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COMMERCIAL BANK

Partnership eases compliance burden for founders of Qatar startups

By Peter Alagos
 Business Editor

Qatar's startup ecosystem is entering a new phase where founders are seeking operational partners to help scale beyond inspiration and funding, according to the chapter director of Startup Grind Doha.

Indica Amarasinghe said Startup Grind Doha has partnered with ArcPath Partners to provide entrepreneurs with preferential service packages covering entity formation, compliance, HR, payroll, and accounting.

"Through this collaboration, our community members will gain access to preferential service packages designed to support both early-stage startups and scaling companies," Amarasinghe noted.

The collaboration positions ArcPath as the exclusive corporate services partner for Startup Grind Doha's founder and corporate community, aiming to free entrepreneurs from administrative hurdles and allow them to focus on building businesses.

"Founders have a finite amount of time and resources, and the best of them are ruthless about where they direct both," Conrad Pallarés Sainz de la Maza, partner at ArcPath Partners, told *Gulf Times* yesterday.

"What we kept seeing was talented entrepreneurs getting pulled into compliance processes, government filings, licensing renewals, and corporate administration. None of that is their business, and all of it slows them down," Sainz de la Maza pointed out.

ArcPath's role in the partnership is to take the operational and regulatory burden off founders' desks entirely, he further explained, noting that the company has structured its startup engagements specifically "so that professional support does not become an obstacle in itself, whether in terms of time or cost."

Amarasinghe also told this paper that Qatar's ecosystem has matured significantly, with more found-



From left: Indica Amarasinghe, Startup Grind Doha chapter director, and Conrad Pallarés Sainz de la Maza, partner at ArcPath Partners.

ers launching ventures, increased investor activity, stronger government support, and growing interest from international companies looking to establish a presence in the market.

"As the ecosystem evolves, founders need more than just inspiration, networking, and access to capital—they need practical operational support to build sustainable businesses," he stated.

Amarasinghe noted that the timing of the partnership is ideal because the ecosystem is moving from encouraging entrepreneurship to enabling scale. "Founders need trusted partners to support that journey," he stressed.

"At Startup Grind Doha, our mission has always been to connect, educate, and inspire entrepreneurs. Partnering with ArcPath Partners allows us to extend that support beyond community-building by helping founders navigate the operational and regulatory aspects of building a company in Qatar," Amarasinghe explained.

ArcPath operates on a tiered platform, allowing founders to engage at whatever stage they are at and scale the relationship as their business grows, Sainz de la Maza said.

"Early on, that might look like basic compliance and entity maintenance. As the company develops, we layer in HR and recruitment, payroll, accounting, and procurement services, as well," he also said.

Because ArcPath is part of a wider group of companies, founders also gain access to capabilities

beyond what a traditional corporate services firm can offer, stated Sainz de la Maza, who also said, "That becomes available to them as they need it without having to go elsewhere."

Another distinguishing feature of the partnership is the corporate access ArcPath can open up for startups, he said.

"ArcPath works with large international companies operating in Qatar. We actively use that to create introductions between the startups we work with and those corporates, whether that is for commercial partnerships, pilot programmes, or simply getting in front of the right decision-makers.

"For an early-stage company trying to establish credibility and build a pipeline in this market, that kind of access is often the hardest thing to get and one of the most valuable things we can offer," he explained.

Amarasinghe noted that many founders enter entrepreneurship with strong ideas and technical expertise but often find themselves spending significant time dealing with company setup, compliance requirements, payroll, accounting, and other administrative responsibilities.

"These areas are essential but can become distractions from growing the business," he said, adding that through the partnership, Startup Grind Doha community members will have access to a trusted corporate services partner that understands the startup journey and offers tailored support at preferential rates.

Al-Sayed meets Pakistani commerce minister



HE the Minister of State for Foreign Trade Affairs at the Ministry of Commerce and Industry, Dr Ahmed bin Mohammed al-Sayed, met on Tuesday with the Minister of Commerce of the Islamic Republic of Pakistan, Jam Kamal Khan during his visit to the State of Qatar, reports QNA. Discussions focused on developments in the commercial and investment relations between Qatar and Pakistan, as well as following up on the initiatives laid out during previous senior-level meetings and visits between the two sides. They also discussed avenues for strengthening economic cooperation to serve shared interests and support partnership prospects between the two countries.

GTA organises series of specialised workshops for audit firms

QNA
 Doha

The General Tax Authority (GTA) has organised a series of specialised workshops for audit firms as part of its ongoing commitment to strengthening partnerships with stakeholders and enhancing knowledge of tax-related matters.

