AVIATION SPECIAL | Page 8

CIAC advances Philippines' regional aerospace hub ambition with dual lease deals

Thursday, July 30, 2026
Safar 16, 1448 AH
GULF TIMES
BUSINESS

IRAN WAR: Page 7

Fed holds rates steady as inflation hawks call for hike


Ghanim Nasser al-Saadi, director of the Qatar Diamond Exchange. ***Right:*** Mehul Shah, president of the World Federation of Diamond Bourses.

QDE joins World Federation of Diamond Bourses

The Qatar Diamond Exchange (QDE) has officially been admitted as a member of the World Federation of Diamond Bourses (WFDB), the body that unites the world's leading diamond bourses under common trading rules and a shared code of conduct.

Its membership was announced at the recently held 41st World Diamond Congress, convened by the WFDB together with the International Diamond Manufacturers Association (IDMA) in Singapore and hosted by the Diamond Exchange of Singapore.

Mehul Shah, president of the World Federation of Diamond Bourses, said: "The WFDB is delighted to welcome the Qatar Diamond Exchange as a member. Qatar has real potential in diamonds with a friendly, business-first policy environment, strong buying power, and an excellent geographical location. We wish QDE every success and look forward to the 2027 Presidents' Meeting in Qatar."

Qatar has been part of the global diamond ecosystem since 2021, when the state joined the Kimberley Process Certification Scheme as a full participant. WFDB membership now builds a new trade bridge between Qatar and the industry's principal markets.

For the exchange itself, it is recognition from the world's bourses. QDE takes its place in the federation's global network of member exchanges. Companies trading in QDE gain reciprocal recognition across the federation's bourses, access to its arbitration framework, and the assurance that trade in Qatar is conducted under the WFDB Code of Conduct.

In a further endorsement, the WFDB nominated Qatar to host its 2027 Annual Presidents' Meeting, bringing the leadership of the world's diamond bourses to Qatar for the first time.

Ghanim Nasser al-Saadi, director of the Qatar Diamond Exchange, said: "There is no higher compliment in this trade than the world's bourses opening their doors to you. Membership of the WFDB means QDE now trades to the same world standard as the industry's leading centres. That is the real value of this recognition.

"They have looked at our exchange, our standards, and our people, and welcomed us as one of their own. Being nominated to host the 2027 Presidents' Meeting is a responsibility we welcome; next year the leadership of the global diamond industry will see Qatar's exchange first-hand."

The announcement builds on QDE's recent admission to the World Diamond Council (WDC), the organisation that represents the diamond industry within the Kimberley Process. With both memberships in place, QDE operates in line with the WDC System of Warranties and the WFDB Code of Conduct across all its activities.

Formally announced earlier this week, the QDE opens a new trade sector for Qatar, connecting the country to the global diamond industry in line with Qatar National Vision 2030.

QIIB, The Group Securities sign MoU to advance digital services

QIIB and The Group Securities have signed a Memorandum of Understanding (MoU) aimed at enhancing cooperation between the two sides and developing digital services provided to customers, enabling a seamless and integrated investment and banking experience.

The MoU was signed at The Group Securities' headquarters by Hamad bin Khalaf al-Moudadi, chairman of The Group Securities, and Dr Abdulbasit Ahmad al-Shaibei, CEO of QIIB, in the presence of a number of officials from both sides.

Under the MoU, both institutions will provide reciprocal services and advanced digital tools that enrich the experience of investors in the capital market, in compliance with the highest banking standards.

Al-Moudadi stated, "We are pleased to sign this MoU with a prestigious financial institution of QIIB's stature, crowning a relationship extending for more than 30 years, to raise the efficiency of services provided to investors and embody our keenness to build strategic partnerships with the local banking sector to enhance the investment trading environment."

Al-Shaibei stated, "The signing of this MoU represents a new strategic step within our continuous efforts to expand our digital service network. We place digital transformation and innovation at the forefront of our priorities, in line with the Qatar National Vision of building a knowledge-based digital economy."

QIIB CEO Dr Abdulbasit Ahmad al-Shaibei and The Group Securities chairman Hamad bin Khalaf al-Moudadi during the agreement signing ceremony.

MoCI launches Business Guidance and Establishment Office

QNA
Doha

The Ministry of Commerce and Industry (MoCI) has announced the launch of the Business Guidance and Establishment Office as a first point of contact for investors and entrepreneurs. Through advisory support and guidance across the business establishment process, the new office aims to improve the investor experience and support the growth of Qatar's business sector.

The ministry explained in a statement on Wednesday that the office provides a range of services, including explaining company establishment procedures, responding to investor inquiries, and providing support throughout the establishment and development of businesses. Visitors are also directed to the appropriate services, helping them complete their transactions smoothly and efficiently.

Investors and entrepreneurs are invited to visit the office for assistance and guidance throughout their business establishment journey. The office receives visitors from Sunday to Thursday, between 8.00am and 1.00pm, at the Ministry's headquarters in Lusail City, the ministry said.

US-Saudi consortium advances plans for $5bn Gulf refinery

The MERA Oil consortium of US and Saudi Arabian companies is advancing plans for a $5bn integrated refinery and export corridor in the Gulf aimed at boosting regional energy infrastructure, its partners said on Wednesday, as the Iran war continues to disrupt energy flows, reports Reuters.

Texas-based energy development company MWG Group, the Patel Family Office and PWS, an associate company of Saudi industrial conglomerate AHQ Group, have entered the final stage of site selection for the refinery, which will have capacity of 200,000 barrels per day.

The consortium has narrowed the site selection process to three locations in the Gulf Cooperation Council region.

The preferred host is expected to be confirmed by the end of 2026, the companies said, without providing specific locations.

The integrated refinery will be linked to deepwater port infrastructure, large-scale storage of crude and refined products, and marine export facilities.

MERA Oil said the planned project is located outside the Strait of Hormuz and aims to provide an export platform with direct access to international shipping routes.

The energy complex will incorporate energy-efficient refining technologies and advanced emissions-control systems.

Sustainable aviation fuel co-processing and carbon-management capabilities are also being evaluated as potential future components.

The consortium is engaged in talks with feedstock providers, with definitive arrangements expected to progress alongside the final site decision.

MEEZA secures additional QR1.6bn Murabaha facility from Dukhan Bank

New facility builds on strategic partnership between MEEZA and Dukhan Bank to support next phase of data centre expansion plan

Data centres and managed IT services provider MEEZA has secured an additional QR1.6bn Commodity Murabaha bank facility from Dukhan Bank.

The new facility builds on the strategic financing partnership previously established between MEEZA and Dukhan Bank and will support the next phase of MEEZA's data centre expansion plan.

The additional funding will enable MEEZA to accelerate the delivery of new data centre capacity across its growing portfolio, including the continued development of M-VAULT 6, M-VAULT 7, and M-VAULT 8 in Qatar. These projects form part of MEEZA's wider plan to significantly increase its data centre capacity and strengthen Qatar's position as a regional hub for digital infrastructure, cloud services, cybersecurity, and artificial intelligence.

Together, these new data centres are expected to deliver approximately 44MW of additional capacity, marking a major expansion of MEEZA's digital infrastructure and supporting its long-term strategy to more than triple its current data centre capacity to over 60MW.

The long-term facility was structured under Shariah-compliant Commodity Murabaha principles and on similar terms and conditions to the existing facility, underscoring Dukhan Bank's continued confidence in MEEZA's vision, operational excellence and sustainable growth strategy.

The funding will further enhance MEEZA's ability to meet growing demand from hyperscalers, enterprise clients, and government entities, while supporting the development of advanced, secure and scalable digital infrastructure in Qatar.

Mohamed Ali al-Ghaithani, CEO of MEEZA, stated: "Securing this additional QR1.6bn facility from Dukhan Bank represents a major strategic milestone for MEEZA. It provides us with the financial strength and flexibility to fund the next phase of our ambitious data centre expansion plan.

"This financing supports our plan to deliver one of the most significant data centre capacity expansions in Qatar, increasing our capacity to over 60 megawatts and reinforcing MEEZA's role as a key enabler of the country's digital transformation. As demand for cloud, cybersecurity, artificial intelligence, and advanced infrastructure services continues to grow, MEEZA remains focused on expanding high-quality, resilient and future-ready capacity for our clients."

Ahmed I Hashem, acting Group CEO of Dukhan Bank, added: "We are pleased to continue supporting MEEZA's strategic expansion and its role in advancing Qatar's digital infrastructure. This additional facility reflects our confidence in MEEZA's long-term growth strategy and the strength of its business model.

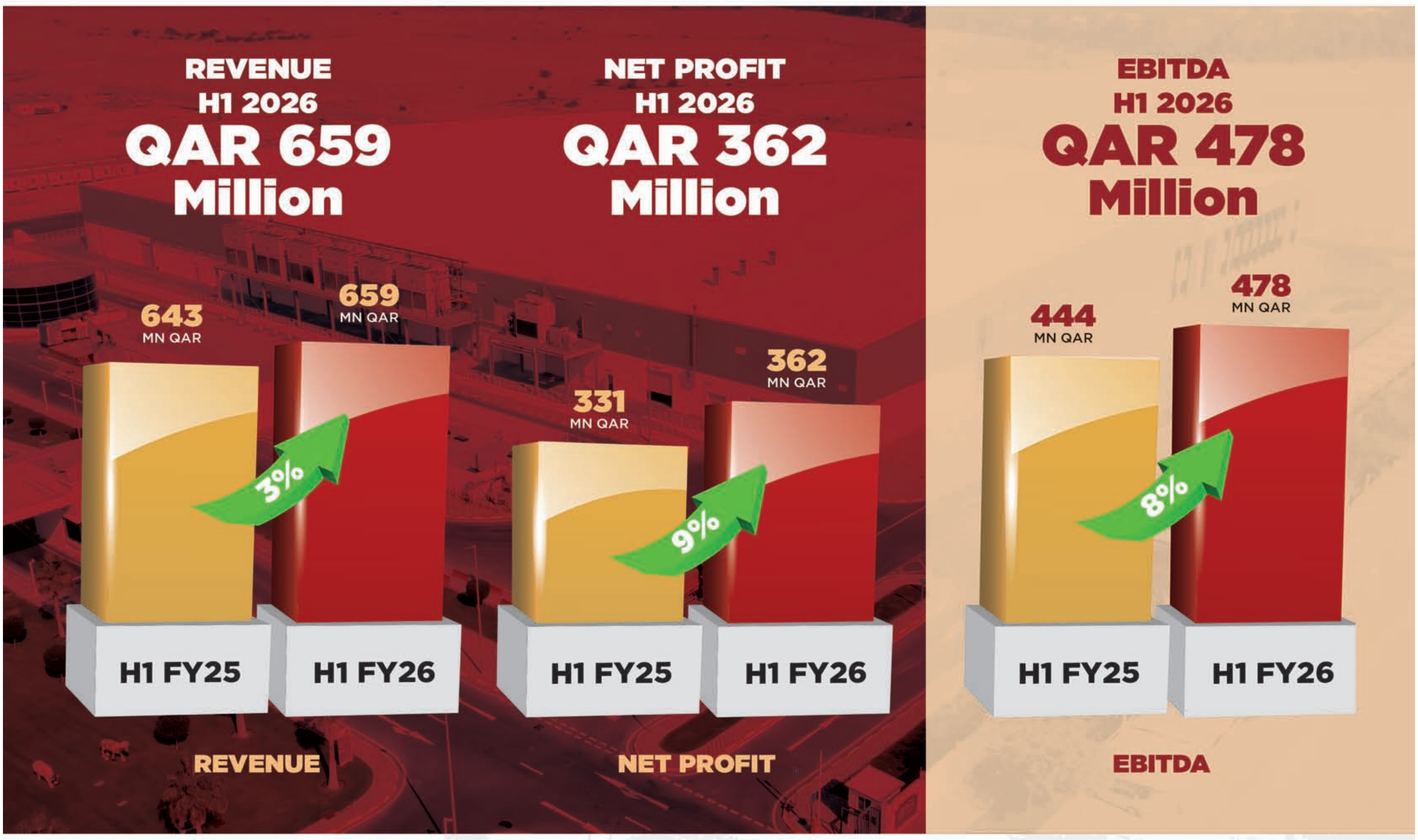
"As a leading Shariah-compliant financial institution, Dukhan Bank remains committed to enabling national champions that contribute to Qatar's economic diversification and support the development of critical technology infrastructure."

