Hormuz, as of April 13. The narrow waterway connecting the Arabian Gulf to the wider world has become a flashpoint since the US and Israel began strikes on Iran on February 28. Tehran tightened its grip on the corridor in response, all but closing off a vital thoroughfare and threatening economies far beyond the Middle East.

What exactly is the US doing?

The US Navy is blockading the Gulf of Oman and the Arabian Sea, lying in wait for vessels linked to Iran that try to sail out of the Arabian Gulf, which requires transiting the Strait of Hormuz. When he originally threatened the action hours after US-Iran talks in Islamabad aimed at a permanent resolution of the war fell apart on April 12, Trump posted on social media that the US Navy would blockade “any and all ships trying to enter, or leave, the Strait of Hormuz.” The US, he said, would “interdict every vessel in International Waters that has paid a toll to Iran,” a reference to payments of as high as \$2m that some ships have made to ensure safe passage through Hormuz after Iran attacked a number of vessels in and

near the strait and said it had mined the waterway.

The US military announced a narrower version of the blockade, which officially began on April 13 at 10am New York time. It applies to all vessels “entering or departing Iranian ports and coastal areas.” The US navy said in a message to ship operators that it would intercept, divert or capture ships leaving Iran. Neutral ships that haven’t called at Iran will not be impeded, the US said, though they may be searched for contraband cargo. Seafarers are advised to monitor official broadcasts and contact US naval forces when in the Gulf of Oman and approaching the Strait of Hormuz, it added. The US said on April 14 that no ships had broken the blockade and that six vessels u-turned after instructions from its forces in the region. In total, five ships had crossed the Strait of Hormuz in either direction as of late evening on the same day, according to tracking data compiled by Bloomberg. That’s a fraction of the 135 average during peacetime but the norm since the war began.

How has Iran responded?

Initially, Iran’s Islamic Revolutionary Guard Corps responded to Trump’s call for a blockade by saying that any military vessels attempting to approach the strait “under any pretext” would be considered a violation of the two-week ceasefire the warring parties agreed to on April 7. Iran also said that it would target all ports in the Arabian Gulf and Sea of Oman if its own shipping hubs were threatened.



A vessel in the Strait of Hormuz, off the coast of Oman’s Musandam province, on April 12. The narrow waterway connecting the Arabian Gulf to the wider world has become a flashpoint since the US and Israel began strikes on Iran on February 28.

However, after the US blockade went into effect, Iran was considering a pause in shipments through Hormuz to avoid testing the US action and wrecking chances for a fresh round of peace talks, according to a person familiar with Tehran’s deliberations.

Why is the US doing this?

Iran’s near-total closure of Hormuz proved an exceptionally effective asymmetric weapon, inflicting acute financial pain in a way the US struggled to counter. Heading into the conflict, many experts had dismissed the possibility of a closure of the strait thinking Iran would not want to jeopardize its exports. Instead, Tehran

was able to impede others while keeping its own shipments flowing. That helped boost its crude revenues, while driving up global prices. The ultimate aim of a blockade would be to cut off Iran’s oil flows, severing a vital financial lifeline for the regime. The blockade option had already been used by the Trump administration in Venezuela, a much smaller oil producer.

What does the US blockade mean for Iran?

A successfully enforced blockade would prove extremely painful for Iran, which relies heavily on its oil exports. Over the past weeks, the country has

benefited from higher prices, and cargoes previously sold at a discount to global Brent were priced at a premium earlier this month, thanks to a US waiver intended to boost supply that allowed purchases of previously sanctioned cargoes. India appears to have taken two cargoes under the exemption — potentially its first since 2019.

The higher selling price for each barrel has been key for Iran, which has suffered major damage from US and Israeli airstrikes and will have to make significant investments to rebuild and prop up its ravaged economy. That windfall, worth hundreds of millions of dollars since the war began, may now be over.

China has been the dominant buyer of Iranian oil, taking about 90% of its crude exports, which are sold to independent refiners at a steep discount. China’s large stockpiles of crude, however, would help to buffer the country against a disruption in that supply.

What does the blockade mean for the US?

Trump has frequently sought to pair the impact on Middle East supply with an effort to market US oil and gas output, portraying the crisis as a benefit for a top producer. Yet US crude is not always a perfect replacement for Middle Eastern grades. And for US consumers, high benchmark prices are already driving up inflation. Iran has shown itself well aware that it may have a greater ability to withstand pain than the US.

Back to square one? Markets bet Iran war is over

By Mike Dolan
London

Global investors and the International Monetary Fund seem to agree the Iran war is likely over - bar the shouting. The energy market is less sure, and there could be an awful lot of shouting, but many asset prices have returned to square one, and markets now see the conflict's impact only at the margins.

The IMF's unenviable task of forecasting global economic growth during a Middle East war and energy shock left as many questions as answers, and a plethora of different scenarios. Take your pick.

The Fund's central conclusion was probably most powerful in what it didn't do rather than what it did.

The IMF made no change to its global gross domestic product (GDP) growth forecast for 2027 compared with its last update in January - three months before the war. Yes, it clipped this year's expansion and there's a lower starting point as a result. But next year is

essentially expected to develop much like the Fund saw it pre-war in January and even back in October - 3.2% world growth. Even before those forecasts were released on Tuesday, many in the markets had effectively decided the same.

Wall Street stocks returned to pre-war levels of February 27 on Monday, completing a 565-point, near-10% round trip. The VIX "fear index" of implied volatility has subsided to its lowest since February.

Global stocks captured by the MSCI All Country World Index are not quite back there yet - but they're just 1% from the record highs set two months ago. The pivotal euro/dollar exchange rate is back to February levels too.

Much has been made in recent weeks of how little full-year corporate earnings forecasts have been affected by the oil shock. Flattered by tech and energy firm upgrades, aggregate 2026 earnings growth estimates have actually climbed 2-3 percentage points since the war started. Calendar 2027 growth forecasts are still cruising at 18% and 11% for US and

European blue chips, respectively. Real or imagined, 12-month forward price/earnings valuations for the S&P 500 and MSCI all-country cheapened more than 10% in the month through early April.

The temptation to screen out the war, bet on eventual de-escalation and focus on the year ahead has been hard to pass up. That logic drove BlackRock - the world's largest asset manager - to switch back this week to an overweight position in US stocks and emerging markets.

It's not as if nothing has changed, of course.