According to a statement issued by the GTA on Tuesday, the workshops were held at the Authority's headquarters and brought together more than 50 auditors and representatives from various audit firms, with the aim of enhancing technical and practical competencies and promoting compliance with relevant best practices and standards.

Through a range of interactive sessions, participants were introduced to the latest legislative and procedural developments in the tax field. The workshops combined theoretical and practical aspects to support professional capacity building, strengthen the practical understanding of tax regulations,



The workshops reflect the GTA's commitment to fostering continuous cooperation and partnership with audit firms, thereby supporting tax compliance and enhancing the quality of professional practices

contribute to the alignment of professional interpretations, and achieve higher levels of compliance and consistency in implementation. These workshops reflect the Authority's commitment to fostering continuous cooperation and partnership with audit firms, thereby supporting tax compliance and enhancing the quality of professional

practices. The workshops also form part of an integrated plan developed by the Authority to unify relevant technical concepts and applications, strengthen adherence to approved regulations and procedures, enrich specialised knowledge, facilitate the exchange of expertise, and keep pace with developments and emerging trends in the tax environment.

Qatar Chamber's general assembly meeting on June 4

Qatar Chamber will hold its second General Assembly Meeting tomorrow (June 4), 12nn at its headquarters in Lusail regardless of the number of members in attendance, it was announced yesterday. According to a statement from the chamber, the meeting will be presided over by Qatar Chamber chairman Sheikh Khalifa bin Jassim al-Thani.

The agenda stated that the meeting will review of the board of directors' report on the chamber's activities in 2025. It will also discuss the auditor's report, final accounts, and statement of revenues and expenditures, as well as the approval of the estimated budget for the 2026 fiscal year. The meeting will also discharge the

board of directors and appoint an auditor for the 2026 fiscal year, and determine their fees.

The chamber noted that attendance will be restricted to members who settled their subscription fees up to the date of the first meeting, which was scheduled for May 11, but was postponed due to a lack of quorum. Registration will open two hours before the start of the meeting. For individual establishments, attendance is limited to the owner personally or by an authorised representative whose name is registered in the commercial register. For companies, attendance must be by one of the authorised signatories representing the company.



Qatar Chamber chairman Sheikh Khalifa bin Jassim al-Thani.

IMF flags central bank independence gaps across Middle East, Central Asia

Reuters
 New York

Central banks in the Middle East, Central Asia and the Caucasus need stronger protection from political pressure and government financing demands to keep inflation in check, an International Monetary Fund paper said on Tuesday, as the Middle East war revives price risks across vulnerable economies. The paper, prepared by IMF staff, does not analyse the US-Israeli war with Iran directly, but its findings come as higher energy costs, food price risks and fiscal pressures again test central banks in a region where some governments have limited room to shield households from rising prices. The authors said central bank independence is coming under renewed scrutiny as pressure on monetary policy to accommodate fiscal needs intensifies,

adding that countries with stronger safeguards are better able to manage inflation, especially when hit by unexpected shocks.

"(Central bank independence), alongside a robust monetary policy framework, is associated with effective inflation management and is particularly helpful when confronted with unanticipated shocks to inflation," the paper said. In practical terms, stronger central banks cannot prevent oil or food price shocks, but can help keep them from becoming entrenched. Meaningful improvements in independence were linked to inflation falling by about half a percentage point within a year, the paper said, with the effect building over time. The benefits of stronger independence take time to materialise, partly because legal reforms are slow to implement and formal independence does not always translate into practice.



An oil tanker sits anchored off the Fos-Lavera oil hub near Marseille, France (file). Global oil inventories could hit critical levels ahead of the peak summer demand period if stock draws continue at their current pace, the head of the International Energy Agency's oil industry and markets division said on Tuesday.

IEA forecasts chance of critically low stockpiles before peak summer

■ **IEA warns emergency stock releases are only temporary, not a solution to supply losses**
 ■ **Americas' supply gains only marginally offset 14mn bpd lost from Gulf producers, IEA notes**
 ■ **Chinese crude imports fell 6mn bpd in May versus March**
 ■ **Strait of Hormuz reopening could take 6 to 8 months even if agreement reached now, Bosoni says**

Reuters
London

Global oil inventories could hit critical levels ahead of the peak summer demand period if stock draws continue at their current pace, the head of the International Energy Agency's oil industry and markets division said on Tuesday.

Fuel demand typically peaks in the Northern Hemisphere summer when people drive and fly on holiday.

"We're seeing stock draws continuing

into the summer, and with the possibility or the likelihood that we reach critical levels or historical low levels just ahead of the peak summer demand," said Toril Bosoni. It could take six to eight months in the best-case scenario to reopen the Strait of Hormuz if an agreement was reached today, Bosoni said at the S&P Global Energy Middle East Petroleum and Gas Conference in London.