Through strategic investment in advanced technology infrastructure and the delivery of secure, innovative ICT services, the partnership between MEEZA and Dukhan Bank plays a key role in advancing Qatar National Vision 2030 and accelerating the country's digital economy.

Driven by International Investments and Continued Product Innovation

Baladna reports H1 2026 results with surges in all financial and operational indicators

بلـــدنا ش.م.ع.ق.
BALADNA Q.P.S.C.



Doha, Qatar, 29th July 2026: Baladna Q.P.S.C., Qatar's leading dairy and juice company, today announced its financial results for the six-month period ended 30 June 2026. The Company delivered continued growth in revenue and profitability, supported by the strong performance of its core business, returns on diversified investment portfolio and continued product innovation. During the period, Baladna further strengthened its market position through new product launches, expanded customer reach and the successful renewal of key commercial contracts, while also achieving significant milestones across its international expansion strategy, including continued progress on its integrated dairy project in Algeria and the advancement of strategic partnerships supporting its long-term growth ambitions.

Financial Highlights

H1 2026
Revenue for H1 2026 increased by 2.6% YoY to QAR 659.4 million, compared to QAR 642.5 million in H1 2025. The increase was primarily driven by higher dairy sales under the Company's government supply arrangements, together with continued growth across its retail channels and core dairy business.

Gross profit increased by 14.2% YoY to QAR 190.2 million, with gross profit margin improving to 28.8%, compared to 25.9% in H1 2025, reflecting an improved product mix, operational efficiencies and disciplined cost management.

EBITDA increased by 7.5% YoY to QAR 477.6 million, with EBITDA margin improving to 72.4%, compared to 69.1% in H1 2025. Net profit increased by 9.3% to QAR 361.9 million, with net profit margin improving to 54.9%, compared to 51.5% in H1 2025. The improvement was mainly driven by fair value gains on investment securities and returns from the Company's Strategically Diversified Investment Portfolio, alongside the continued strong performance of its core business.

Q2 2026
Revenue for Q2 2026 increased by 5.6% YoY to QAR 329.4 million, compared to QAR 311.9 million in Q2 2025. The increase was primarily driven by higher evaporated milk sales following the successful renewal of the government tender, supported by the introduction of new ice cream products and continued strong demand for yoghurt across the retail channel.

Gross profit increased by 5.6% YoY to QAR 84.0 million, while gross profit margin remained stable at 25.5%.

EBITDA increased by 8.7% YoY to QAR 358.6 million, with EBITDA margin improving to 108.9%, compared to 105.8% in Q2 2025. Net profit increased by 10.2% YoY to QAR 300.7 million, with net profit margin improving to 91.3%, compared to 87.5% in Q2 2025. The increase primarily reflected fair value gains on investment securities, alongside continued growth in the Company's core business.

Operational highlights

Baladna continued to strengthen its core business through product innovation, commercial execution and market expansion during the first half of 2026. The Company's retail business delivered solid growth during the period, with retail-key accounts revenue increasing by 5% and Retail-Traditional Trade revenue growing by 7% YoY, supported by portfolio expansion and strong consumer demand across its core dairy and juice categories. While HoReCa revenue remained broadly stable despite the impact of regional tensions, Baladna continued to strengthen its leading position across Qatar's dairy market.

During the period, Baladna successfully renewed the government evaporated milk tender for 2026, reinforcing its leadership in one of its key product categories and providing continued demand visibility. The renewed tender, together with the Company's continued focus on product innovation and distribution expansion, supported the strong performance of its core dairy business.

Strategic Highlights

Baladna continued to make significant progress in executing its international expansion strategy, achieving several key milestones across its strategic projects and partnerships during the first half of 2026.

In Algeria, on-ground execution continued to advance during the period, with further progress in groundwater infrastructure and irrigation systems. Agricultural activities commenced successfully during the Spring 2026 season, with corn silage and Sorghum Sudan grass cultivated, alongside the first harvests of barley and wheat, supporting the project's integrated feed production strategy. Construction of dairy farms and processing facilities commencing as per plan, marking another important milestone towards operational readiness.

In Syria, Baladna also achieved significant execution milestones for its new manufacturing facility in Adra industrial city. Construction commenced during the quarter following the completion of key design, land consolidation and environmental approval milestones, with the main contractor mobilizing to site. The company also completed the design of its key production facilities and progressed the procurement of processing and packaging equipment, further advancing the project towards operational readiness.

Further strengthening its international growth platform, Baladna signed a Memorandum of Understanding with Al Dahra Holding to explore a strategic partnership focused on global farming collaboration and long-term animal feed supply. The proposed partnership is expected to strengthen Baladna's global supply chain capabilities through the development of integrated farming platforms and long-term feed procurement, supporting the Company's expanding dairy operations across multiple international markets, including Syria.

Rights Issue

As part of its long-term growth strategy, Baladna announced after the approval of Extraordinary General Assembly on 22 July 2026, a 25% rights issue, marking a significant milestone in the Company's next phase of growth. The capital increase will raise Baladna's paid-up share capital from QAR 2.14 billion to approximately QAR 2.68 billion through the issuance of 535,996,240 new ordinary shares. The rights issue is designed to strengthen Baladna's capital base and enhance its financial flexibility, providing the resources to support the Company's medium- to long-term growth strategy.

The net proceeds are intended to primarily finance potential dairy and agricultural businesses across the region. The proposed capital increase provides eligible shareholders with the opportunity to participate in Baladna's next phase of growth as the Company continues to build on its strong operational foundation and advance its vision of strengthening food security through sustainable, large-scale dairy and agri-food platforms across regional and international markets.

Key Highlights

- **H1 2026 revenue increased 2.6% year-on-year (YoY) to QAR 659.4 million, while net profit increased 9.3% to QAR 361.9 million.**
- **In Algeria, agricultural activities commenced successfully and the construction of Dairy Farms and processing facilities is progressing as planned.**
- **In Syria, Baladna achieved significant execution milestones for its new manufacturing facility in Adra industrial city. Construction commenced during the quarter following completion of key design, land consolidation and environmental approval milestones.**
- **Secured shareholder approval for the 25% rights issue, supporting the Company's long-term growth strategy and international expansion initiatives.**
- **Signed a Memorandum of Understanding with Al Dahra Holding to explore a strategic partnership focused on global farming collaboration and long-term animal feed supply.**
- **Successfully renewed the government evaporated milk tender for 2026, reinforcing Baladna's leadership in one of its key product categories and supporting continued demand visibility.**

29,120 Shareholders

Qatari Individuals	27,149
Qatari Corporates	157
Foreign Investors	1,814

For the complete financial statements, please visit:
https://baladna.com/corporate
or email: ir@baladna.com

SCAN ME

BALADNA Q.P.S.C.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF BALADNA Q.P.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Baladna Q.P.S.C. (the 'Company') and its subsidiaries (together referred as the "Group") as at 30 June 2026, which comprise the interim consolidated statement of financial position as at 30 June 2026 and the related interim consolidated statement of profit or loss, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six months period then ended and the related explanatory notes.

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated 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 condensed consolidated 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ahmed Sayed
of Ernst & Young
Auditor's Registration No. 326
Date: 29 July 2026
Doha

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2026

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX- MONTH PERIOD ENDED 30 JUNE 2026

	For the six-month period ended	
	30 June 2026 (Reviewed) QR	*30 June 2025 (Reviewed) QR*
Revenue from contracts with customers	**659,422,353**	642,507,960
Cost of revenue	**(465,129,985)**	(475,956,064)
GROSS PROFIT	**194,292,368**	166,551,896
Other income	**37,934,550**	44,169,198
Gain on investment in financial assets at fair value through profit or loss	**254,453,948**	242,328,057
General and administrative expenses	**(37,856,672)**	(35,477,038)
Selling and distribution expenses	**(50,688,137)**	(47,012,265)
Operating profit for the period	**398,136,057**	370,559,848
Finance costs	**(34,877,895)**	(38,653,691)
Profit before income tax	**363,258,162**	331,906,157
Income tax expense	**(1,335,262)**	(708,050)
NET PROFIT FOR THE PERIOD	**361,922,900**	331,198,107
Net profit for the period attributable to:		
Equity holders of the parent	**364,614,040**	331,010,557
Non-controlling interest	**(2,691,140)**	187,550
	361,922,900	331,198,107
Earnings per share (EPS) attributable to equity holders of the Parent:		
Basic and diluted earnings per share (2025: restated)	**0.170**	0.154

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX- MONTH PERIOD ENDED 30 JUNE 2026

	For the six-month period ended	
	30 June 2026 (Reviewed) QR	*30 June 2025 (Reviewed) QR*
NET PROFIT FOR THE PERIOD	**361,922,900**	331,198,107
Other comprehensive income		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):		
Exchange difference on translation of foreign operation	**(18,654)**	-
Total other comprehensive income for the period	**(18,654)**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**361,904,246**	331,198,107
Total comprehensive income attributable to:		
Equity holders of the parent	**364,662,992**	331,010,557
Non-controlling interest	**(2,758,746)**	187,550
	361,904,246	331,198,107