With global oil and gas still bound up in the ongoing Gulf hiatus, front-month crude futures are still up a third and natural gas and fertiliser prices remain elevated. Airlines fear shortages of jet fuel ahead. Even the IMF admits the longer the Middle East energy crunch persists, the more its "adverse scenarios" come into view.

Billionaire investor Ken Griffin warned on Tuesday of a "treacherous moment" and reckons closure of the Strait of Hormuz for 6-12 months will end in global recession. But the way oil futures are behaving, that's

still not the market's best guess. Brent crude futures through this year and next show some normalisation.

Even though they are still 10-15% higher than February levels, ready-reckoners - quick, rule-of-thumb models - suggest that would only shave 0.2-0.3 percentage points off global GDP growth.

That's simply not enough for portfolios to go to ground - whatever you think of the wider inflationary or political fallout. The interest rate and bond markets have not returned to pre-war levels - the lingering risk of resurgent inflation and the outside chance of central bank rate rises keep them there.

While that's still a guessing game that hinges on the length of the conflict too, 10-year Treasury borrowing rates are still some 30 basis points above February levels and Federal Reserve futures markets only see about a 30% chance of rate cuts resuming by year-end. Mortgage rates have barreled higher too and corporate bonds have been rattled by jitters in the private credit world.

Global asset managers polled by Bank of

America this month clearly scaled back their early-year bullishness, with sentiment gauges slipping back to last summer's funk. Inflation expectations have climbed too. But chiming with oil futures, the weighted average of forecasts for year-end crude prices was \$84 per barrel and "long oil" along with long global chip stocks were identified as the most crowded trades on the planet.

Less than 10% of funds surveyed expect recession ahead. While average cash levels stayed at 10-month highs last month, they remain well below prior extremes during last year's April tariff shock or the Ukraine invasion in 2022.

That's not exactly complacency - but neither is it a panicked herd.

Second-guessing the conflict will remain a daily obsession, even if an increasingly price-insensitive one. But market de-escalation has already begun. Only time will tell if that's premature.

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

IMF cautions countries against broad fuel subsidies to deal with war-driven energy shock

Reuters
Washington

The war in the Middle East has intensified strains on an already fragile global fiscal situation, with higher interest rates and rising energy prices already fueling calls for support from emerging markets and developing economies, the International Monetary Fund said on Wednesday in its Fiscal Monitor report.

Rodrigo Valdes, the IMF's new fiscal affairs chief, said countries should eschew fuel subsidies to help their citizens deal with a shortage of oil and the corresponding surge in energy prices. Targeted, temporary cash transfers that do not mask higher prices would be a far better option, he said.

"We don't have oil. We don't have energy. Energy needs to be more expensive for everybody, so that the adjustment happens and we consume less," Valdes told Reuters in an interview.

The IMF on Tuesday cut its growth outlook due to war-driven energy price spikes and supply disruptions, warning that the global economy could be driven to the brink of recession if the conflict worsens and oil stays above \$100 per barrel through 2027.

"You can pass through (higher energy prices) and then you can do other things to help," Valdes said. "It's a global shock and if countries suppress the price signal, the global price will be higher ... It's very important to give price signals so demand can adjust."

Valdes said export controls, the extent of damage to energy infrastructure and the capacity of other countries to boost oil output would shape the assessment of the war's impact, and its policy implications. Once conditions stabilised, he said it was critical that countries stay focused on longer-term challenges as public debt continued to increase, driven by expanded permanent spend-

ing on entitlement programs or reduced revenues, particularly in some of the largest economies.

Global government debt reached 93.9% of gross domestic product (GDP) in 2025, up nearly two percentage points from 92% a year earlier, and was expected to reach 100% of GDP by 2029, a year earlier than expected just a year ago, according to the IMF's latest Fiscal Monitor.

That would mark the highest government debt burden since the aftermath of World War Two, the report said. Government debt was expected to keep rising and could reach 102.3% of GDP by 2031, it added. Interest payments had also risen sharply, hitting nearly 3% of GDP in 2025, up from 2% four years ago, the IMF said.

Valdes warned of emerging risks, including a reshaping of debt markets that gives a larger role to investors such as hedge funds, who he said were "less firm hands to hold debt for the long run." The duration of debt had also been declining, which meant that short-term interest rates transmitted more quickly to debt dynamics.

Other challenges included higher security costs, energy and climate transition spending and rising interest bills at a time when revenues had not kept pace, the IMF said in a blog accompanying the report.

Trade and financial fragmentation could further sap growth and push up borrowing costs, while political instability may undermine reforms and revenue collection. Abrupt shifts in markets, including in AI stocks, could tighten financial conditions quickly.

Valdes said countries needed to start working on fiscal consolidation once the immediate crisis was resolved. "There are some countries that are taking this seriously but many others we don't see yet a plan that is spelled out," he said, adding that even those with plans still had more work to do.

Hedge fund leverage powered by a few key banks sparks concerns

Bloomberg
New York

The growing dominance of a handful of banks supplying billions of dollars to help juice bets at hedge funds and proprietary trading firms is sparking new financial stability risks, ratings agency S&P Global Inc warned.

Its latest analysis shows disclosed revenues relating to "markets financing" at four major investment banks - BNP Paribas SA, Barclays Plc, Goldman Sachs Group Inc and Morgan Stanley - jumped 25% between 2024 and 2025 to more than \$24bn, representing roughly 30% of these firms' markets business at that time. Such scale and concentration creates a risk to financial stability, the S&P report warned.

Banks' prime-brokerage units - which includes a range of services to hedge funds and other investment firms - exceeded \$2.5tn of lending in 2024, a figure that has doubled over the past four years, the report said. Hedge funds' use of borrowed money to fuel their bets - known as leverage - has approached historic highs while assets overseen by those firms hit a record \$5tn last year.

Regulatory concerns around non-bank investment firms have heightened since the collapse of Archegos Capital Management LP saddled lenders with \$10bn of losses in 2021 and hastened the demise of Credit Suisse Group. They have also scrutinised whether these funds have become too big to fail given their increasing presence in vital markets such as those for US and UK government bonds.

"A small network of global banks has underpinned nonbank



The Goldman Sachs headquarters in New York. The growing dominance of a handful of banks supplying billions of dollars to help juice bets at hedge funds and proprietary trading firms is sparking new financial stability risks, ratings agency S&P Global warned.

trading firms' ascent to the center of the financial ecosystem," the report said.

