GUIDANCE DEBATE | Page 8

QNB explores prospects for US monetary policy under Kevin Warsh

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ON EDGE: Page 3

Teetering US stock market faces jobs report, big earnings week

New model lets Qatar SMEs scale without owning logistics

By Peter Alagos
Business Editor

Small and medium-sized enterprises (SMEs) in Qatar are gaining access to enterprise-grade logistics without owning any of the underlying infrastructure themselves, through a shared-service model addressing three interlinked barriers that have long held smaller businesses back.

This is according to Sheikh Khalifa bin Salman al-Thani, co-founder and CEO of WareOne, a Qatar-based logistics platform that told *Gulf Times* how it is addressing these challenges for local SMEs.

He said logistics is usually sold in large, fixed blocks, such as an entire warehouse, a full fleet of trucks or a 12-month lease, terms better suited to large companies than to brands processing a few hundred orders a month.

Sheikh Khalifa noted that logistics services are often fragmented across multiple providers, with one company handling storage, another transport, a third customs clearance, and a fourth delivery, leaving business owners to absorb the blame when something goes wrong between them.

"When something goes wrong between them, nobody takes responsibility. The owner does," Sheikh Khalifa explained, further pointing out that running such an operation also demands expertise that most small teams simply do not have.

WareOne addresses this by operating its own fulfilment centre for complex e-commerce work, supported by a network of partners handling storage, freight and delivery across Qatar and the GCC, Sheikh Khalifa noted.

Customers get a single contract, one view of their operation and one accountable WareOne team, he also said, adding that businesses simply connect their Shopify store or marketplace account, select a delivery promise, and pay by the cubic metre, by the order or by the delivery.

This, he said, allows businesses to focus on what they sell and how they grow, while WareOne manages the logistics behind it.

Asked how WareOne measures its impact on SME competitiveness beyond cost savings, Sheikh Khalifa said cost remains significant and is the main reason most businesses approach the company, though he stressed it is not the only measure of success.

He said WareOne instead tracks on-time delivery and order accuracy, the number of sales channels and markets a business operates in without needing to hire extra staff, and whether the business survives its busiest season, typically when small companies falter.

Sheikh Khalifa bin Salman al-Thani, co-founder and CEO of WareOne.

"The best sign of our work is not what a customer saves. It is what they try next," Sheikh Khalifa pointed out.

Sheikh Khalifa cited an unnamed Qatari brand that grew more than four times within a few months after moving its operations onto WareOne's platform. "They grew…in a very competitive market, without building a logistics team or any infrastructure of their own," Sheikh Khalifa emphasised.

The brand, which sold across several channels simultaneously, needed product-level fulfilment on every channel, consistent delivery promises, multiple payment methods and service standards matching its brand, he said.

WareOne brought the operation into its fulfilment centre and connected the brand's orders, inventory and deliveries through a single system, according to Sheikh Khalifa.

"Logistics should help a good business grow. It should not hold it back," he added.

Global and Domestic Minimum Tax registration now live on Dhareeba

The General Tax Authority (GTA) has announced the launch of the Global and Domestic Minimum Tax (Pillar Two) Registration Service through the Dhareeba platform, marking another step in Qatar's ongoing efforts to modernise its tax system in line with the latest international standards and frameworks.

The GTA has invited multinational enterprise (MNE) groups that fall within the scope of the Global and Domestic Minimum Tax rules to complete their initial registration within three months from the date the service is activated on the Dhareeba platform.

Developed by the GTA, the registration service is designed to streamline the registration process for in-scope MNE groups through a centralised, user-friendly platform.

The service enables entities to submit their core information, identify the Ultimate Parent Entity (UPE), and designate the local entities subject to the Pillar Two rules. Where more than one entity exists in Qatar, one local entity must be designated as the primary point of contact.

The GTA has invited multinational enterprise groups that fall within the scope of the Global and Domestic Minimum Tax rules to complete their initial registration within three months from the date the service is activated on the Dhareeba platform

The development follows the implementation of Law No (22) of 2024, which established the legislative framework for the Global and Domestic Minimum Tax (Pillar Two) in Qatar.