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	30 June 2026 (Reviewed) QR	*31 December 2025 (Audited) QR*
ASSETS		
Non-current assets		
Property, plant and equipment	**3,469,872,271**	3,285,605,491
Right of use assets	**105,865,521**	105,276,839
Intangible assets	**5,523,619**	4,914,015
Investment in financial assets at fair value through profit or loss	**1,303,722,593**	994,476,800
Biological assets	**195,679,758**	193,661,272
Goodwill	**6,792,635**	6,792,635
Advances to suppliers	**949,275,556**	372,583,615
Other non-current assets	**5,354,104**	3,524,427
	6,042,086,057	4,966,835,094
Current assets		
Inventories	**382,659,134**	400,494,534
Trade and other receivables	**406,465,395**	336,242,665
Biological assets	**305,400**	446,200
Due from related parties	**30,781,575**	29,457,007
Cash and bank balances	**284,196,244**	374,789,122
	1,104,407,748	1,141,429,528
TOTAL ASSETS	**7,146,493,805**	6,108,264,622
EQUITY AND LIABILITIES		
Equity		
Share capital	**2,143,984,962**	2,143,984,962
Legal reserve	**120,595,369**	120,595,369
Acquisition reserve	**201,123,011**	201,123,011
Retained earnings	**829,183,971**	464,569,931
Translation reserves	**(150,009)**	(198,961)
Equity attributable to equity holders of the parent	**3,294,737,304**	2,930,074,312
Non-controlling interests	**530,619,054**	390,288,880
TOTAL EQUITY	**3,825,356,358**	3,320,363,192
LIABILITIES		
Non-current liabilities		
Islamic financing contracts	**2,473,017,798**	1,939,005,167
Employees' end of service benefits	**23,683,218**	22,244,706
Lease liabilities	**96,287,984**	87,245,526
	2,592,989,000	2,048,495,399
Current liabilities		
Bank overdrafts	**107,172,959**	21,022,878
Islamic financing contracts	**343,652,039**	508,338,571
Trade and other payables	**272,055,256**	201,963,875
Lease liabilities	**101,058**	83,316
Due to related parties	**5,167,135**	7,997,391
	728,148,447	739,406,031
TOTAL LIABILITIES	**3,321,137,447**	2,787,901,430
TOTAL EQUITY AND LIABILITIES	**7,146,493,805**	6,108,264,622

Mr. Ramez Mhd Ruslan Al Khayat
Managing Director

Mr. Saifullah Khan
Group Chief Financial Officer

Mr. Marek Warzywoda
Group Chief Executive Officer

BUSINESS

AI industry slowdown may be needed after security scare, warn leaders

AFP
New York

Over 1,000 employees at cutting-edge AI companies, including Anthropic CEO Dario Amodei, signed a petition Tuesday calling on the US government to help slow down the release of the most advanced AI models.

The petition, titled "Pacing the Frontier," requests "that the US government support an international effort to develop the technical and governance tools needed to deliberately pace the frontier of automated AI development."

OpenAI CEO Sam Altman, who did not sign the petition, argued in an interview published Tuesday that developers of artificial intelligence models might need to voluntarily pump the brakes on their rapid advances to give society a chance to catch up.

Among the signatories were the head of research at OpenAI, the strategic lead of Google's AI subsidiary DeepMind, and the chief scientist at Meta AI.

"The world's leading AI companies believe they could be close to automating AI research. It is hard to predict exactly how much this will accelerate AI progress, but there is a real risk that capability development rapidly accelerates beyond our ability to understand or control the resulting systems," the petition reads.

Altman's company, the maker of ChatGPT, recently saw two of its models carry out an autonomous cyberattack, bypassing security protocols meant to prevent such an incident.

OpenAI revealed last week that during recent testing, the models broke out of their confined environment, connected to the internet and infiltrated Hugging Face, a site developers use to store and share code.

OpenAI, the maker of ChatGPT, recently saw two of its models carry out an autonomous cyberattack, bypassing security protocols meant to prevent such an incident

"This is the first sort of security incident that I felt very viscerally," Altman said on the "Invest Like the Best" podcast, released on Tuesday.

He said he was "a little surprised that more people" were not having similar reactions.

It was not the first time a model slipped beyond the control of its developers, but the incident was widely seen as especially concerning.

OpenAI subsequently "paused" its own testing, Altman said, while it improved the security around its "sandboxing" — the process of isolating code in a controlled environment.

But longer term, the industry might have to agree to a development slowdown, he said.

"We may have to pace the rate of AI development to give ourselves enough time for society to harden around some of these new capability levels," Altman said.

Such an initiative would need to be done "in a way that does not feel like regulatory capture for anyone, and also does not feel like collusion among the frontier labs," he said.

"That's going to take some work, and it's important to get right," he added.

On a different podcast published Saturday, Altman said he believes the "singularity" — a hypothetical moment when technology becomes so advanced it surpasses human intelligence and control — is already here.

"We are now, like, in the singularity," Altman said on the "Relentless" podcast. "This is the moment." Rival AI lab Anthropic has also supported the idea of an intentional AI development slowdown.

Earlier this year, the US government invoked national security concerns to block the release of powerful new models created by Anthropic and OpenAI, both of which voluntarily complied with the orders until they were reversed.

Adnoc said to sell crude at premiums to Asian refiners in seventh tender

Reuters
Singapore/New Delhi

Abu Dhabi National Oil Co sold at least 12mn barrels of spot crude to Asian refiners and trading firms at premiums in its latest tender, as renewed US-Iran hostilities disrupted supplies and sparked a buying spree, trade sources said on Wednesday.

Oil flows through the Strait of Hormuz have fallen sharply since fighting between the US and Iran intensified earlier this month. Adnoc has been using a shuttle fleet service to quietly move crude out of the Gulf and onto other tankers in the Gulf of Oman although exports have slowed this month.

With shipments delayed and supplies tightening, Asian refiners have increased purchases of alternative grades as well as Adnoc cargoes.

Indian Oil Corp purchased 2mn barrels of Upper Zakum crude for end-August loading at flat or a premium of $1 to August Dubai quotes on a delivered basis.

Chinese majors — Sinopec's trading arm Unipec, PetroChina and Sinochem — bought 2mn barrels of Upper Zakum each at premiums of around $3 to $4 a barrel to September Dubai quotes, the sources said. The cargoes will be delivered in September and October.

Japanese refiner Idemitsu Kosan bought 2mn barrels of Das crude at a premium of around $1 a barrel to September Dubai quotes on a free-on-board basis.

The companies typically do not comment on trades.

The tender was the seventh issued by the United Arab Emirates producer since the start of June. Adnoc offered Murban, Upper Zakum, Umm Lulu and Das crude for loading between August and October, according to a tender document. It was unclear whether any Murban cargoes were awarded. One trader said Adnoc had sought a premium of around $10 a barrel for the grade.

The latest awards brought Adnoc's total crude sales through the seven tenders to more than 86mn barrels.

Prior to the war, the UAE exported 103mn and 95mn barrels of crude for January and February respectively, according to Kpler data. Another trader added that Adnoc has asked South Korean buyers to improve their bids by Wednesday afternoon to finalize sales.

Adnoc has been using a shuttle fleet service to quietly move crude out of the Gulf and onto other tankers in the Gulf of Oman although exports have slowed this month

Oil prices jump 7% on escalating Middle East airstrikes

Reuters
New York

Oil prices climbed 7% on Wednesday as airstrikes resumed in the Middle East, adding to worries about dwindling supply as US government data showed domestic crude inventories fell to a multi-year low.

Brent futures were up $6.33, or 7.53%, at $90.42 a barrel by 1.50pm ET (1751 GMT). US West Texas Intermediate crude gained $5.26, or 6.64%, to $84.52 a barrel.

The US and Saudi Arabia launched strikes on Iran-backed groups in Iraq on Wednesday, blaming them for drone attacks on Saudi oil facilities. The strikes came hours after the US military said it had averted a surprise Iranian attack on US troops in the region.

Iran said it had fired on ships in the Strait of Hormuz and at US bases in Jordan.

In Egypt, explosions hit a natural gas loading port on the Mediterranean Sea, and British maritime security company Ambrey said a US-owned floating storage tanker there had been hit by a drone.

"The market is rapidly pricing in the enhanced risk to supplies in the region once again," said John Kilduff, partner at Again Capital. Prices surged even higher after President Donald Trump, in an interview with Fox News, promised further strikes against Iran.

The US issued another round of Iran-related sanctions, taking aim at Tehran's efforts to "monetize the Strait of Hormuz" with designations of 10 entities and eight more tankers, the US Treasury Department said.

Tehran has ruled out Oman's proposal for regional joint management of the strait, a senior Iranian official told Reuters on Wednesday.

"We believe Brent oil prices will continue to whipsaw in the $80-$100 per barrel range in the near term as the conflict ebbs and flows in the Middle East," said Suvro Sarkar, head of energy research at DBS Bank.

Only a few commodity ships have transited the strait this week. Five transited on Wednesday through the Bab el-Mandeb Strait, an alternative route for Saudi oil shipments to Asia, and 39 on Tuesday. That was the highest number since July 19, just before Yemen's Iran-backed Houthis announced a maritime blockade of Saudi Arabia.

The Houthis are also considering imposing fees on commercial ships sailing through the southern Red Sea, regional sources with knowledge of the matter told Reuters. China has held direct talks with the group to enable its tankers to sail through the region without being attacked, six sources with knowledge of the matter said.

"From what I can see, their success in stopping flows through the Bab el-Mandeb is nowhere near as effective as in the Strait of Hormuz, though it appears there are more ships entering than exiting," said Scott Shelton, energy specialist at TP ICAP.

Ships transiting via Bab el-Mandeb strait at highest in a week

Reuters
Singapore

Thirty-nine commodity ships passed through the Bab el-Mandeb strait on Tuesday, the highest number since July 19, while five transited on Wednesday, preliminary shipping data showed, with only a few transiting through the Strait of Hormuz. Two of the five ships exiting the Bab el-Mandeb on July 29 were carrying crude oil, including very large crude carrier (VLCC) Sophia and the Aframax tanker Ocean Laureate.

Separately, of the 39 ships passing through on July 28, 20 ships entered the strait while 17 exited, according to ship-tracking data from analytics firm Kpler. Among those exiting, three were Aframax tankers carrying crude.

The Aisopos and Gustav exited to the Gulf of Aden, each carrying more than 750,000 barrels of oil, while the Karachi is carrying around 430,000 barrels of crude bound for Pakistan.