"Together with record leverage and scale and the concentration of such exposures in a handful of banks, this means the ecosystem exhibits an inherent fragility that could be tested under severe stress," it added, citing a potential impact on bank ratings.

Data is also limited in this area, given many firms do not disclose such information, S&P said, adding the true scale is difficult to quantify.

That said, risk of failures including large events such as the collapse of Archegos are rare, the

report's authors noted, saying banks are generally sound in managing risks related to funding, liquidity, capital and earnings.

Watchdogs including the Financial Stability Board and Bank of England have been trying to dig deeper into the links between hedge funds and non-bank lenders, while also warning about the potentially destabilising role of leveraged hedge fund bets in key markets including sovereign bonds.

The S&P report pointed to a boom in leverage tied to the growth in the basis trade in recent years. These are bets by a few of the world's biggest hedge funds

seeking to profit from tiny price gaps between government bonds and derivatives known as futures, with the lion's share focused on the deepest and the most liquid US Treasuries market.

Risks can increase if banks offer reduced haircuts and margin requirements to compete in the already concentrated markets financing business, the report said.

Proprietary trading firms such as Jane Street and XTX, which have already grown to dominate some areas of the market, are expected to expand further and tie up more of banks' balance sheets in the future, the report said, creating greater concentration risk.

Hedge fund money is reshaping a 180-year-old insurance model

Bloomberg
New York

Alternative investment managers are pouring unprecedented sums of money into the market for property cover, and reshaping a 180-year-old reinsurance model in the process.

Allocations to catastrophe bonds and other insurance-linked securities popular among hedge funds and institutional investors rose 18% to reach a record \$136bn last year, according to data provided by broker Aon Plc. That rise in alternative capital and "its influence in the broader reinsurance market is growing because of the record growth in catastrophe bonds," Aon told Bloomberg.

The shift promises to alter the face of a market whose basic role is to provide stable property cover during periods of sustained losses. It also raises questions as to whether reinsurers will gradually play a smaller role as the ultimate backstop for covering catastrophe risk.

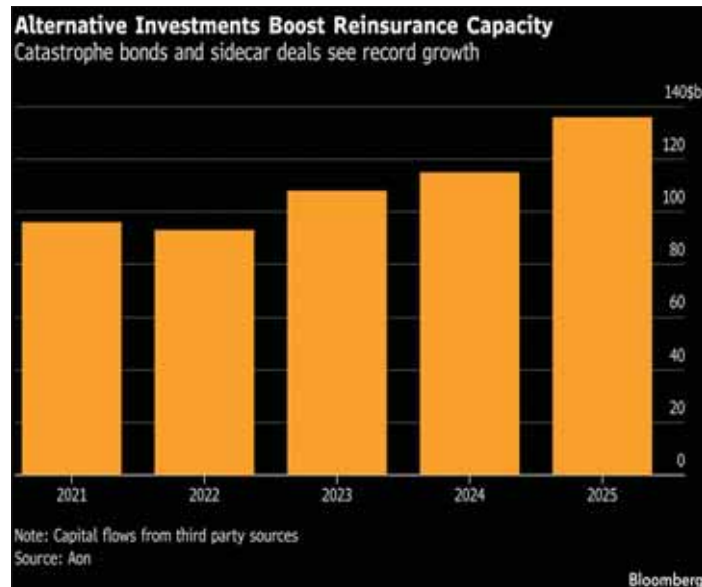
Reinsurers may end up becoming more like risk managers, "shifting the risk to the capital

markets which have trillions of dollars to invest," Brian Schneider, senior director of insurance at Fitch Ratings, said in an interview. And if "more and more of this business gets shifted to the capital markets, then maybe the traditional companies become less and less relevant."

Reinsurers covered just over 10% of total insured catastrophe losses in 2024, well below the historical average of 20%, according to S&P Global Ratings. The industry's biggest firms have more than halved their exposure to insured disaster losses in recent years, S&P also said.

Reinsurers are themselves the driving force behind the shift. That's as urbanization, higher inflation and climate change combine in ways that mean natural catastrophes are both more frequent and more devastating when they hit. The industry's response has been to look for ways to offload risk to capital markets.

They mainly do this by issuing cat bonds, an asset class that saw "breath-taking" growth in issuance last year, according to John Seo, managing director and co-founder



of Fermat Capital Management, the biggest hedge fund investor specialized in such securities. Speaking in a February interview, Seo said he thinks "the issuance surge we're seeing is far from over."

Reinsurers are also attracting record levels of private capital

into so-called sidecars. Such vehicles give third-party investors access to premiums, in exchange for which they must accept a slice of the risk associated with natural disasters. It's a market that's nearly tripled in size since 2023, reaching as much as \$18bn today,

with much of the growth coming from property catastrophe coverage, according to AM Best, a rating agency that tracks the insurance industry.

Germany's Hannover Re recently set up a Bermuda-based insurance agent to create bespoke catastrophe-related portfolios for hedge funds, pensions and other professional money managers.

"As part of the overall ILS activities that we have, we felt this was the missing piece," said Michael Eberhardt, chief executive of the new venture, Hannover Re Capital Partners. "It allows us to leverage our own underwriting expertise and partner with third-party capital investors."

Fitch notes that investors in sidecars can face potentially bigger losses than holders of cat bonds, should a natural disaster result in a trigger event. That's because sidecars tend to be exposed to losses from more common secondary perils such as hailstorms, wildfires and floods.

"There's concern that maybe some naive capital is coming in," and that "investors don't really think they're going to get hit by

a lot of these secondary perils," Schneider said. Reinsurers, meanwhile, face an erosion of their pricing power as private capital moves into the market.

"Market conditions are now a little less favorable" as the supply of capital exceeds demand, said Ed Hochberg, head of global risk solutions at Guy Carpenter, a broker.

Twelve Securix, which invests in both cat bonds and private ILS, says that competing in today's market comes with new uncertainties. "If hazards, exposures or correlations are poorly understood, the apparent premium may reflect mispriced or uncompensated risk," it said in a recent report.

The influx of private capital is also impacting life and casualty reinsurance. Blackstone Inc.-backed funds last year agreed to back a roughly \$1bn reinsurance vehicle that will assume risk from F&G Annuities & Life's annuity business. Blackstone also teamed up with The Fidelis Partnership on a new Lloyd's of London syndicate launch, while Oaktree Capital Management and Germany's Allianz SE launched a reinsurance syndicate at Lloyd's.