That could make a further IEA-coordinated emergency stock release a possibility, but that is not currently being discussed as around half of the initial 400-mn-barrel coordinated release from March is yet to hit the market, she added.

"In any case, emergency stock releases are only a temporary stop-gap measure, they're not going to solve this problem. The scale of the supply losses are so big that the reduction would have to come from the demand side," Bosoni said.

Demand destruction is where high prices force consumers to cut back on buying until supply and demand are more balanced.

The IEA is seeing higher prices and weaker economic outlook translating into lower

demand for transport fuels, Bosoni said, adding: "The biggest adjustment factors we have seen to the markets have come from the demand side".

Chinese crude imports were 6mn barrels per day lower in May compared with March, which had been a balancing factor in markets and explains weaker prices despite the Hormuz closure.

Brent futures were trading just below \$94 per barrel by 1139 GMT on Tuesday, between their pre-war level of around \$70 but far from their 2026 high of over \$126.

Gulf oil producers have lost around 14mn bpd of supply since the end of February, the IEA said.

Meanwhile, producers in the Americas have boosted supplies, with the US, Argentina, Brazil and Venezuela all surprising to the upside. The IEA forecast 2026 supply growth in the Americas at 1.5mn bpd in its latest monthly oil market report, up by 600,000 bpd from the start of 2026. But those gains only provide "marginal offset" to the volumes lost to the global market from east of Suez, Bosoni said.

Adnoc trading chief flags August as tipping point for oil prices

August could mark a tipping point for much higher oil prices if demand rises and the Iran war supply crisis persists, an Abu Dhabi state oil company executive said on Tuesday, adding it could take a year for supply chains to recover even after flows normalise, reports Reuters.

Transit through the Strait of Hormuz will remain partial and below pre-war levels as long as uncertainty over peace persists, Philippe Khoury, Adnoc's executive vice president for sales and trading, told the Middle East Petroleum and Gas

Conference in London. "It's not going to resume like a flip of a switch," Khoury said, adding that some elements of the supply chain would take weeks to restore and others months, with a full return to pre-war conditions potentially taking until mid-2027.

The Strait of Hormuz, a narrow waterway between Iran and Oman, carried around a fifth of the world's oil supply before Tehran effectively closed it after the start of the US-Israeli war on February 28.

The crisis triggered the biggest energy

supply shock in history, sending prices surging and fanning fears of an economic downturn.

Adnoc CEO Sultan al-Jaber said last month there would be no full return of Hormuz flows until the first or second quarter of 2027.

Economies have been shrinking demand, and if they continue to do so, prices could stay around \$100 a barrel, Khoury said. But if demand recovers and the crisis extends, August could be the tipping point for prices, he added.

China's LNG imports rebound in May as buyers prepare for summer

Bloomberg
Hong Kong

China's liquefied natural gas imports rebounded in May as the world's largest buyer stepped up purchases ahead of peak summer demand, reversing a months-long decline following disruptions to Middle East supplies.

LNG deliveries to China rose to 4.9mn tons in May, marginally higher than a year ago, according to ship-tracking data compiled by Bloomberg. That's a stark reversal from the year-on-year contractions seen in previous months. April's imports fell to the lowest level in eight years as higher prices triggered by the near-closure of the Strait of Hormuz weighed on demand.

The Iran war has choked shipments from the Arabian Gulf, which typically accounts for a third of China's sup-

ply. The drop in LNG deliveries from Qatar has been offset by an increase from exporters including Canada, Malaysia, Oman and Russia, according to vessel-tracking data compiled by Bloomberg.

Declining gas inventories and the prospect of a hot summer this year have also compelled companies to buy more from the spot market, according to traders. State-owned Cnooc Ltd last month bought several cargoes for June delivery while second-tier firm Zhejiang Energy International Ltd purchased a cargo for July.

China's increased appetite could tighten global supply as competition between Europe and Asia heats up for spare cargoes ahead of winter restocking requirements. Europe is so far lagging, with its 30-day moving average for deliveries down 13% year-over-year, according to the ship-tracking data.



A ship offloads liquefied natural gas at the PetroChina Jiangsu LNG terminal at Yangkou port in Rudong, in China's eastern Jiangsu province. China's liquefied natural gas imports rebounded in May as the world's largest buyer stepped up purchases ahead of peak summer demand, reversing a months-long decline following disruptions to Middle East supplies.