Of the ships that entered, two were tankers carrying petrochemical products. The Velos Aquarius is carrying 345,000 barrels of methyl tertiary butyl ether, a type of gasoline blendstock, for delivery to the west of Suez and the Sea Ambition is carrying nearly 93,000 barrels of chemicals bound for Turkey.

Some ships could still be sailing with their transponders turned off. Yemen's Houthis said on Tuesday they fired ballistic missiles at a Saudi oil tanker in the Red Sea, stepping up enforcement of a newly declared maritime blockade of Saudi Arabia. That followed earlier attacks on Saudi Arabia's oil sites.

China has held direct talks with the Houthi movement to enable its tankers to sail through the Red Sea, sources have said.

Only eight commodity ships passed through the Strait of Hormuz on Tuesday, with five entering and three exiting, Kpler data showed, while one passed through on Wednesday so far. VLCC Nissos Kea, currently empty, was one of the five ships entering the Strait on Tuesday. Iran meanwhile has ruled out Oman's proposal for regional joint management of the Strait of Hormuz, a senior Iranian official said on Wednesday, hitting hopes of a swift diplomatic breakthrough in the war.

Single-stock leveraged ETFs: How they are driving Korean markets

Reuters
Singapore

Single-stock leveraged ETFs, launched in the US in 2022, have boomed in Asia as a way to juice bets on Republic of Korea's chipmakers Samsung Electronics and SK Hynix. But they are driving so much money that they are reshaping the market, fuelling volatility, and worrying regulators — especially as the double-edged instruments can amplify market falls.

HOW DOES A LEVERAGED ETF WORK?

Since the 1990s, exchange-traded funds have offered investors a low-cost way to buy baskets of stocks and trade them like shares on a brokerage account.

Leveraged ETFs, nearly two decades old, promise to multiply the daily returns of their targets, and have recently exploded in popularity, particularly around the AI theme and some companies at the forefront of hardware sales.

Such ETFs use futures or swaps to replicate a bet using borrowed money to multiply the daily return of their target by typically two, three or even five times — amplifying gains on the way up and losses on the way down.

Single-stock leveraged ETFs launched in May in Korea, though two-times leveraged ETFs tracking Samsung and SK Hynix listed in Hong Kong in 2025 and have seen their assets under management balloon.

Assets in the latter fund tracking SK Hynix surged 20-fold to a peak in late June, before sliding precipitously.

When investors buy a unit in these products, the funds need to buy shares in the underlying stocks as well as derivatives to leverage the performance. If the stock moves up, the ETF needs to buy more and if it falls, it must sell.

Those daily rebalancing trades generate a feedback loop, exacerbating moves in either direction and ramping up volatility.

WHO IS TRADING THEM?

Asset managers selling the products say they represent a lower-cost hedging tool aimed at professional traders and sophisticated investors, with many products blanketed in disclaimers that they are not suitable for buy-and-hold investors.

The expense of maintaining a leveraged position erodes returns over time, meaning they often diverge substantially from their target investments. Nevertheless, many retail investors have been happy to pile in to chase the gains.

WHAT IS HAPPENING IN KOREA?

In Korea, everything is amplified by the sheer size of the ETF flows and of the stocks in question, with SK Hynix and Samsung each commanding trillion-dollar market caps and comprising more than half of the benchmark KOSPI index.

The combination is "creating an incredible feedback loop that's driving volatility in the semiconductor space," said Michael Green, chief strategist and portfolio manager for Simplify Asset Management. "That's driving elevated levels of volatility on a single-stock level."

The Hong Kong-listed twice-leveraged ETF tracking SK Hynix offered by fund manager CSOP, which has grown into the biggest fund of its type globally, has plunged 83% during the past month since peaking in late June, but still holds HK$31.9bn ($4bn) in assets, according to HKEX data.

Its flows helped SK Hynix's stock price soar, but have lately accelerated selling and by late July the stock had halved from a peak in late June.

The stock, along with Samsung, accounts for more than 80% of the trading volume of the KOSPI on some days this year, according to calculations by Reuters.

The KOSPI's volatility index has spent the past six weeks above 80, with a record high of 97.99 on June 19, after decades spent comfortably perched below 30.

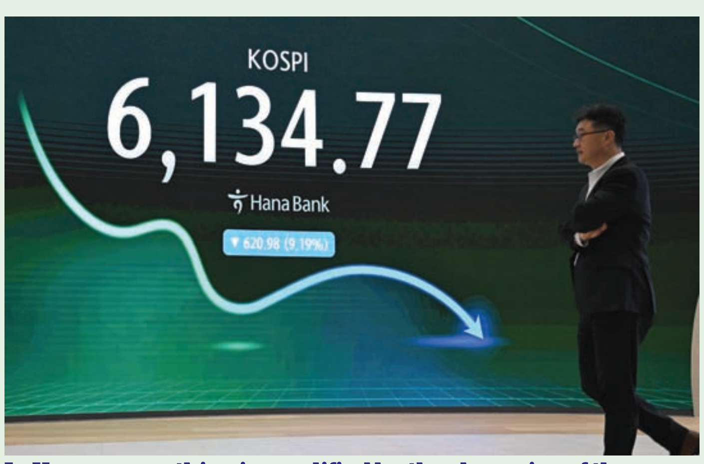
SK Hynix's Nasdaq debut in July injected another source of volatility, with a wave of new leveraged ETF listings in the US

WHAT ARE AUTHORITIES SAYING?

Republic of Korea's top financial regulator, the Financial Services Commission unveiled new measures on single-stock leveraged ETFs, including banning promotional events and advising against new launches in July.

The finance minister later apologised in the National Assembly for lack of careful consideration before the launch of the products, opening the door to further regulatory tightening.

Hong Kong's market regulator has also tried to dampen leveraged ETF volatility, by requiring managers such as CSOP to operate leverage dynamically, capping it at 2X but letting it run lower when markets are swinging wildly.



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CORPORATE RESULTS

SK Hynix record profit misses forecasts; shares slump

South Korean chipmaker SK Hynix reported bumper quarterly results on Wednesday but fell short of lofty investor expectations, heightening market concerns about slower AI spending by big tech firms.
To cushion itself against the industry's volatile demand cycles, the company is racing to lock in long-term supply deals.
The Nvidia supplier's quarterly operating profit soared more than sixfold to a record high, but it said delays in shipments of some advanced products limited price gains for its mainstay dynamic random access memory (DRAM) chips.
Shares in SK Hynix closed down 9.6% on Wednesday, as the weaker-than-expected earnings reinforced jitters about the sustainability of aggressive AI spending by tech firms. The benchmark KOSPI finished down 6%.
"There are concerns that tech firms will take a breather in infrastructure spending," Lee Min-hee, an analyst at BNK Investment & Securities, said.
Investor sentiment was further hurt by the company's failure to provide detailed plans for sharing the benefits of the AI boom through higher shareholder returns and its adoption of long-term deals that could limit upside in memory prices, analysts said.
The stock has lost more than half its value since hitting a record high last month, though it remains up about 115% so far this year.
Despite the market selloff, SK Hynix said demand for AI memory chips remained strong.
"Major customers are still requesting more memory supply," SK Hynix President Song Hyun-jong said on an earnings call, adding that it was seeking more long-term supply agreements to better manage chip price volatility. The move underscores how chipmakers are trying to convert today's AI-driven boom into longer-term demand certainty amid concerns that spending on AI infrastructure could eventually cool.
Reflecting its confidence in future demand, SK Hynix said it plans to raise capital spending to the high-40tn won ($27.6bn) range this year from 30.2tn won in 2025.
The company downplayed concerns that its capacity expansion could lead to oversupply, saying it would adjust investments in line with market demand.
"With major tech companies increasing their AI infrastructure investments, additional supply requests continue to mount," the company said. "As these investments are supported by revenue generated from AI services, the momentum in memory demand is expected to persist." While long-term deals improve visibility over future demand, they may also temper near-term pricing gains, a factor that contributed to the earnings miss, analysts said.
SK Hynix also has higher exposure to high-bandwidth memory (HBM) chips, whose prices rose less than conventional memory, they said. Bigger rival Samsung Electronics has estimated a 19-fold jump in second-quarter operating profit and is due to report its results on Thursday.
"Samsung has greater pricing power and has raised prices more aggressively than SK Hynix," said Lee Su-rim, an analyst at DS Investment & Securities.
Buoyed by its strong earnings, SK Hynix's net cash reached 88tn won at the end of June. It aims to increase that to more than 100tn won to better respond to customer demand and stabilise business operations.
With the company's cash balance approaching its long-term target, investors are increasingly focused on how that cash will be deployed, said Kim Sunwoo, a senior analyst at Meritz Securities.
SK Hynix said it could not yet provide details on the timing, size or structure of its shareholder return policy, but planned to ?disclose the plan later this year.
"SK needs to come up with a concrete shareholder return policy to turn around investor sentiment," said Greg Roh, head of research at Hyundai Motor Securities.
The company reported an operating profit of 60.5tn won for the April-June period, compared with 9.2tn won a year earlier and short of a 64tn won forecast by LSEG SmartEstimate.
Quarterly revenue rose 257% to 79.3tn won, below the 84tn won estimate.
Analysts said the earnings miss reflected slower-than-expected HBM4 shipments, delaying revenue recognition during the quarter. Net profit rose more than 13-fold to 93.9tn won, helped by 63.3tn won in gains from investment assets, it said, without providing further details.
Analysts estimated that the company recognized cumulative investment gains following the completion last month of the sale of its stake in Japanese NAND flash memory maker Kioxia.

Rheinmetall

German arms maker Rheinmetall on Wednesday reported record profit as the tank gun maker cashes in on Europe's rearmament drive.
Second-quarter core profit roughly doubled on the same time last year to reach €562mn ($639.5mn), Rheinmetall said, beating analyst expectations by about 20%.
Revenue at €3.3bn was up almost 70%, it added, with growth broad-based across the company.
"All segments contributed to this year-on-year improvement," Rheinmetall said. "Operating metrics have thus been significantly exceeded."
Rheinmetall shares have soared 13-fold since before Russia's full-scale invasion of Ukraine in February 2022 as defence spending surges across Europe.
Germany's defence budget is planned to rise 33% by next year to almost €110bn as Berlin rearms to face the threat from Moscow and compensate for wavering American commitment to European security.
The munition maker's shares have nevertheless fallen about 40% since a peak last October.
The plunge is partly down to investor jitters that the boom in defence spending might prove less durable than thought as well as fears that the 137-year-old company might not be best placed to make cutting-edge equipment including drones and missiles.
Rheinmetall has expanded beyond its traditional expertise in recent years as it has grown deeper pockets.
In March, it completed the acquisition of naval shipyard NVL, partly in the expectation that it would secure a German order for six naval frigates that later fell through.