Asian markets rally as Trump fans fresh peace hopes

AFP
Hong Kong

Asian markets rose and crude dropped again Wednesday after Donald Trump said a second round of US-Iran talks could take place "over the next two days", fuelling hopes for a deal that would reopen the Strait of Hormuz and allow crude to flow again.

In Tokyo, the Nikkei 225 closed up 0.4% to 58,134.24 points; Hong Kong - Hang Seng Index ended up 0.3% to 25,947.32 points; and Shanghai - Composite ended flat at 4,027.21 points yesterday.

Traders were also cheered by news that Israel and Lebanon had agreed to launch direct negotiations, fuelling optimism for an end to a conflict that has been a key sticking point in the fragile ceasefire between Washington and Tehran.

While the United States continued a blockade of Iranian ports imposed following failed negotia-



A pedestrian walks past the Tokyo Stock Exchange building. The Nikkei 225 closed up 0.4% to 58,134.24 points yesterday.

tions in Islamabad at the weekend, the US president told the New York Post that a new round of talks could take place.

"You should stay there, really, because something could be happening over the next two days, and we're more inclined to go there," Trump was quoted as saying in a

phone interview with a Post reporter in the Pakistani capital.

He later told FOX Business's "Mornings with Maria" -- in an interview to air Wednesday -- that the war was "very close to being over".

Senior Pakistani sources earlier told AFP the country was working

to bring the two sides back together, with one saying negotiators were working to extend the current two-week ceasefire.

The comments from Trump provided a fresh boost to equities, which were already rising this week on optimism the six-week conflict, which has sent chills through the world economy, could be close to an end.

After all three main indexes on Wall Street rallied -- with the Nasdaq and S&P 500 back well above pre-war levels -- Asia followed suit.

Gains were led by Seoul, which was the standout performer before hostilities broke out on February 28 and then became one of the worst.

The Kospi jumped more than two percent and was just a few hundred points short of its all-time peak, while Tokyo, Hong Kong, Sydney, Mumbai, Bangkok, Wellington, Taipei, Singapore and Manila were also well up. Shanghai was flat.

EM stocks, currencies rise

Reuters
Singapore

Most emerging markets (EM) rose on Wednesday as investors pinned their hopes on the likelihood that Iran and the US would resume talks to end the Middle East conflict, while Pakistani assets surged as Saudi Arabia pledged financial support.

MSCI's index tracking stocks rose 1.2% and was at its highest in over a month, while a currencies gauge edged up 0.1% as the US dollar neared six-week lows.

Crude prices were steady at \$95 a barrel, reflecting broader caution as the US military halted sea trade in and out of Iran, drawing threats from Tehran. Investors were also monitoring developments in Hungary after the centre-right TISZA party of Peter Magyar won a landslide victory in general elections over the weekend.

Magyar said that he would restore media freedoms after his cabinet takes power and will speak with oil company MOL to ensure fuel security against the backdrop of the Mideast conflict.

Hungary's local stocks index added 0.7% and has gained over 15% this month as traders priced in

the change in government ahead of elections. The forint slipped 0.1% against the euro, but is set for a monthly gain of 5.5% - its biggest since 2012. Hard-currency bonds have also seen stellar gains.

The focus will now be on if and how soon the new government can implement fiscal reforms.

"There is certainly room for achieving cost savings from reforming public procurement practices, but this will only materialise in the medium term," said Yesenn El-Radhi, senior vice president of global sovereign ratings at Morningstar DBRS.

Moody's said the country's improved relationship with the EU could be a credit positive, while S&P Global said the unlocking of EU funding could begin although fiscal pressures are likely to persist. The latter ratings agency has issued Hungary a BBB- rating, a notch above junk status.

Pakistani stocks jumped 2.7% to their highest since February 23 and its international bonds gained nearly 1 cent on the dollar as Saudi Arabia said it will provide \$3bn in additional support to help it bridge a multi-billion-dollar gap in its finances linked to an upcoming debt repayment to the United Arab Emirates.

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Al-Kuwari meets German counterpart



HE the Minister of Finance Ali bin Ahmed al-Kuwari met with Minister of Finance of the Federal Republic of Germany Lars Klingbeil, on the sidelines of the Spring Meetings of the International Monetary Fund (IMF) and the World Bank Group (WBG), reports QNA. During the meeting, they discussed a range of financial and economic topics, developments at both the regional and international levels, and the associated challenges, particularly with regard to issues of mutual interest between the two sides.

US import prices increase below expectations

Reuters
Washington

US import prices increased less than expected in March, though the trend still pointed to firming imported inflationary pressures as the Middle East conflict boosts oil prices and snarls supply chains.

Economists shrugged off the report from the Labor Department on Wednesday and said they expected the oil price surge from the US-Israeli war with Iran to show in April's import price data.

"The less-than-expected increase in import prices most likely reflects timing differences between when the oil that entered US ports was shipped and the spot price of oil," said John Ryding, chief economic advisor at Brean Capital. "The average crude oil price arriving in the United States in March was up 7.8% compared to a Brent price of 45.5%. The bulk of the March oil price increase has yet to show up in this report."

Import prices rose 0.8% last month after a downwardly revised 0.9% gain in

February, the Labor Department's Bureau of Labor Statistics said. Economists polled by Reuters had forecast import prices, which exclude tariffs, increasing 2.0% after a previously reported 1.3% rise in February.

The BLS asks businesses to provide import prices for the first business day of the month, or as close to that day as possible. Oil prices have jumped more than 35% since the conflict started at the end of February. President Donald Trump has imposed a blockade of the Strait of Hormuz, which halted seaborne trade in and out of Iran. The war has also disrupted shipments of commodities, including fertilizer.

In the 12 months through March, import prices shot up 2.1%. That was the largest year-on-year rise since December 2024, and followed a 1.0% increase in February.

"Whether it is higher shipping costs from supply disruptions or foreign manufacturers no longer offsetting the tariffs with their own product price cuts, import price inflation is on its way up, and then adding insult to injury, once the ships dock here, the imported goods

are hit with the tariffs," said Christopher Rupkey, chief economist at FWDBONDS. "The consumer is losing, and will continue to lose." Higher oil prices raised consumer and producer prices in March, government data showed recently.