Global investment into India's stock market falls to decade low

Bloomberg
Mumbai

Overseas investors' cumulative net equity investments in India have slid to a near-decade low after relentless selling, highlighting the fading attractiveness of the nation's \$4.9tn stock market.

The aggregate net investments by foreign portfolio investors in local shares stood at 7.3tn rupees as of June 1, the lowest level since 2016, according to data from National Securities Depository Ltd. The figures sums investments or withdrawals for each year since 1993 into Indian equities.

Indian equities, once touted as an emerging-market darling, are losing their relative appeal as the oil shock from the US-Iran war dims the outlook for the world's fastest-growing major economy and global capital shifts toward economies directly tied to the AI infrastructure buildout.

The country's stock market has fallen out of the world's top five by value for the first time in three years, trailing Asia's

tech hubs of Taiwan and the Republic of Korea.

AI could replace as much as 15% of highly paid knowledge workers in the US over the next several years, a trend that may have significant implications for India's economy, Carson Block, founder of investment research firm Muddy Waters Capital LLC, said last week.

"We expect FPI flows to stay muted, given India's low attractiveness versus other EM markets," Kotak Institutional Equities strategists including Sanjeev Prasad wrote in a recent note. India's near-term earnings growth is expected to be slower than commodity- and tech-oriented EM peers, while the country has little exposure to the AI and semiconductor cycle that may continue for another one-to-three years, they said.

Global funds' ownership in listed companies has shrunk to 15% from almost 20% a decade ago, Venkatesh Balasubramaniam, a strategist with JM Financial Institutional Securities, wrote in a note. Domestic mutual funds, buoyed by steady flows from retail investors, now control nearly 20% of the market, he said.

Bloomberg QuickTake Q&A

How the Iran war is shaking up food supply chains

By Agnieszka de Sousa, Eleanor Thornber and Piotr Kozlov

The conflict in the Middle East is sending shockwaves through the global food industry — from growers to packaging firms and distributors — with major implications for food security and living standards.

The war has cut off important sources of energy and fertilizers that are key inputs in the production of grains, vegetables and meat. Farmers whose crop yields were already squeezed by bouts of extreme weather now face paying more for those crucial inputs and are likely to pass on the cost to consumers through higher prices.

Their other option is to cut back on fertilizer and other inputs, lowering yields and raising the risk of food shortages, especially in poorer countries that rely heavily on imports. The United Nations' World Food Programme has warned that a prolonged conflict could lead to record levels of global hunger.

How is the war affecting fertilizer production?

The Gulf region has become a significant producer of nitrogen fertilizers in recent decades, and the Strait of Hormuz was handling about a third of the global trade before the war broke out. The Gulf is also a major supplier of sulfur, which is needed for production of other types of fertilizers. The conflict has severely disrupted exports from the region, sending prices soaring and farmers scrambling to secure enough of the products while they can.

The war has also disrupted production of nitrogen fertilizers in other parts of the world as the conflict hits supplies of their key ingredient, natural gas. Nitrogen fertilizers underpin roughly half of global food production by supplying plants with nutrients that support their growth. Fertilizer manufacturers in countries such as India and Bangladesh temporarily

reduced output. Soaring gas prices have put European production under strain. There are signs that farmers have cut back on fertilizer purchases as a result. If the disruption persists, they are likely to lower their use of the products in the fall, leading to lower crop yields next year.

"This is not only a price shock. It could also become a production shock with a lag built in," said Wesley Davis, an economist at Meridian Agribusiness Advisors.

How else is the Iran war disrupting the food industry?

There is no modern food production without energy. Diesel-powered tractors till the soil and a lot of fresh produce is grown in gas-heated glasshouses. Oil-based fuels power the ships, planes and trucks that transport food over long distances in today's globalized economy.

The war is straining supplies of the fuels needed to operate the machinery that sows and harvests crops, sprays chemicals and waters plants.

Some farmers in Asia have been forced to skip or delay rice sowing given the spike in fuel and fertilizer costs, and lower crop projections are expected in countries such as France and Australia. Disruption of both the Strait of Hormuz and the Red Sea shipping route has raised freight costs and lengthened transit times for grains, oilseeds and fertilizers. Even short journeys face an impact as higher fuel prices make land transportation costlier.

Then there's packaging. The Middle East region supplies about one-third of globally traded naphtha, used to produce plastic wrappings, according to Rabobank. Paper and cardboard production is also energy intensive. In Malaysia, a shortage of plastic resin used to make 2-liter milk bottles has left some grocery shelves bare. In Japan, a shortage of ink has led Japan's biggest potato-chip maker to switch its packets to black and white. The country may be heading for a banana short-

Global Food Prices Rise Again In April

As the war in Iran continues to choke agricultural input flows



age, too, because supplies of ethylene used to ripen the fruit are running low. Higher oil prices are already boosting demand for biodiesel and renewable diesel, leaving less of the commodities used to produce those alternative fuels — such as soybeans or canola — available for the food industry. One visible impact: Vegetable oil prices have soared to their highest level since the immediate aftermath of Russia's full-scale invasion of Ukraine in 2022.