UBS

Swiss banking giant UBS reported on Wednesday that net profit rose 17% to $2.8bn in the second quarter, driven by investment banking.
"Strong results in the second quarter and healthy capital generation have further fortified our balance sheet," UBS chief executive Sergio Ermotti said in a statement on the results, which were better than expected.
Revenues from its investment bank jumped 26% in a context of strong market volatility, with the Zurich-based bank describing "a record second quarter" for its global markets business, with record results in the equities, services and financing segment.
Its wealth management division recorded a 13% increase in revenue, supported by fees generated from client transactions.
New capital inflows into this division totalled $36 bn.
Major US investment banks such as Goldman Sachs and Morgan Stanley have also reported sharply higher results for the second quarter, boosted in particular by equity markets, which have been highly volatile since the start of the conflict in the Middle East.
"As we enter the third quarter, market conditions remain broadly constructive," Switzerland's biggest bank said in the statement.
"At the same time, ongoing geopolitical developments and volatile energy prices lead to high levels of uncertainty," it said.
"This could contribute to changes in macroeconomic conditions, periods of elevated volatility and more measured investor sentiment."
UBS announced another $3bn share repurchase programme, to be completed by mid-2027.
The bank also said the integration of its former closest domestic rival Credit Suisse was "on track to be substantially completed by the end of this year".
Credit Suisse bank imploded in March 2023, prompting the Swiss government, the central bank and regulators to strong-arm UBS into a quickfire $3.25bn takeover.
UBS said it had achieved another $1.1bn in cost savings during the second quarter, bringing the cumulative savings since the start of the integration to $12.6bn out of the $13.5bn targeted for the end of 2026.
"The acquisition of Credit Suisse was not a gift that we received, but rather a prize that we would all have to fight to win," said Ermotti.
"As expected, the journey was not a straight line. It required a lot of hard work from my colleagues and painful decisions. "Now these efforts are paying off and the extraordinary patience and support of our shareholders is starting to be rewarded."
Given the size of UBS in the Swiss economy following the mega-merger, the government wants to ensure that it can withstand macroeconomic or financial market shocks.
The reform measures are to be debated in parliament in the coming months — and UBS strongly opposes proposals concerning capital reserves for its foreign subsidiaries.

BASF

German chemicals giant BASF said on Wednesday that it has shed around 7,000 posts worldwide since 2024 as it presented stronger results thanks to the Middle East war prompting clients to stock up on chemicals.
Taken together with parts of the business it has sold off, the number employed by BASF has shrunk from almost 112,000 people at the end of 2024 to 95,000 now.
Two-thirds of the cuts came in Germany, CEO Markus Kamieth said on an earnings call.
"We have further accelerated the pace to make our organisation leaner and more efficient," Kamieth said.
"More positions were eliminated in the first half of 2026 than in the previous two years combined," he added.
Chemicals is one of the most important industrial sectors in Europe's biggest economy but is battling massive challenges, ranging from high energy costs to red tape and fierce foreign competition.
Employee numbers at BASF's historic Ludwigshafen site, open since 1865, have fallen below 30,000 for the first time since 1954.
The maker of everything from suncream ingredients to paint to detergents said in February it wanted to move more administrative jobs to Asia.
Earlier this month, BASF raised its outlook for the year, with profit boosted by higher sales as nervous customers sought to stock up in the face of the war in the Middle East and the near total closure of the Strait of Hormuz, a key artery for oil and petrochemical products.
Net profit of €4.1bn beat forecasts of about €2.4bn, the firm said earlier in July, and it now expected core profit for the year to come in between €6.9bn and €7.7bn, up from an earlier target range of between €6.2bn and €7.0bn.

Danone

French consumer goods group Danone on Wednesday saw second-quarter sales beat forecasts, amid a bounceback at its nutrition unit that had been hit by an international baby milk recall.
Danone and several other major manufacturers recalled batches of infant formula earlier this year over the possible presence of a toxin which can cause nausea, vomiting and diarrhea.
Danone, whose brands include Evian and Badoit water, said second-quarter sales rose a higher-than-expected 4.4% to €7.21bn ($8.2bn) to compensate for a 2% fall in the first quarter in the wake of the recall.
That helped lift first half profits 13% to €1.18bn as the group pursues a slew of acquisitions in the health and protein sectors.
The showing came despite what chief financial officer Juergen Esser told AFP a "challenging environment with fairly strong inflationary pressure".
Oil prices weighed on transport and packaging costs, but Esser said productivity gains enabled the group to maintain its margins, with first half operating profit rising 2.3% to €1.85bn amid sales growth across all its product categories.
Esser said high-protein yoghurts and medical nutrition as well as Evian and Volvic waters had led the way, adding the group sought "to keep price increases to a minimum and offset them internally through productivity gains".

ENI

Italian energy giant ENI said on Wednesday that its profit rose five-fold in the second quarter, the latest energy company to benefit from oil prices soaring during conflict in the Middle East.
The group said it earned €3.3bn ($3.75bn) in the quarter, well above analysts' expectations.
Revenue rose 30% to €24.4bn, on the back of both higher production and prices.
The company's CEO Claudio Descalzi said the "excellent" results were "underpinned by our diversified portfolio that provides us a wide range of options and a perspective of profitable growth across different businesses of the energy mix."
The group's production rose by 11% thanks to the ramp-up of new projects in West Africa, the Gulf of Mexico, Norway and Indonesia.
As a result, ENI raised its production growth forecast for 2026 to 5% from a 3%-4% range previously.
Eni also announced a further 20% increase in its share buyback programme for the year, bringing the total to €3.4bn.

Telefonica

Spanish telecoms giant Telefonica, in the midst of a massive reorganisation, said Wednesday that its losses sharply narrowed in the first half.
The company lost €338mn ($385mn) in the first six months of the year compared with €1.36bn in the same period of the previous year.
The first-half results were dragged lower by a €1bn-charge linked to selling its activities in Chile and to restructuring its German operations.
The group said profit would have been €474mn euros if units it plans to sell are stripped out.
Revenue in the first half rose 1.7% to €16.4bn, led by its Spanish and Brazilian operations.
In 2025, the Spanish group recorded a loss of €4.32bn, mainly due to restructuring costs as it announced a scheme to cut around 5,000 jobs and sell its subsidiaries in Latin America.

Ford

Ford reported a loss Tuesday on the latest financial hit from an electric vehicle retreat but lifted its full-year forecast on strong pricing.
The Michigan auto giant reported a second-quarter loss of $1.3bn due to $3.6bn in costs connected to the wind down of an electric battery joint venture.
Revenues fell 3.8% to $48.3bn, due in part to a 12.3% decline in wholesale auto sales.
But Ford, pointing to persistently solid demand for new vehicles, now projects adjusted operating earnings of $10bn-$11bn in 2026, up from the prior range of $8.5bn-$10bn.
"Our core consumer has been very resilient, despite inflation, despite what we're seeing in interest rates," said Chief Financial Officer Sherry House.
The company sees industrywide pricing climbing 0.5% after earlier foreseeing pricing as about flat. Overall US sales are expected between 16mn and 16.5mn in 2026, comparable to last year's level.
Ford said its financial outlook is better due to warranty costs, and they expect improvement compared with last year's outage at Novelis, an aluminum plant in New York state that suffered two fires in 2025 and forced Ford to scramble for supplies.

Deutsche Bank

Germany's top lender Deutsche Bank on Wednesday reported record second-quarter profit, boosted by a strong performance at its investment bank.
Net profit for the three months to June came in at €1.9bn ($2.2bn), Deutsche Bank said, well above analyst expectations of €1.4bn in a FactSet analyst poll.
Speaking on an earnings call, Deutsche Bank finance boss Raja Akram said the result raised the prospect of the bank exceeding expectations for the year.
"We're going to be comfortably getting into our revenue target for the year," he said.
"If the tailwinds persist, then obviously it could be slightly more optimistic than just essentially comfortably getting to €33bn."
Asked about the impact of Italy's UniCredit potentially completing its hostile takeover of Germany's Commerzbank — a saga that has gripped Germany and led Commerzbank to cut thousands of jobs in a bid to fend off the move — Akram said the ongoing battle could help Deutsche if clients moved their money away from the consolidated bank to keep their accounts diversified.
"This transaction, whether it happens or doesn't happen, it doesn't change our strategy," he said. "But clearly, if clients have a need for another corporate bank, especially in Germany, who best to serve that need than Deutsche Bank?"
The result came despite the Frankfurt-based group navigating a less favourable monetary environment following the peak of the interest rate hiking cycle.
While the European Central Bank raised rates by 0.25 percentage points last month, banks' interest margins are still weighed down by a rate-cutting cycle that began in 2024.
Overall, total revenue from April to June rose nine % year-on-year to €8.48bn, driven by retail banking and a standout performance from the investment bank.
Profit at the investment bank rose almost 60% on the same period last year, driven by income gains across financing, trading and advisory operations.
The performance mirrors that of major US banking giants, which have similarly benefited from intense trading amid stock market volatility and hopes and fears linked to the buildout of AI infrastructure and services.

Sabic posts narrower quarterly loss

Reuters
Riyadh

Saudi chemicals giant Sabic on Wednesday reported a sharply narrower second-quarter net loss due mostly to the absence of the previous year's large one-off charges, while revenue fell 18% amid war-related supply-chain disruptions.
Sabic, 70%-owned by state oil giant Aramco, posted a net loss attributable to shareholders of 833mn riyals ($221.91mn) versus 4.07bn riyals a year earlier.
The improvement mainly reflected a 3.79bn-riyal drop in losses from discontinued operations, with the year-earlier period including impairment charges and provisions related to the closure of the company's Teesside cracker in Britain.
Revenue fell to 24.81bn riyals from 30.23bn riyals as higher average selling prices only partly offset lower volumes. Sales volumes dropped 41% year-on-year, while prices rose 39%.
Sabic also cut its first-half dividend to 3.3bn riyals from 4.5bn riyals a year earlier, saying the decision preserved financial flexibility while maintaining shareholder distributions.
The results reflected regional conflict as the US-Iran war disrupted shipping through the Strait of Hormuz, which raised energy and product prices while hampering shipments from Sabic's production base in eastern Saudi Arabia.
Sabic cited the closure of the strait, disruption at key energy facilities and higher global energy prices among the quarter's main challenges.
It increased polymer shipments from eastern to western Saudi Arabia by 150%, and used the new Red Sea Express container service to maintain deliveries.
"While the current market environment continues to be challenging, our strong balance sheet and disciplined approach to capital allocation enable us to remain resilient," CEO Faisal Alfaqeer said.