Imported fuel prices rose 2.9% last month after advancing 2.4% in February. Imported natural gas prices tumbled 71.0%. The BLS said effective with March's report, "directly collected data for import natural gas prices is replaced with non-survey sources for price index calculation." It said the switch to an alternative data source did not create a break in the series.

Imported food prices gained 0.5%. Excluding food and energy, import prices increased 0.6% after rising 0.9% in February. The so-called core import prices soared 3.5% in the 12 months through March. Stocks on Wall Street rose. The dollar was little changed against a basket of currencies.

US Treasury yields fell. Prices of imported capital goods advanced 0.5% amid strong increases in the costs of non-electrical machinery and transportation equipment excluding motor vehicles.

Wall Street goes bottom fishing in beaten-down software stocks

Bloomberg
New York

Wall Street has gotten repeatedly burned calling a bottom in software stocks, which have been hit hard by fears that artificial intelligence will make the companies obsolete. But this week's bounce is bringing some bottom-fishing investors back to the group on hopes that the worst may finally be over.

In just the past two sessions, a popular exchange-traded fund that tracks the software industry is up 6.4%, Oracle Corp has soared 18%, and Microsoft Corp and Palantir Technologies Inc have gained 6%.

"This idea that AI is going to destroy every software company is I think a little bit hard to get on board with, or at least premature," said Emily Roland, co-chief investment strategist at Manulife John Hancock Investments.

The rally is following an extended period of weakness. The iShares Expanded Tech-Software Sector ETF, better known by its ticker IGV, closed on Friday at its lowest since November 2023 and remains down 24% this year.

Even with the two-day surge, Oracle has lost 14% in 2026. And Microsoft's 18% decline puts it neck-and-neck with Tesla Inc for worst performer among the Magnificent Seven technology giants.

The slump reflects ongoing fears that long-term demand for software will be permanently weakened by offerings from AI companies like Anthropic and OpenAI, weighing on pricing power, revenue growth and margins, all of which will erode the sector's historically lofty multiples. However, that disruption risk



A trader works on the floor at the New York Stock Exchange. Wall Street has gotten repeatedly burned calling a bottom in software stocks, which have been hit hard by fears that artificial intelligence will make the companies obsolete.

is far more apparent in sentiment than in the companies' financials. And valuations are now so washed out from the selloff that some investors see an opportunity to buy back in.

In a sign of how jittery investors are, software stocks pared gains on Tuesday afternoon following a report from the Information that Anthropic is preparing to release a new AI-powered tool for designing websites and presentations.

Market technicals also support the case for a software rebound, according to Adam Turnquist, chief technical strategist for LPL Financial. The S&P North American Technology Software Index found support near the 1,600 level, and a rally above 1,908 would raise the possibility of a double-bottom breakout,

he said. "The software sector remains in a downtrend and still has technical damage to repair before evidence aligns for a bottom," Turnquist said. "But improving momentum and volume trends suggest selling pressure may be losing some steam."

In a vote of confidence for the group, famed investor Michael Burry on Monday touted his positions in a few software companies, including Veeva Systems Inc, Autodesk Inc and Adobe Inc, the maker of Photoshop, which has become the poster child for AI disruption fears while plunging more than 30% this year. Wall Street analysts have also been raising their earnings estimates for the sector. Profits at software and services companies are expected to increase 16.5% in

2027, according to Bloomberg Intelligence data. At the end of February, the figure was 15.7%. And there's a similarly improving trend in 2027 revenue expectations.

The combination of rising projections and falling prices has helped the group's valuation. The S&P North American Expanded Technology Software Index, which IGV tracks, is trading at about 21 times forward earnings, down from almost 40 in July and well below its 10-year average for 34.

Some big software stocks are at multiples that would've been unthinkable just a few years ago. Salesforce Inc, for example, trades for less than 13 times estimated earnings, a fraction of its 10-year average of 45. Adobe is below 10 times,

down from its 10-year average of 30. Both multiples are near record lows.

"Fundamentals aren't all bad within software," said Jonathan Dane, chief investment officer at Defiant Capital Group, which manages over \$1bn in family wealth. But all of the stocks "are being lumped into the same disruption narrative."

While he expects more volatility in the sector, "Microsoft and Oracle are standing out as starting to get really attractive," he added.

To be sure, there are plenty of investors who are wary of buying the software dip given the challenges facing the industry, such as declining revenue growth and the rapid progression of AI in which each update seems to herald a new leap in capability. In other words, a company that looks safe or cheap today could turn into a problem tomorrow.

"We have a valuation bias, so we like things that are cheap and normally software would sort of get our interest. But the more time we spend on it, the more uncertain it is," said Brad Conger, chief investment officer at Hirtle Callaghan & Co. "I'm not interested in finding a bottom."

To Wall Street pros, it all comes down to time. As the AI bull cycle runs on, the winners and losers will reveal themselves. "Everyone will have to go through some pain to get to the other side. There are probably some zombie software companies out there now," said Brian Kersman, portfolio manager at GQG Partners, which has about \$162.5bn in assets. "This is a forest fire that will clear out the underbrush. Eventually we will be able to see which trees are the strongest."



International Monetary Fund managing director Kristalina Georgieva.

IMF chief warns of 'tough times' if oil prices stay high

AFP
Washington

IMF chief Kristalina Georgieva warned on Wednesday of difficult times ahead for the global economy if war in the Middle East is unresolved and oil prices stay high, adding that inflation risks could seep into food prices.

"We must brace for tough times ahead" if the conflict persists, she told reporters at a press briefing during the International Monetary Fund and World Bank's spring meetings in Washington. The gathering brings government and financial leaders to the US capital this week, with policymakers looking to limit economic fallout from the war. US-Israeli strikes launched against Iran on February 28 sparked Tehran's retaliation, virtually closing the Strait of Hormuz, a key shipping route for oil and fertilisers.

Energy prices have since surged, squeezing countries -- especially vulnerable economies and those dependent on oil exports from the region.

"We are concerned about risks for inflation, moving into food prices should the delivery of fertilizers at a reasonable price (not be) restarted soon," Georgieva said.

But as countries move to limit price shocks on their citizens, Georgieva urged central banks to "wait and see" before adjusting interest rates if they can do so.

She said this was particularly the case where the public has a "well-anchored" expectation of inflation being kept under control.

"If we are to move faster out of the war, it may not be necessary to take action," she said.