What will it all mean for food prices in stores?

Before the Iran war broke out, food inflation around the world was generally expected to ease this year. Food commodity costs are still well below their peak of March 2022, but the impact of the war has started to feed through into official price gauges. Global food commodity costs climbed to a three-year high in April, the United Nations' Food and Agricul-

ture Organization said. It warned that the closure of the Strait of Hormuz could trigger a major global food price crisis within the next six to 12 months.

In the US, official data were already showing a jump in input costs for food and beverage companies. In April, grocery prices rose by the most in almost four years. Economists say the impact of the war will only add to price pressures into 2027. In Europe, wallets are to be hit by Christmas, Rabobank said, and in the UK, more than four-fifths of food and drinks producers plan to raise prices, according to a survey from the Food and Drink Federation.

What are the likely economic repercussions?

Higher food prices are complicating efforts by central banks to get a post-pandemic wave of inflation back under control. The situation also presents a challenge for governments, especially in emerging-market economies

where food makes up a greater proportion of household incomes than it does in more industrialized nations. Capital Economics said it expected higher fertilizer prices to hit lower-income nations hardest. The food security situation may get particularly precarious as a likely — and potentially strong — El Niño weather pattern stands to hurt crops in parts of the world.

Governments, including those in China and Russia, have intervened in markets to secure enough fertilizers for local farmers. The Trump administration has moved to locate backup sources of fertilizers for American farmers, while cutting tariffs on agricultural equipment to help lower their costs. Morocco is building grain reserves sufficient for six months. The European Union in May suspended import tariffs on some fertilizers, and is considering stockpiling as part of its broader plan for shielding farmers.

Who is most at risk?

Import-dependent countries in Asia, Africa, and Latin America are particularly exposed to fertilizer shortages and rising input costs, the FAO said in March. While farmers in rich and middle-income nations can count on support from their governments, concerns are mounting over some of the poorest economies. Many developing nations are struggling to service their debts and have only a limited capacity to absorb new price shocks, UN Trade and Development has warned. Higher fertilizer prices are likely to hit resource-poor farmers the hardest, risking smaller harvests and increased food price inflation down the line.

As many as 45mn more people could face acute hunger if the conflict in Iran doesn't ease by the middle of the year, taking the total number to a record high, the WFP warned. Food aid is getting stranded, and further increases in food insecurity could spell catastrophe for some of the world's most vulnerable countries that are already at risk of famine, it said.

US job openings increase by the most in five years in April

Reuters
Washington

US job openings increased by the most in five years in April, but the surge likely overstates the labor market's health, as hiring declined against the backdrop of economic uncertainty stemming from the Iran war.

The Job Openings and Labor Turnover Survey, or JOLTS report, from the Labor Department on Tuesday also showed resignations dropped to the lowest level in nearly six years in April, a sign of lack of confidence in the jobs market.

The professional and business services industry accounted for roughly 91% of the jump in job openings in April. Economists said the labor market had not shifted from its "slow-hire, slow-fire" mode, warning of downside risks from the three-month US-backed war

with Iran, which has caused shortages and boosted the prices of commodities, including energy products and aluminum.

"The labor market remains mostly stable," said Matthew Martin, senior US economist at Oxford Economics. "Without a concrete end to the war in Iran in sight, higher oil prices will reduce aggregate demand by crimping real incomes. Coupled with increased uncertainty, businesses are likely to pull back further on hiring intentions."

Job openings, a measure of labour demand, had surged by 731,000 to 7.618mn by the last day of April, the highest level since May 2024, the Labor Department's Bureau of Labor Statistics said. Economists polled by Reuters had forecast 6.88mn unfilled jobs.

Professional and business services job openings jumped by 668,000, which some economists said was an anomaly.

"Sharp drops in openings in this sector in

previous months have been revised away as more data have been collected," said Samuel Tombs, chief US economist at Pantheon Macroeconomics. "It is just as likely that April's big increase in openings also proves illusory."

Health care and social assistance had an additional 89,000 unfilled positions. There were increases in vacancies in the construction, manufacturing, transportation, warehousing and utilities industries as well as at state and local governments. Job openings in the finance sector decreased by 134,000, all of them in finance and insurance.