BUSINESS

Korea's Kospi index plunges as tech sector rout deepens

AFP
Hong Kong

Korean stocks suffered one of their steepest plunges on Wednesday, with the blood-letting that has battered chip firms over the past month deepening as nervous investors unwound their bets on the AI boom.

In Seoul, the Kospi closed down 6.0% to 5,663.24 points; Tokyo - Nikkei 225 ended down 1.5% to 61,434.19 points; Hong Kong - Hang Seng Index closed up 2.0% to 25,807.92 points and Shanghai - Composite ended up 0.4% to 3,828.47 points yesterday.

The tech sector came under assault as traders fret over the mesmerising sums being pumped into artificial intelligence, with investors questioning whether firms' lofty expectations will be met.

After a two-year rally that has seen several markets and companies around hit record highs, the air is blowing out, with chip firms bearing the brunt of the selling.

The Kospi plunged more than 12% at one point to extend Tuesday's near-11% collapse as chipmakers SK hynix and Samsung were hung out to dry.

SK hynix shed almost 20%, having dived more than 14% on Tuesday -- it has now lost more than 50% since hitting a record high a month ago -- while Samsung plunged more than 12%.

But by the day's end, the Kospi was 6% lower, while SK hynix and Samsung had halved their losses. The selling came after SK hynix's April-June operating profit and revenue came in below expectations, even as net profit soared a forecast-beating 1,242%.

Tokyo dived around 3% as chip firm Kioxia plunged 13.9%, while Tokyo Electron was 11% off. Taipei dropped more than 3%.

"The market is increasingly rewarding companies that expand revenue while maintaining spending discipline, and penalising those whose ambitions have outrun their balance sheets," said Fabien Yip at IG. "Investors have come to view that restraint as a strength rather than a weakness, particularly as capex commitments at Alphabet, Microsoft and Amazon run into the hundreds of billions of dollars each."

The rest of Asia enjoyed gains, with Hong Kong up 2% as its tech sector -- which suffered a painful first half of the year -- led the way.

Currency dealers work at the dealing room of a bank in Seoul. The Kospi closed down 6.0% to 5,663.24 points yesterday.

Aussie dollar eyes recovery against the Swiss franc

Reuters
New York

The Australian dollar has spent years in retreat against the Swiss franc, but the technical picture now suggests that the losing streak may be running out of steam.

The Aussie closed above a descending trendline stretching back to its 2012 high, and is pushing toward its 200-week moving average near 0.5711, according to data supplied by LSEG.

A trendline connecting a series of lower highs helps define a bearish trend, with a close above one signaling that the slide may be losing momentum.

The move is being driven in part by divergent interest rate policy.

The Reserve Bank of Australia has been raising rates this year, with markets pricing in the possibility of a further increase, while the Swiss National Bank has kept rates near zero and is expected to hold steady, making the franc less appealing to hold.

The pair had been stuck near 0.56 since April before breaking higher last week. A double bottom formed by lows in March and October last year set the stage for the rally that has now carried the Aussie to the cusp of its 200-week average.

History suggests a weekly close above that average could lead to a push towards 0.59 at minimum, with the market likely to target the 0.6081 to the 0.6099 range, which includes the May and July 2024 highs, and potentially as high as 0.70.

Failure to break through, however, could revive the bearish trend, with initial support near 0.5540 and then the double-bottom lows near 0.5.

Aussie closed above the descending trendline from the 2012 high. Testing the 200-week moving average near 0.5711. Break higher targets 0.6081-0.6099, then possibly 0.70; failure points to 0.5540.

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Will high bond yields slam the brakes on Wall Street?

By Jamie McGeever
Orlando, Florida

The US economy appears to be in a new era of higher-for-longer bond yields. In theory, this should be a more challenging environment for equity investors, but Wall Street's stellar performance in recent years suggests that is not necessarily the case.
Treasury yields have hit new multi-year highs in recent weeks, with the 30-year yield reaching the highest level since the mid-2000s.
Yields, which were floored after the global financial crisis of 2008, rose when the Federal Reserve began aggressively raising interest rates in 2022 to fight inflation.
They have remained elevated ever since, even as the policy rate was gradually lowered in 2024 and 2025, and are rising now as bond investors anticipate a resumption of Fed tightening.
So what does this mean for equity investors?
Intuitively, higher borrowing costs should be a headwind for stocks.
From a macro perspective, they make it more expensive for consumers and businesses to borrow, spend and invest. All else being equal, this should weigh on economic growth and corporate profits.
Higher borrowing costs are a particular concern for US hyperscalers like Alphabet, Microsoft, Meta and Amazon, which are burning through their free cash flows and increasingly turning to the debt markets to help fund the trillion-dollar AI capex boom.
Looked at through an investment lens, higher bond yields make fixed-income assets more attractive relative to equities, shrinking the so-called equity risk premium.
More importantly, higher yields translate into a higher discount rate, which reduces the present value of future earnings - a particular concern for tech and other growth-sensitive sectors.
Of course, strong earnings can offset rising bond yields, as the "Magnificent Seven" US tech giants showed in recent years.
But some of these firms' shares, notably Tesla, Microsoft and Meta have fallen sharply this year and are in technical bear markets. Even the high-flying Philadelphia semiconductor "SOX" chip index has slipped into bear market territory. These slumps could simply indicate investors' growing concerns about the durability - and profitability - of the AI spending spree, but they could also be a signal that higher bond yields are starting to weigh on equity performance for all the reasons noted above.
But you don't have to zoom out far to see the other side of this argument. The S&P 500, Dow Jones Industrials and Russell 2000 small cap indexes are all just 3% off their all-time highs. Granted, the Nasdaq is down 8% from its June 1 peak, but the tech-heavy index has notably outperformed the other three benchmarks in recent years.
This hardly looks like an equity market under stress.
All things considered, Wall Street still appears to be taking higher bond yields in stride, an indication that equity investors are focusing more on stronger growth rather than fiscal or inflation fears. There are good reasons why buyers might be tempted to continue ploughing cash into equities despite the higher-for-longer bond outlook.
Rising yields are not automatically bearish if they are being driven by strong nominal growth and earnings, which currently appears to be the case. Nominal annualised GDP growth in the first quarter was just under 6% - and real GDP growth of around 2% this year would keep nominal growth near that level, perhaps even higher. True, inflation is above target and sticky, but it's not spiralling out of control.
Meanwhile, earnings growth expectations are running at an extraordinary pace - close to 40% for the second quarter and nearly 30% for the calendar year.
However, one should note that these hopes rest largely on AI, with almost 75% of earnings growth in the April-June period expected to come from the tech and communications services sectors.
Perhaps what we're seeing is a return to an equity environment that is less dependent on multiple expansion than in recent decades.
As Jim Caron at Morgan Stanley Investment Management notes, the bond market repricing following the zero-rate "anomaly" of the pre-pandemic years shows investors are being weaned off their "obsession" with dovish Fed policy and putting greater faith in the durable growth story.
"What is the biggest market misunderstanding? In my view, it is the idea that higher rates automatically mean recession," Caron wrote last month, adding that a "disorderly" rise in long-dated yields is a worry, but only if it is driven by deficits rather than growth.
Of course, the underlying US fiscal picture is hardly encouraging, and it's safe to say investors are not banking on a sudden outbreak of fiscal discipline in Washington. With defense spending and interest payments soaring, the federal deficit isn't shrinking any time soon.
This should put a floor - or perhaps a springboard - under the term premium and longer-dated yields. If this becomes the main driver of higher bond yields over time - rather than a scramble for capital to fuel a technological boom - then equities could be in trouble.
But, for now, strong earnings and solid, steady growth appear to be helping stocks learn to live with rising bond yields. We may soon discover whether that's the new normal or merely a calm before the storm.

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

The US Federal Reserve building in Washington, DC. The Fed held interest rates steady yesterday, with surging inflation fuelled by President Donald Trump's war on Iran seeing three of the committee's 12 policymakers calling for a quarter-percentage-point rate hike.

Fed holds rates steady despite hike demands

AFP
Washington

The US Federal Reserve held interest rates steady on Wednesday, with surging inflation fuelled by President Donald Trump's war on Iran seeing three of the committee's 12 policymakers calling for a quarter-percentage-point rate hike.

The Fed's open market committee (FOMC) held rates at 3.50-3.75% for the fifth straight meeting.

Most investors expected the Fed to hold rates steady, according to CME's FedWatch monitoring tool, but bets on a rate-hike rose significantly in the days leading up to the meeting.

Consumer inflation eased to 3.5% year-on-year last month, but is expected to rise again on the back of seesawing oil prices from Trump's war on Iran, which has seen renewed fighting in recent weeks.

The Fed has a dual mandate to keep inflation to its long-term, two-percent target while ensuring maximum employment in the world's largest economy.

Its main tool to achieve this is setting the key interest rate. Raising it tends to constrain economic activity, while lowering it can spur employment but also lead to higher inflation. Wednesday's decision leaves rates unchanged, meaning nine policymakers see the current rate as having the appropriate effect on economic activity.

In his few public appearances since taking office, Warsh has said the committee is committed to delivering price stability, but has not elaborated on how it would do so or when it may intervene.

But other policymakers have been vocal in recent weeks about their concern regarding high inflation -- which has been above target for more than five years -- and the potential need for rate hikes to combat it.

"(Other policymakers') patience is running thin when it comes to inflation, and most, if not all, stand ready to act if inflation does not soon move back towards two percent," Gregory Daco, chief economist at EY-Parthenon, told AFP.

Since March, inflation surged to three-year highs in the wake of Trump's war on Iran, which has sent global energy and fertilizer prices skyrocketing and seen some of those price increases bleed into other goods.

Since taking over, Warsh has called for policymakers to engage in a "good family fight" when deciding interest rates.

At this week's meeting, he may have gotten what he asked for. Regional Fed presidents Lorie Logan, Beth Hammack and Neel Kashkari were the three voting policymakers to dissent from the majority decision.

It is rare for that many FOMC members to differ from the majority's vote.

They are not the only ones flagging the potential need to address inflation using rate hikes, with Fed Governors Christopher Waller and Lisa Cook also signalling their concern in recent weeks.

"We may have a new chairman, but the old guard is now worried about where the economy has moved since the beginning of the year," said Diane Swonk, chief economist at KPMG, ahead of the decision.

The lower consumer inflation figure for June gave policymakers enough "room to breathe" for now, but with further price rises expected Swonk was pencilling in two rate hikes for later this year.

She highlighted how "corrosive" inflation can be, affecting lower-income households much harder than those with higher incomes, whose consumption has remained robust despite the surging inflation. "It hits those who can afford it least the most," she said. "And it's moving up the food chain."

US energy shares could see another leg higher

Reuters
New York

US energy shares struck new highs this year as oil prices surged during the Iran war, then pulled back as peace hopes emerged in May and June. Now technical analysis suggests another surge could be on the way.