But she conceded that countries where central banks lack such credibility might need to send stronger signals.

For now, "we are still at a time when a faster resolution of hostilities is possible," she said.

She urged IMF member countries to come forward to the Washington-based lender if they need financial assistance during the conflict.

Hedge funds pivot to bearish dollar bets on US-Iran talks optimism

Bloomberg
New York

Hedge funds are increasingly downbeat on the dollar as the prospect of renewed US-Iran talks and a possible peace deal sap the currency's war-driven strength. Investors added to their bearish dollar trades this month through April 10, based on a proprietary trading model from Morgan Stanley.

In the options market, so-called risk reversals on the Bloomberg dollar index show the premium to hedge against a stronger dollar compared with bets against a weaker greenback has narrowed this month.

Options pricing also indicates a shift in the past few days in tactical dollar positioning to roughly neutral levels from the most bullish in more than a year just last month, according to a Goldman Sachs note dated April 15. "From what we're seeing, the hedge fund community is using choppy conditions to fade the dollar, selling into strength rather than buying dips," said Ivan

Stamenovic, head of Asia Pacific Group-of-10 currency trading at Bank of America Corp in Hong Kong.

The dollar's turnaround has been swift. Bloomberg's dollar index jumped 2.4% in March, its biggest monthly gain since July, as haven demand during the Middle East conflict bolstered demand for the world's reserve currency.

"The path to a weaker dollar is widening, not narrowing," Morgan Stanley analysts Molly Nickolin, David Adams and Andrew Watrous wrote in a research report published on Tuesday.

"A ceasefire may be positive for risk currencies in the near-term, but we think medium-term dollar weakness may be more concentrated versus major peers," such as the euro, yen, Swiss franc, they said.

The argument for more weakness is shared by a growing number of dollar watchers, including Kenneth Rogoff, who said that the greenback was "probably at least still 20% overvalued," and was at risk of a long-term correction as a result.

In an interview with Bloomberg



A worker counts US dollar banknotes. Hedge funds are increasingly downbeat on the dollar as the prospect of renewed US-Iran talks and a possible peace deal sap the currency's war-driven strength.

TV, the former chief economist at the International Monetary Fund added that the war may accelerate movements by Europe and other regions to become "more independent of the dollar." Pressure to sell the greenback began building last week after an initial two-week ceasefire was announced, triggering the biggest

one-day decline in the Bloomberg dollar index in more than two months.

"The hedge fund community had been waiting to sell the dollar, and the first ceasefire proved the catalyst," said Antony Foster, head of Group-of-10 spot trading at Nomura International Plc in London.

"It was one of the heaviest dollar sell days I've seen in a while, across most G-10 pairs in cash and options," referring to the April 8 trading.

Trading in euro-dollar call options of €100mn (\$118mn) or more was 50% bigger than that of puts on Tuesday, according to data from the Depository Trust & Clearing Corp. Call options profit from euro gains, while put options rise if the dollar strengthens.

"In the near term, we're seeing fast-money accounts buying euro upside via relatively cheap option structures," said Richard Oliver, global head of FX cash at HSBC Holdings Plc in London. "Modest de-dollarisation is becoming an increasingly important medium-term theme."

Asset manager SGMC Capital Pte in Singapore was among those who took advantage of the dollar's gain in March to add bearish bets, according to chief executive officer Massimiliano Bondurri. "We have been using the recent dollar strength to gradually add to bearish positions, as we expect any eventual de-escalation to weaken the greenback," he said.

There's scope for further dollar declines if a more durable truce is reached, Bondurri said, identifying preferred trades including selling the US currency against the Australian dollar, Mexican peso and Brazilian real.

"FX flows have been consistent with asset managers who are quick to reduce risk and buy dollar at the start of the war, but now starting to look through it," said Jerry Minier, global head of linear G-10 FX trading at Citigroup in London.

"Many managers acknowledge that once peace is made the underlying dynamics driving a weaker dollar will return. Recent dollar weakness reflects that shift in narrative."

While there's still uncertainty over how long the US-Iran war will last, there are increasing prospects that it may end up doing more harm than good to the dollar.

"Net-net, the dollar appears to be emerging worse-off from the conflict," JPMorgan Chase & Co analysts wrote in a client note published last week. In the medium term, the greenback might "make another run toward the year's lows," they said.

Europe's new border system is not ready for summer travel

By Alex Macheras

Europe has introduced its most significant overhaul of external border control in decades. It has also introduced a new point of friction into the passenger journey at precisely the moment the system faces its first real stress test.

The Entry/Exit System, known as EES, became fully operational across the Schengen area on April 10. Its objective is clear. Replace manual passport stamping with a centralised digital system that records biometric data for non-EU travellers, tracks entries and exits, and identifies overstays with far greater accuracy. British, American and Gulf passengers arriving into Europe now provide fingerprints, a facial image and passport details at the border. In policy terms, the logic is sound. In operational terms, the execution is already under strain.

Queues of several hours have been reported within days of full implementation. These are not isolated disruptions linked to a single airport or a temporary systems issue. They reflect a structural mismatch between how the system is designed to function and how airports actually operate at scale.

The warning signs were visible well before April. EES was introduced in phases, gradually expanding coverage from a small proportion of travellers to full deployment. At each stage, there were indications that processing times were longer than expected and that the supporting infrastructure was not consistently reliable. Airports such as Lisbon experienced sufficient disruption to suspend use of the sys-



tem temporarily, supported by additional police staffing to manage queues. That response alone should have been enough to signal that the system was not yet ready for universal application.

What has happened since full implementation is predictable. Border processing now includes biometric capture for every eligible passenger. That adds time to each individual transaction. The European Commission has pointed to an average processing time of around 70 seconds per passenger. The figure is technically correct and operationally misleading. Airports do not function on averages. They function on peaks.

When multiple long-haul aircraft arrive within a narrow window, several hundred passengers can reach immigration at the same time. A marginal increase in processing time per passenger quickly compounds into significant queues.

Add even a small disruption, such as a non-functioning kiosk or a shortage of border officers, and the system slows further. Once a queue begins to build, it does not dissipate quickly. It feeds into itself.

This dynamic is well understood within the industry. Airport infrastructure is built around waves of arrivals and departures, particularly at major hubs. Morning transatlantic arrivals, evening long-haul banks, and high-density short-haul peaks create predictable surges in passenger flow. Any system that adds friction at the border must be designed to handle those surges, not theoretical averages spread across a day.