Accommodation and food services vacancies dropped by 74,000 while retail trade had 43,000 fewer unfilled positions.

The job openings rate jumped to 4.6% from 4.2% in March.

Nearly all of the increase of 684,000 private sector job openings occurred at businesses with one to nine employees.

The labor market has regained its footing after wobbling last year under the weight of uncertainty, largely from import tariffs. Just as the drag from trade policy was lifting, the war with Iran, which has raised gasoline and diesel prices, has cast a cloud over the labor market and could be impacting hiring.

Hires dropped 419,000 to 5.116mn in April, suggesting the solid increase in non-farm payrolls that month was mostly due to lower layoffs. The nearly broad-based decline was led by a decrease of 131,000 in professional and business services.

Retail trade hires fell by 81,000.

There were also notable declines in hiring in the transportation, warehousing and utilities, finance, healthcare and social assistance, and accommodation and food services sectors.

The hires rate fell to 3.2% from 3.5% in March. The US employment report for May,

due to be released on Friday, is likely to show non-farm payrolls increased by 85,000 jobs last month after two back-to-back months of gains in excess of 100,000, a Reuters survey of economists predicted.

The unemployment rate is forecast to have held steady at 4.3%.

With hiring weak, fewer workers are job-hopping.

Resignations in April dropped by 183,000 to 2.977mn, the lowest level since August 2020 when the nation was in the throes of the Covid-19 pandemic. The decline was the largest in a year. The quits rate, viewed by policymakers and economists as a measure of job market confidence, slipped to 1.9% from 2.0% in March.

The lower quits rate suggests wage inflation is not an issue for the Federal Reserve as it confronts rising and broadening price pressures due to the Middle East conflict.

Traders work on the floor of the New York Stock Exchange. Researchers who follow individual companies and almost always predict shares will go up are slashing their views on S&P 500 Index firms at a faster pace than raising them for the second time since the war in Iran began, data compiled by Bloomberg Intelligence show.



Euro's international role gains a bit but still distant from dollar: ECB

Bloomberg
Frankfurt

International use of the euro rose slightly in 2025 but stayed well below that of the dollar, highlighting the difficulty of mounting a global challenge to the greenback's supremacy.

Overall usage of the common currency increased to about 20%, the European Central Bank said on Tuesday in an annual assessment. It held at the same level in foreign-exchange reserves, still only about a third of the dollar's allocation.

The ECB said international debt issuance in euros hit a record high and the euro led for the first time in the global market for green and sustainable bonds. But it also found a notable drop-off in its use for daily foreign-exchange trading.

European officials have sought to chip away at the dollar's international dominance as Donald Trump's erratic policymaking and attacks on the Federal Reserve since his return to the presidency



Christine Lagarde, president of the European Central Bank.

denied confidence in the US. ECB President Christine Lagarde has gone as far as discussing a potential "global euro moment," urging politicians to strengthen the euro's role so the currency bloc can enjoy more of the dollar's privileges, including lower borrowing costs.

"There is an opening for the euro to enhance its global appeal - provided that European policymakers create the necessary conditions and put words into action," Lagarde wrote in Tuesday's report. Economic resilience, legal and institutional integrity, and geopolitical credibility must be reinforced, she said.

The report laid out the scale of the task, however.

One problem is central banks' accumulation of gold holdings amid persistent geopolitical tensions. While purchases decreased to about 850 tons from more than 1,000 tons in 2024, they remained elevated, the ECB said.

The metal's share in total official foreign reserves even surpassed that of US Treasuries. But this largely reflected valuation effects, given the soaring gold price, and overall dollar-denominated assets continue to dominate reserves, accounting for 42%.

Some countries have also advanced alternative cross-border payment systems, including those based on digital technologies, the ECB said, calling the trend another sign of fragmentation in the international monetary system.

The ECB also stressed that the use of China's renminbi, while still low overall, notably increased in areas such as daily foreign-exchange trading and trade financing, with the Middle East conflict potentially triggering further gains.

Wall Street analysts turn sceptical after 2-month stocks rally

Bloomberg
New York

US stocks may be vaulting from one record to the next, but Wall Street analysts covering them are in no rush to keep up.

Researchers who follow individual companies and almost always predict shares will go up are slashing their views on S&P 500 Index firms at a faster pace than raising them for the second time since the war in Iran began, data compiled by Bloomberg Intelligence show.

In the broader Russell 3000 Index, the proportion of members with a "buy" recommendation is almost exactly where it was four years ago and is well below a dot-com peak, according to data from Jefferies.

Whatever the exact reason behind the newfound skepticism is, it's viewed as a healthy development. From a contrarian perspective, it means sentiment is far from reaching a fever pitch that often heralds a top.