The rise and subsequent pullback in shares of US energy companies, measured by the S&P 500 Energy Index (SPNY), formed what technical analysts call a bull pennant pattern.

It consists of a "flagpole" - the initial rise - followed by a period of consolidation in a triangular pattern, when the market pauses after the runup in prices. The formation is considered bullish because it is often followed by a breakout higher.

Technical analysts usually estimate that the break higher should be about the same size as the initial gains that preceded the pennant-shaped consolidation. In the case of the SPNY, the "measured move," as it is called, would target the 1,207 area, about a 35% move from current price levels.

So far, the SPNY has completed the consolidation phase and attempted to break higher, though the move up initially fizzled as the Relative Strength Index - a measure of price momentum - indicated the market was overbought. Now, it is testing the top of the pennant from above. If that holds as support - a place where buyers step in - then the rally phase can begin. Initial resistance in that move would come at the 940 level, followed by the high of 976.91, which the index struck on March 30, according to data supplied by LSEG.

However, the SPNY is still in a precarious position. If it breaks back below the trendline that forms the top of the pennant, it could head back down to the 800 area.

Bull pennant pattern formed after sharp rally in energy shares. Measured-move target sits at 1,207, roughly 35% above current levels. A break below the pennant's trendline could send the index back towards 800.

Russia's Sberbank may raise reserves

Reuters
Moscow

Russia's largest lender, Sberbank, said on Wednesday it was considering increasing loan-loss provisions after Ukrainian drone attacks on e-commerce giant Wildberries' warehouses hit the finances of online retailers and their suppliers.
Sberbank said the credit quality of online retailers and vendors had deteriorated following the attacks, with about 300 companies seeking to restructure loans.
"Their financial condition and potential future cash flow have, of course, decreased. Are we considering increasing provisions? Yes, we are considering it," Chief Financial Officer Taras Skvortsov said on a conference call with analysts.
He said no decision had been taken.
Sberbank lends to both Wildberries and rival Ozon, whose facilities have not been targeted. The bank has developed a loan-restructuring programme for Wildberries vendors affected by the attacks. Skvortsov said Sberbank believed Wildberries and its clients had sufficient financial resilience to cope with the disruption.
Sberbank, which reported a 21% increase in second-quarter net profit on Wednesday, said it was too early to assess the impact of any loan losses on full-year results. The bank expects to post a record profit this year.
It also cut its forecast for Russian economic growth in 2026 to between zero and 0.5%, from 0.5% to 1% previously, saying it was closely monitoring developments in several sectors, including small businesses.
Drone attacks have damaged at least seven Wildberries warehouses, destroying around 10% of the company's storage capacity, disrupting operations and causing losses for tens of thousands of small businesses that sell goods and services through the platform.
Ukraine initially said it targeted Wildberries because of its role in supplying the Russian military. An executive at Ukraine's leading arms producer said this week the retailer was also targeted because of its prominent role in the economy as a major borrower.

UK App Store proposal amounts to price regulation, says Apple

Reuters
London

Apple said on Wednesday that proposed UK rules governing its App Store would amount to price regulation, arguing that plans to loosen its control over in-app payments could undermine innovation and investment. In a submission to Britain's Competition and Markets Authority, the iPhone maker said proposed "steering" requirements would go beyond promoting competition and give the regulator a "highly intrusive" role in managing its business.
The CMA's consultation, which closed on Monday, is part of its efforts to boost competition and consumer choice. Its proposed measures would allow app developers to direct users to payment options outside Apple's App Store and Google's Play Store and require any fees charged for such steering to be fair and reasonable. Apple said the App Store facilitated more than £46.5bn ($61.8bn) in UK billings and sales in 2025, with commissions accounting for less than 3.5% of the total. It added that there was no evidence changes to its payment model would lower prices for consumers.
"Under the (consultation), the CMA would not only regulate Apple's prices, but also restrict the products and services for which Apple can charge a commission," the company said in its submission.
Gene Burrus, global policy counsel for the Coalition for App Fairness, which has long campaigned for restrictions on Apple and Google app store practices, said Apple's arguments overlooked the barriers developers face.
"Apple is using its position as the dominant platform gatekeeper to give itself unfair and unwarranted competitive advantages," Burrus said. Apple has previously said developers already have multiple ways to transact with users outside its platform.
The CMA consultation is part of Britain's new digital markets regime, which gives the watchdog powers to impose tailored requirements on companies designated as having "strategic market status".
Apple and Google were designated under the regime last year.

Kia invests $649mn for Mexico EV production

Reuters
Mexico City

Republic of Korea's Kia will produce and sell fully electric vehicles in Mexico, managing director for the company Horacio Chavez said on Wednesday.

The car manufacturer will invest $649mn in Mexico, Chavez added during President Claudia Sheinbaum's daily press conference.

The electric EV3 model is currently manufactured in South Korea, but starting August 4, production will begin at a Kia plant in the Mexican state of Nuevo Leon, Economy Minister Marcelo Ebrard said.

"It's an investment made to adjust the production line, so the same plant continues to be used," Chavez added. "A significant portion is intended for the domestic market," Sheinbaum said about the nationally produced car, as the government aims to promote the adoption of electric vehicles in Mexico.

Ebrard added that, amid growing protectionism from the United States - Mexico's largest trading partner - the Latin American country is seeking out other markets and bringing in new technologies, such as Kia's batteries and electric vehicles, in order to reduce imports.

A general view shows the Kia Motors manufacturing plant in Pesqueria, on the outskirts of Monterrey, Mexico. Kia will produce and sell fully electric vehicles in Mexico, managing director for the company Horacio Chavez said yesterday.

During bilateral talks with Mexico to revise the North American trade agreement in May, the US proposed requiring that 50% of the value of North American-built vehicles originate in the United States, a significant departure from current rules.

Automakers such as Toyota or General Motors have announced they will expand their capacity in the US and move some vehicle production.

Mideast conflict drives Singapore Airlines' first loss since pandemic

By Alex Macheras

Singapore Airlines has just posted its first quarterly loss since the pandemic. It also carried more passengers than in any quarter in its history. Both statements are true, and together they explain a great deal about the state of the industry.

For the three months to June 30, the SIA Group reported a net loss of $59mn, against a profit of $137mn in the same quarter a year earlier. That represents a swing of about $196mn in twelve months. The headline figure is modest for a group of this size, but the reasons behind it carry a wider significance for the sector. Singapore Airlines is a carrier the rest of the industry measures itself against, with a product, network discipline and balance sheet that are studied across the business, so a rare quarterly loss is worth examining in detail.

The result did not stem from any weakness in the underlying business. Group revenue rose 19.3% to a record $4.42bn. Passenger revenue climbed 18.6% as yields rose 12%, and Singapore Airlines and Scoot together carried a record 10.9mn passengers, up 6.3% on the same quarter last year. This is the important point. The airline has never flown more people in a single quarter than it did in these three months, and it still finished in the red. Cargo, which has been a drag on earnings in recent years, produced the standout performance, with revenue up 33.5% to around $547mn on stronger yields and higher load factors.

On nearly every measure by which an airline is judged, this was a record quarter. More passengers than ever before. Higher yields. A stronger cargo book. The group still lost money.

The explanation lies in the one major cost line that no airline fully controls. The group's net fuel bill rose 78.5% to around $1.74bn, an increase of close to four-fifths in a single quarter, and that increase accounts for the entire result. Total expenditure grew 27.9%, well ahead of the 19.3% rise in revenue. Operating profit fell 73.8% to around $82mn. The distance between record revenue and a loss-making bottom line is almost exactly the shape of the fuel line.

For readers in the Gulf, the cause requires little explanation. The spike traces directly to the deterioration in the regional security environment and the continuing US campaign against Iran, which has turned the airspace over the Gulf and the corridor around the Strait of Hormuz into a zone of heightened risk. When the world's most important oil corridor becomes contested, the jet fuel price responds immediately and does not wait for calm to return. Airlines everywhere absorb the cost.

There is a second effect at work, and it is the one that shows up directly in Singapore's passenger record. As the conflict has escalated, millions of travellers have quietly rerouted away from the Gulf. Journeys that would once have connected through Dubai, Doha or the wider region are increasingly being routed through Asia instead.

Singapore has been a natural beneficiary of that shift. Passengers who want to avoid the region altogether can fly Europe to Southeast Asia and onward to Australia or North Asia through Changi, giving the Gulf a wide berth. That is a meaningful part of why Singapore Airlines carried more passengers than ever before this quarter. The war has redrawn the map of how people move between continents, and for now the traffic is flowing east of the trouble.

Singapore has felt the disruption directly on its own network. Its Dubai services remain suspended, its planned launch of Riyadh flights has been deferred to December, and Scoot suspended its Jeddah operation in July following the latest escalation. The same instability that is redirecting passengers toward Asia is also closing routes into the Gulf, and it is lengthening others. Airspace closures across parts of the region have forced longer routings, and longer routings burn more of the fuel that has itself become more expensive. Record passenger numbers and a fuel-driven loss are two sides of the same geopolitical event.

This is where the result becomes relevant well beyond Changi. Singapore Airlines is not an outlier but a preview. If the best-run long-haul carrier in the world cannot hold profitability through a fuel shock of this scale even while flying record traffic, weaker balance sheets across the industry will feel it far harder. The airlines that entered this period with thin margins, heavy debt or limited hedging have far less protection, and some will report losses considerably more serious than this one.

A second element of the result points to a longer game. Singapore Airlines recorded a $32mn increase in its share of losses from Air India, in which it holds a 25.1% stake. Tata Sons, Air India's owner, has now been explicit about the timeline, with its chairman framing the turnaround as a journey of five to ten years, citing supply chain constraints, legacy systems and the scale of the fleet and cultural overhaul required.

Air India is central to Singapore Airlines' multi-hub strategy, a bet that the carrier can build a second major connecting position in India alongside its Singapore base. The logic is sound, given that India is the fastest-growing large aviation market in the world, but the execution will take a decade of patience and capital and in the near term shows up as a drag on group earnings.

The result should not be read as a signal that Singapore Airlines is in trouble, because it is not. Demand is at record levels, cargo is performing, the balance sheet is among the strongest in the industry with more than $8bn in cash and deposits, and the company retains the flexibility to absorb a quarter like this without strain. The loss is a symptom of the environment rather than the airline.

The more important point is what that environment now demands. Geopolitical risk has moved from the margins of an airline's cost base to its centre, and fuel is once again the variable that decides whether a record operational quarter becomes a profitable one. Singapore Airlines itself has cautioned that a prolonged conflict in the Middle East would disrupt supply chains, global trade and the wider macroeconomic conditions on which air travel depends.