The EES system, in its current state, struggles to do that. Airlines and airport operators had raised concerns months before full rollout. Industry bodies including Airports Council International Europe, Airlines for Europe and the International Air Transport Association identified three core risks: Insufficient border staffing, unresolved technology issues, and the absence of a widely available pre-registration tool that would allow passengers to complete part of the process before arriving at the airport.

Those concerns remain valid. Staffing levels at many border checkpoints are tight, even during normal operations. The addition of biometric processing increases the workload at each position. Technology reliability has improved compared with early trials, yet failures continue

to occur, particularly at automated kiosks. The pre-registration application, designed to reduce pressure by shifting part of the process away from the airport, remains limited in its availability. As a result, the entire burden falls on the border itself.

The implications are already visible. Passengers are missing flights because they cannot clear immigration in time, airlines are adjusting boarding processes to account for uncertainty at outbound passport control, and airports are managing queues that extend far beyond the physical space originally designed for border processing.

The impact is not evenly distributed. Airports with a high proportion of non-EU arrivals are under greater pressure, particularly those handling long-haul traffic from North America, the Gulf and Asia. These passengers must all pass through EES processing, and they often arrive in concentrated waves. For those airports, the system introduces a new constraint on throughput at precisely the busiest points in the day.

There is also a reputational dimension. Passengers do not distinguish between an airport operator, a national border authority or an EU-managed system. The experience is interpreted as a single journey. Long queues at immigration become an airport problem in the eyes of the traveller, regardless of where responsibility sits. That matters for hubs that have invested heavily in efficiency and service as part of their competitive positioning.

The timing compounds the challenge. Europe is approaching the peak summer travel period, when passenger volumes increase

significantly across all major hubs. July and August will bring sustained pressure rather than isolated peaks. The system has yet to demonstrate that it can operate smoothly under those conditions.

At the same time, the wider aviation environment is already complex. Airlines are managing higher operating costs, network adjustments linked to geopolitical developments, and continued supply constraints on aircraft deliveries. Passenger demand remains strong, yet expectations around reliability and ease of travel have risen. Border friction sits directly within that expectation.

None of this suggests that EES is an unnecessary policy. The objective of accurately tracking entries and exits, identifying overstays and strengthening external border security is legitimate. The system has already processed tens of millions of crossings and contributed to enforcement outcomes that were not previously possible at scale. The issue is not the concept. It is the timing and the readiness of the infrastructure supporting it.

A more flexible approach to implementation would reflect operational reality. Allowing temporary suspensions or scaled-back processing during peak periods would provide immediate relief while technical and staffing issues are addressed. Accelerating the rollout of pre-registration tools would shift part of the process away from the border itself, reducing pressure where it is most acute. Investment in staffing and equipment reliability is equally essential.

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Doubts over operational feasibility of ICAO's CORSIA mandatory phase

By Santhosh V Perumal
Business Reporter

Global airlines, which otherwise find it difficult to meander the Iran war created air pocket and resultant disruptions, now have to manoeuvre Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), whose mandatory phase is set to begin within a few months.

The mandatory phase of the International Civil Aviation Organisation's (ICAO) CORSIA, which allows airlines to meet obligations via carbon offset credits and sustainable aviation fuels (SAF), from 2027 is structurally intact but doubts linger over its operational feasibility and environmental integrity in view of the Iran war, disrupting critical air corridors and triggering fuel price spikes.

CORSIA has been implemented in a phased manner with a pilot phase (2021-23), a first phase (2024-26), and a second phase (2027-35). For the first two phases (2021-26), participation is voluntary and from 2027 onwards, participation will be determined based on 2018 RTK (revenue tonne kilometre) data.

The mandatory phase is slated to generate massive demand for carbon credits, potentially reaching 500-1,300 MTCO₂e (million tonnes of carbon dioxide equivalent) by 2035.

Given the worst-ever aviation shocks in the form of more than doubled jet fuel prices, closed/restricted major airspace, cancelled flights, and fuel shortages in some regions; CORSIA, the first-ever global sector-wide carbon market mechanism, might see exemptions, reduced obligations and slow pace in adoption in the short-term.



Global airlines, which otherwise find it difficult to meander the Iran war created air pocket and resultant disruptions, now have to manoeuvre Carbon Offsetting and Reduction Scheme for International Aviation, whose mandatory phase is set to begin within a few months

An indication of a possible slow implementation has come from the Airlines for Europe (A4E), representing 16 major European airline groups, requesting the European Union (EU) to introduce a raft of crisis response measures, including a temporary suspension of the EU cap-and-trade carbon emissions quota system (ETS, Emission Trading System). The group cites a sharp rise in fuel costs since early March due to the Middle East conflict.

Undermining CORSIA's global uniformity advantage, the present crisis may lead to increased fragmentation risks as the regions like the EU, Asia, and the Middle East, which have been the hardest hit, may apply different rules and prioritise national interests.

CORSIA, which works better in stable conditions and struggles during shocks when costs spike, is a global offsetting scheme, whereby airlines and other aircraft operators offset any growth in carbon dioxide (CO₂) emissions above 85% of 2019 levels.

Aviation emissions from international flights have not been included in the global climate regime administered by the United Nations Framework Convention on Climate Change, as these fall outside of the scope of nationally-determined climate action.

Instead, these come under the purview of the ICAO, whose data suggest nearly 99% of international aviation emissions are already monitored and reported, indicating institu-

tional readiness for CORSIA. As of 1 January 2019, all aircraft operators with emissions greater than 10,000 tonnes of CO₂ need to report their emissions to their national authority annually.

Airlines and other aircraft operators are subject to offsetting requirements, which are determined by the CO₂ they emit on flights subject to offsetting.

This includes all aircraft operators, from large passenger airlines, cargo airlines, business aviation and even private aviation.

The scheme is designed to offset emissions growth relative to a baseline but the environmental signal becomes distorted in a disrupted environment. Analysts expect reduced demand for CORSIA

credits as lower traffic lead to temporary decrease in offsetting obligations and high fuel costs elevates financial burden for the airlines, for which it is survival and not the offsets.

CORSIA depends on aviation growth, thus bearing a direct relationship. Lower the emissions, the lower the offset demand. CORSIA carbon futures continued its declining phase as the supply of credits crept higher and the Iran war pushed up jet fuel prices, leading to expectations of a possible downturn in demand from the aviation sector, according to Carbon Pulse.