"I tend to think of sentiment through the lens of 'are there more incremental buyers or sellers?'" said Andrew Greenebaum, senior vice president of equity research product management at Jefferies. "The sell side doesn't show the signs of buying in - yet."

The S&P 500 has posted record after record since mid-April amid hopes for a peace deal in Iran and enthusiasm around the profit potential of artificial intelligence technology. The index has advanced for nine consecutive weeks, gaining 20% during that time, in what's been the strongest winning streak of this length in 75 years, according to LPL Financial.

While overbought conditions are flashing warning signs and participation in the rally remains narrow, few signs of outright euphoria are in place. The share of Russell 3000 constituents with a buy recommendation is sitting at 82%, slightly above the long-term average but below the 90% peak at the turn of the century, per Jefferies data.

Over at Bank of America Corp, a contrarian indicator that tracks strategists' recommended allocation to stocks remains in "neutral territory" despite rising over the last month.

The reading is still below levels reached in prior peaks and implies "a healthy S&P 500 price return of 12% over the next 12 months," BoFA strategists Victoria Roloff and Savita Subramanian wrote in a June 1 note to clients. And the latest survey from the American Association of Individual Investors shows bears continue to outnumber bulls.

To Greenebaum, the setup creates "one of the most reluctant rallies in a long time."

To be sure, a lack of euphoria is no guarantee that gains will continue, particularly as other warnings signs mount. Valuations remain elevated by historical standards and tech concentration has reached extremes - all while discussions between the US and Iran around reaching a deal to reopen the Strait of Hormuz have been in a holding pattern. Iran on Monday said it would suspend "talks and the exchange of documents through mediators" in protest of Israel's assault in Lebanon while warning it could target northern Israel if the attacks continue, according to semi-official Iranian Students' News Agency.

Moreover, subdued survey readings don't always tell the full story, especially in a bifurcated market where the artificial intelligence craze is separating winners from losers at an increasing speed. While Wall Street strategists and analysts may remain cautious, other measures reflect elevated risk appetites, according to Dan Suzuki, global investment strategist at iCapital.

Outside of survey data, actual household equity allocations are hovering at record levels. Retail investors increased buying of leveraged equity-linked products of late, and a gauge of stock exposure tracked by the AAI is sitting at 69.8%, close to the highest level since 2000, he said.

UniCredit says increased Commerzbank stake to 34.4% in hostile takeover

AFP
Rome

Italy's UniCredit said on Tuesday it was able to increase its stake in Commerzbank to 34.4% as its hostile takeover of the German bank heats up.

"UniCredit views the strength of the early tender response as reflective of the inherent value that investors are recognising in UniCredit's takeover offer," the Italian bank said in a statement. UniCredit held a 25% stake in Commerzbank before it launched its takeover bid on May 5 and the offer runs until June 16. Contacted by AFP, Commerzbank declined to comment.

For UniCredit, exceeding the 30 percent threshold of Commerzbank's share capital will allow it to avoid having to launch a new offer for all of the capital later on.

Even if it does not yet control the German bank at the end of

the bid, it would then be able to gradually increase its stake by buying shares on the market, without any new mandatory offer.

"Shares representing approximately 7.6% of Commerzbank's share capital have been tendered thus far," UniCredit said on Tuesday. "In combination with UniCredit's direct shareholding and the physically settled instruments, this amounts to 34.4% and 37.6% respectively in the aggregate," it said.

UniCredit will only get the actual shares once the bid deadline has passed. "These figures represent the only relevant measures for establishing whether UniCredit's takeover offer is successful," the company said.

After spending over a year building up a stake in Commerzbank, Italy's second-biggest bank last month officially launched a 35bn-euro (\$41bn) takeover attempt for its German

rival. The offer price is widely seen as too low, but it marks the latest move in the Italian bank's relentless pursuit of Commerzbank which has sparked fury from the lender and top German politicians. Commerzbank's chief executive Bettina Orlopp was applauded at a shareholder meeting last month as she slammed UniCredit's bid. Addressing Commerzbank's annual general meeting, she said it was "an attempt to take over Commerzbank at a price that does not properly reflect the fundamental value and potential of our bank".

Chancellor Friedrich Merz has led criticism from German politicians of what he has termed "hostile and aggressive approaches", saying recently that such actions are "how trust is destroyed". But UniCredit argues that it is trying to create a pan-European banking behemoth that will be better equipped to take on larger US rivals internationally.