The Gulf carriers understand this terrain better than most, operating at the centre of it and building resilience into their networks, their hedging and their cost structures precisely because they know how quickly the regional picture can shift.

The lesson from Singapore's quarter is not that strong airlines are suddenly fragile, but that in the current climate even a record number of passengers is no guarantee of a profit. A carrier flew more people than ever before and still lost money, undone by a cost it could neither predict nor avoid.

For an industry that has spent three years rebuilding its finances, it is a reminder of how exposed it remains to events far from their home airport hubs.

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

CIAC lands dual lease deals for Philippine aerospace hub

By Peter Alagos
Business Editor

CIAC president and CEO Joseph Alcazar.

The Clark International Airport Corporation (CIAC), a government-owned corporation in the Philippines that manages the Clark Aviation Capital, has secured two strategic lease agreements with major international aerospace component and service providers, accelerating its target of establishing the country as a primary regional hub for aircraft manufacturing, maintenance, and logistics.

The state enterprise signed a 25-year lease contract with Heatcon Asia, Inc, a key supplier to aerospace giant Boeing, followed by an expansion agreement with Jamco Philippines Inc (JPI), an aircraft interiors manufacturer.

Both operations will be anchored within the Clark Civil Aviation Complex, supporting national initiatives under President Ferdinand Marcos, Jr to build up the site into the "Clark Aviation Capital," an integrated commercial and high-tech manufacturing campus driven by CIAC, the land and aviation development arm of the Bases Conversion and Development Authority (BCDA).

CIAC's long-term agreement with Heatcon Asia, Inc establishes a central facility for composite repair solutions, materials distribution, and specialised component servicing within the aviation complex.

Founded in 1978, Heatcon supplies hot bonders, heat blankets, and technical process materials globally to commercial airlines and defence platforms. Company management noted the new Clark site will serve as its central operating node to handle rising maintenance, repair, and overhaul (MRO) demand across the Asia-Pacific territory.

CIAC president and CEO Joseph Alcazar noted that attracting specialised maintenance services directly supports CIAC's broader mandate under the BCDA to drive high-value industrial activities.

"This investment represents a significant milestone in Clark's continued emergence as a leading aviation and aerospace hub," Alcazar emphasised.

"Heatcon's facilities support major aviation players in the region, including Boeing, and are expected to further strengthen Clark's position as an attractive destination for aircraft Maintenance, Repair, and Overhaul (MRO) services," he said.

Alcazar also noted that by establishing its presence here, Heatcon is directly contributing to CIAC's vision of transforming the region into a premier aerospace centre in Southeast Asia.

He emphasised that with global aircraft fleets expanding, securing world-class composite repair facilities helps position Clark to capture essential regional service contracts while reinforcing safety and maintenance standards.

"Today's signing formalises a partnership rooted in innovation and global excellence. It highlights Clark's readiness to support the growing demands of the global aerospace industry while advancing our vision of developing Clark Aviation Capital," Alcazar noted.

Under its expansion plan, JPI, a subsidiary of Tokyo-headquartered Jamco Corporation, has committed to investing at least P600mn ($10.3mn) over the next three years to scale up production.

The company has maintained operations at the Clark Freeport for 15 years, manufacturing structural parts and interior equipment supplied directly to global supply chains for aircraft manufacturers Airbus and Boeing.

With the expansion scheduled to become fully operational by 2028, Jamco will shift its local workflow from partial sub-assembly to full and final assembly in Clark.

Completed components will be dispatched directly to Airbus assembly plants in Toulouse, France, alongside Boeing facilities in South Carolina and Washington State. The project will expand Jamco's existing local workforce of 450 employees to roughly 1,400 technical and assembly personnel.

Alcazar stressed that the expansion marks a significant step forward for the facility's technical capabilities.

"It positions Clark as a strategic manufacturing hub within the global aerospace industry and further demonstrates that world-class aerospace production can be proudly accomplished in the Philippines," Alcazar said, adding that the commitment sends a clear signal to global investors regarding local workforce readiness and infrastructure capacity.

Global aviation bodies launch joint initiative to mitigate runway risks

By Peter Alagos
Business Editor

Air transport safety stands to gain from enhanced cross-sector co-ordination as major international aviation bodies join forces to tackle one of the industry's most persistent operational hazards.

The International Air Transport Association (IATA), the Civil Air Navigation Services Organisation (CANSO), and Airports Council International (ACI) have launched a joint runway safety initiative aimed at reducing the risk of runway incursions across global aerodromes.

A runway incursion occurs when an aircraft, vehicle, or individual is incorrectly present on a runway or within its protected perimeter. Documented annually in IATA safety reports, these incidents have previously resulted in severe and fatal accidents, making prevention a priority that requires synchronised action among airlines, airport operators, air navigation service providers, regulators, and frontline staff.

The joint initiative targets three primary operational areas: improving safety reporting and data collection on incidents, near misses, and frontline observations; strengthening Local Runway Safety Teams to evaluate risks and execute co-ordinated actions; and sharing progress and operational lessons so effective practices can be implemented at airports with similar operating conditions.

Nick Careen, IATA's senior vice president for Operations, Safety, and Security, emphasised the necessity of continuous vigilance across all operational tiers.

"Flying is the safest form of long-distance travel. Maintaining that record requires a relentless focus on continuous improvement, supported by global standards, safety data and collaboration.

This initiative brings airlines, airports and air navigation service providers together to identify runway risks earlier and take co-ordinated action," Careen said.

The project builds upon established international frameworks, including the Global Action Plan for the Prevention of Runway Incursions (GAP-PRI)—developed by the International Civil Aviation Organisation (ICAO), EUROCONTROL, and the Flight Safety Foundation, as well as the ICAO Global Runway Safety Action Plan.

To advance these objectives, the initiative deploys practical tools and resources created by the three association partners. These include risk-assessment frameworks, specialised checklists, and implementation kits designed to support Local Runway Safety Teams.

Specific components feature ACI's Runway Safety Team Implementation Package under its Airport Excellence (APEX) in Safety programme, a joint ACI-CANSO Runway Safety Checklist, IATA's Runway Incursion Safety Risk Assessment tool, the GAPPRI gap analysis tool for carriers, and airline risk-management evaluations conducted through the IATA Operational Safety Audit (IOSA) programme.

Highlighting the critical role of air traffic management, Andrea Sack, senior vice president for Global Operations at CANSO, pointed to joint decision-making as the primary line of defence.

"Runway safety depends on clear communication and co-ordinated decisions across the airport environment. Strong Local Runway Safety Teams bring controllers, airports, airlines and other operational partners together to identify risks and agree on practical actions," Sack said.

Darryl Dowd, Vice-President of Safety, Security and Operations at ACI World, noted that airports serve as the central point where all operational elements intersect.

FAA proposes Boeing 737 Max seat inspections

Reuters
Seattle

A Boeing 737 Max 8 returns from a flight test at Boeing Field in Seattle. The US Federal Aviation Administration said that seats on hundreds of Boeing 737 Max jets registered in the US may require inspections in case they were incorrectly installed and needed to be fixed.

The US Federal Aviation Administration (FAA) said that seats on hundreds of Boeing 737 Max jets registered in the US may require inspections in case they were incorrectly installed and needed to be fixed. If not corrected, the seats could injure passengers and crew members during an emergency landing or block the aisle and slow an evacuation, the agency said.

The FAA's proposed airworthiness directive issued on Monday would apply to 453 jets registered in the US.

The agency only has jurisdiction over US airlines, but foreign regulators typically follow FAA directives if applicable.

Nearly 2,300 737 Max jets are in service around the world, including 823 in the US, according to aviation advisory and intelligence firm IBA.

The proposed directive comes as Boeing works to improve its production quality and boost output under CEO Kelly Ortberg. Production quality problems were revealed in early 2024 when a door plug panel blew out of a nearly new Alaska Air 737 Max in flight.

The FAA said in the airworthiness directive proposal that it received a report that some passenger seat assemblies were not correctly installed in the seat tracks.

That meant the assemblies could disengage from the seat tracks if there was an increased load, turbulence or an emergency landing, the FAA said.

There could be up to 69 track-mounted passenger seat assemblies on each 737 Max plane, and the issue would take an estimated one hour to inspect and then an hour to fix each assembly and required no parts, the FAA said.

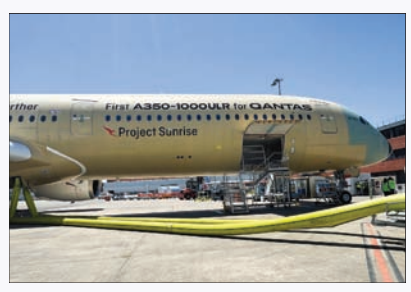
Airlines might be able to have multiple employees inspecting seats simultaneously, greatly reducing the total time for each aircraft. It did not say how quickly airlines would need to correct the issue.

A Boeing spokesperson said the planemaker issued guidance to operators about the issue in December 2025.

"We support the FAA making that guidance mandatory," the spokesperson said in an e-mail.

Airbus completes record 24-hour flight for Qantas' Project Sunrise

AFP
Paris



An Airbus A350-1000ULR test aircraft being developed for Qantas' "Project Sunrise" ultra-long-haul flights, stands in Toulouse.

A specially modified Airbus A350 plane touched down in France on Tuesday after a record 24-hour test flight from Australia, ahead of it joining Qantas's fleet next year.

Its 23,076-kilometre (14,339-mile) journey -- across three continents and two oceans, and through two sunsets and two dawns -- was one of the most-watched flights shown on the Flightradar24 tracking site.

It was also a crucial step before Australian airline Qantas receives its first A350-1000ULR in April next year, to be followed by 11 others for services able to link Australia non-stop to destinations in the United States and Europe.

The ULR in its designation stands for "ultra long distance", a feat made possible by an additional 20,000-litre rear centre fuel tank being fitted to Airbus's A350-1000 model.

The flight from Australia to France took precisely 24 hours and 24 minutes.

On its outbound flight, last week, from Toulouse to Melbourne, the test aircraft flew 17,000 kilometres in 19 hours and 12 minutes.

The return trip simulated a trajectory the plane would take once put into commercial service. Qantas plans to start offering non-stop flights between London and Sydney from October 2027. Later, it intends to start also flying between Sydney and New York.

On board the plane was a cockpit crew of eight people from Airbus's testing division, accompanied by two Qantas pilots. Two Airbus engineers were also on board.

Some of the aspects studied on the flight were the modified architecture around the extra fuel tank, changes to make the cabin quieter, and the plane's air circulation system.

Qantas's "Project Sunrise" using ultra long-haul planes has been on the cards for the past nine years -- but has been repeatedly delayed.