The futures for Phase 1 recently touched a 15-month low due to higher than expected issuance of eligible emissions units (EEUs), partly due to reduced aviation activity, lowering the demand for carbon offsets.

A Quantum Commodity Intelligence note suggested that the airlines are postponing carbon credit purchases due to the Iran war. It is forecast that CORSIA will stabilise net CO₂ emissions from international aviation at between 550mn and 600mn tonnes of CO₂ annually, between 2024 and 2035.

The International Air Transport Association or IATA expects airlines to purchase upwards of 200mn EEUs for Phase 1 compliance by late 2027, at an estimated cost of \$4-5bn, rising to nearly 2bn EEUs through to 2035.

Despite strong policy support, SAF - which is a vital part of CORSIA - still represents only a very small fraction of global aviation fuel use. In times of crisis, supply chains for these fuels may face further disruption, reinforcing reliance on carbon offsets.

Jet fuel shock from Iran war worsens crisis for airlines

Reuters
Brussels/London

Air travel's worst crisis in years lurched deeper on Tuesday as Qantas Airways warned of spiralling costs, Lufthansa said it may have to ground planes and Virgin Atlantic flagged a looming supply crunch, with the Iran conflict squeezing fuel supplies.

The war has upended routes between Asia and Europe that relied on Gulf hubs, while a doubling of jet fuel prices and tightening of supplies are hitting airlines hard. Since the US-Israeli strikes on Iran began on February 28, carriers have hiked air fares, introduced fuel surcharges and cut routes.

Underscoring efforts to preserve cash, Qantas has delayed a planned share buyback, citing higher and volatile fuel prices, one of the first major carriers to stall shareholder returns. Meanwhile, Lufthansa CEO Carsten Spohr warned that jet fuel supplies will remain constrained, driving up costs.

"Kerosene will remain in short supply and therefore more expensive for the rest of the year," Spohr told German newspaper *Frankfurter*

Allgemeine Zeitung.

Lufthansa has not yet grounded planes due to shortages but this "may be unavoidable" as kerosene availability is already critical at some airports, particularly in Asia, he said. In South Korea, low-cost carrier T'way Air plans to furlough some cabin crew without pay in May and June, a local report said, among the first carriers to reduce staffing. A two-week ceasefire has provided little relief with the Strait of Hormuz still shut, removing roughly a fifth of global oil and liquefied natural gas supplies from the market and refineries will take time to repair damage inflicted on them.

"Despite the pause in the conflict we remain concerned about jet kerosene supply and price increase," UBS analyst Jarrod Castle said in a note on Tuesday, adding that December jet kerosene futures prices are still up more than 50% year-on-year.

Fuel, typically airlines' second-largest cost after labour, accounts for about 27% of operating expenses. Prices have more than doubled since the conflict began, far outpacing a roughly 50% rise in crude prices before the ceasefire.



A ground staff member stands beside a fuel attachment to a Qantas plane at Sydney airport. Air travel's worst crisis in years lurched deeper as Qantas Airways warned of spiralling costs, Lufthansa said it may have to ground planes and Virgin Atlantic flagged a looming supply crunch, with the Iran conflict squeezing fuel supplies.

United-American mega deal could raise fares, face roadblock

Reuters
New York

A potential deal between United Airlines and American Airlines would create an industry behemoth and invite extraordinary scrutiny from regulators, labour unions and consumer advocates, all wary of higher fares and reduced competition.

United Airlines CEO Scott Kirby pitched a potential merger of the two carriers to US President Donald Trump in late February, according to two sources familiar with the matter, but industry officials were quick to highlight the formidable antitrust obstacles such a deal would face.

The details of Kirby's proposal were not immediately clear. United declined to comment on the antitrust implications of a potential merger.

"This seems hopeless to me. There are huge overlaps on a number of

routes and in various metropolitan areas (such as Chicago). No amount of divestitures would fix it," said William Kovacic, director of the competition law centre at George Washington University.

American Airlines' shares rose 7% in morning trading, as investors viewed a potential deal as a rare bright spot for a carrier that has struggled in recent quarters to deliver consistent profits and bring costs under control. United shares were up about 2%.

"In terms of valuation, we imagine American would anchor to their unencumbered asset base of over \$14bn and argue for a valuation over \$20/share, though (we) wonder if that is realistic, given how much their leverage would alter United's risk profile," TD Cowen analyst Tom Fitzgerald said.

A \$20 per share valuation would command a 78% premium to



An American Airlines aircraft flies past the tail of a United Airlines aircraft as it lands at Reagan National Airport in Arlington, Virginia. A potential deal between United Airlines and American Airlines will create an industry behemoth and invite extraordinary scrutiny from regulators, labour unions and consumer advocates, all wary of higher fares and reduced competition.

American's last close. Among other carriers, JetBlue Airways jumped 9%, while Alaska Air rose 7%, Southwest

added 6% and Delta Air Lines gained 6%, as crude oil prices fell on Tuesday. Even if United and American

were able to make their case to the Trump administration, scrutiny could come from other quarters.

States are taking an increasingly active role in policing mergers. A state coalition recently sued to unwind Nexstar's acquisition of rival broadcast station owner Tegna. Competitors or even customers can also sue to block deals.

Spokespeople for the attorneys general in Illinois, where United is based, and Texas, where American is headquartered, did not immediately respond to requests for comment.

American has been trying to close the gap with rivals Delta Air Lines and United Airlines, which have pulled ahead by capitalising on strong demand for premium travel and better tailoring their products to shifts in the market.

Before any divestitures, the combined carriers pro forma network would be a behemoth, with a 50% or

greater share of domestic capacity at 159 airports, Fitzgerald said.

For United, a deal of this scale could provide the step-change in capacity and market share it would need to establish a clear lead over rival Delta Air, which has long dominated the industry in profitability and premium revenue.

"A United-American deal would reduce the 'Big 4' to a 'Big 3' with one dominant player. There would likely be competitive issues in many city-pair routes and hubs," said antitrust lawyer Andre Barlow with DBM Law Group.

"I am not sure this deal can get done. The Trump administration is concerned about affordability issues and this deal would reduce choices and give the airlines more pricing power, which means higher fees for consumers so I would think this would get a rigorous review," Barlow added.