Trump friend-or-foe gauge is key new metric in emerging markets

Bloomberg
London

Emerging-market investors are zeroing in on a key metric as they size up the riskiness of a country's debt: Whether its leaders are in good standing with President Donald Trump.

A nation's relationship with the US has always mattered, of course, but Trump's diplomatic style - which can quickly escalate from a late-night missive on Truth Social to tariffs and even military intervention - has made discerning allies from adversaries more important than ever.

The winners are easier to spot, like Venezuelan bonds, which have racked up the biggest gains in emerging markets this year following the oil-rich country's rapprochement with the Trump administration.

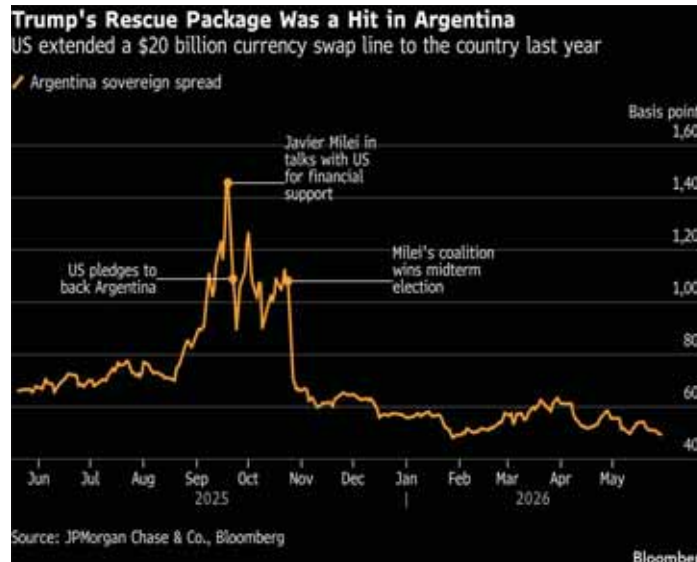
Or Argentina, which has delivered outsized returns after the US threw President Javier Milei, a close Trump ally, a financial lifeline late last year. Pakistan's

bonds, meanwhile, are rebounding as the country emerges as a mediator between the US and Iran, a role that could help it win favor in Washington. By contrast, Colombia's debt has underperformed the broader market for much of the past year since its president began feuding with Trump.

"The relationships with the US have gotten more transactional and they've also been more based on personal relationships," said Christopher Hays, a senior portfolio manager at TCW Group Inc who is bullish on the bonds of Argentina and Venezuela. "Sometimes it really does matter who Trump's adversaries are."

The trend is clearest in Latin America, a reflection in part of Trump's vow to re-assert US dominance in the Western Hemisphere.

And perhaps nowhere is it starker than in Argentina. Back in October, the Trump administration cobbled together a \$20bn lifeline to prop up the peso and the government's bonds and keep Milei's fragile free-market re-



form agenda on track. The gambit worked: The peso stabilised, bonds rebounded, and weeks later, Milei's coalition won the crucial mid-term election.

El Salvador and Ecuador bonds have also benefited from their

leaders' rapport with Trump. Bonds from both countries have been among the top performers in emerging markets, delivering at least double the average return since Trump took office in January last year.

Contacted for comment, White House spokesman Kush Desai said the global influence of the US government "is not a new phenomenon" and that "President Trump will continue to put Americans and America First in his foreign policy and dealmaking."

Venezuela's sudden bond-market turnaround illustrates the complexities of the strategy. The socialist regime in Caracas was a staunch foe - so much so that Trump ordered a military raid in January that toppled President Nicolas Maduro and brought his vice-president, an eager Washington ally named Delcy Rodriguez, to power.

That intervention sparked a sharp rally in Venezuela's defaulted bonds, rewarding investors who have been waiting for the cash-strapped government to begin restructuring talks for years. The price on the bonds has jumped to as high as 60 cents on the dollar from 30 cents at the end of last year.

"Trump really likes Javier Milei in Argentina, so you saw massive

support to step in and stabilize that story," Hays said. "He really likes Delcy and the oil that she can unleash and deliver to the United States. So that's a really solid relationship."

A different scenario played out in Hungary, revealing the limitations of Trump's influence. His backing wasn't enough to keep Viktor Orban from being ousted, and yet Hungarian bonds still rallied as investors bet incoming prime minister Peter Magyar would repair relations with the European Union - another deep-pocketed global power that, along with China, serves as a counterpoint to US influence.

And in Colombia, where President Gustavo Petro has long sparred with Trump, the market has begun to rally.

On Monday, the government's bonds darted higher, sending yields on benchmark 10-year dollar bonds below 7%, after a pro-Trump candidate emerged as the likely successor to Petro in the first round of the country's presidential election.