The law forms part of Qatar's adoption of the OECD/G20 Inclusive Framework's Pillar Two rules, which introduce a global minimum effective tax rate of 15% for multinational enterprise groups with consolidated annual revenues of €750mn or more in at least two of the four fiscal years preceding the tested fiscal year.

The initiative reaffirms Qatar's commitment to transparency, fairness, and the protection of its domestic tax base, while further strengthening its position as a trusted and competitive investment destination.

Guyana set for bigger oil profits as Exxon recoups initial costs

An ExxonMobil-led joint venture has recovered the billions of dollars it invested to develop a large oilfield in Guyana, its chief financial officer told Reuters, and the South American country will now receive more oil money.

Guyana's Stabroek Block, estimated to hold at least 11bn barrels of oil equivalent, has become one of the top assets of the US oil producer's portfolio since its discovery in 2015.

Revenue from the field has made Guyana one of the fastest-growing economies in the world, with the country now producing more than 900,000 barrels per day.

The joint venture's production sharing contract (PSC) with Guyana allowed Exxon and its partners to take up to 75% of the oil to cover their exploration and development costs.

Turkiye, Iraq extend oil pipeline deal by a year

AFP
Istanbul

Ankara and Baghdad on Saturday agreed to extend an oil pipeline agreement by one year, just days after a top-level visit by Iraqi Prime Ali al-Zaidi, officials on both sides said.

In a post on X, Energy Minister Alparslan Bayraktar said the agreement was signed following a "productive meeting" in Ankara with Iraqi Oil Minister Bassem Mohammed Khudair.

Zaidi also hailed the deal in a post on X, describing it as "an important strategic milestone" which would involve "a minimum export capacity of 750,000 barrels per day".

The decades-old agreement on the pipeline — which carries Iraqi crude to Turkiye's Mediterranean export terminal of Ceyhan, a key outlet for regional oil shipments — had expired on Monday.

"While our efforts continue toward a new long-term agreement for this pipeline.. we have implemented this transit arrangement covering a daily capacity of 750,000 barrels," Bayraktar wrote.

Zaidi said Iraqi and Turkish companies would begin implementing the agreement while the two governments would push ahead with efforts "to finalise a comprehensive framework agreement covering the oil, electricity, and water resources sectors." The Kirkuk-Ceyhan pipeline has a maximum capacity of about 1.5mn barrels per day, although actual flows have been well below that in recent years.

Bayraktar went to Baghdad for talks on oil and gas cooperation in early July, and on Tuesday, the Iraqi premier and several top ministers were in Ankara to meet President Recep Tayyip Erdogan and their counterparts.

Major global central banks steer a cautious rate hiking path

Reuters
London/Milan

The bond market selloff after this week's Federal Reserve meeting highlights the challenge policymakers face as they grapple with what higher energy prices and the uncertain consequences of AI advances will mean for their economies.

The Fed left interest rates unchanged on Wednesday, even as chief Kevin Warsh pledged an unwavering commitment to bring inflation down, confusing traders and triggering heavy selling in longer-dated bonds.

The Bank of England held rates steady on Thursday, and the Bank of Japan did the same on Friday.

Here's where central banks in the Group of 10 developed economies stand, ranked from the highest policy rate to the lowest.

AUSTRALIA

The Reserve Bank of Australia has raised interest rates three times this year to 4.35%, the highest in the G10, fully reversing last year's cuts. It now looks on hold for a while after Wednesday's inflation data undershot forecasts, though the RBA chief says policy makers are prepared to raise rates again. Markets see a further hike later this year as likely but not certain.

NORWAY

Norges Bank meets in mid-August. It's already in hiking mode after a surprise move in May to curb inflationary pressures fuelled by the Iran war, but left rates unchanged at 4.25% last month. August is looking like a hold after core inflation slowed in June, helped by the short-lived decline in oil prices.

BRITAIN

The Bank of England kept interest rates on hold at 3.75%, as expected on Thursday, but a third of its nine ratesetters backed a hike.

The rest appear in no rush to raise rates, however, sticking with the wait-and-see approach of Governor Andrew Bailey which he hopes will ensure inflation does not overshoot its 2% target by too much this year.

US

A divided Fed left rates unchanged on Wednesday and Warsh declined to offer any clues about the rate path. The lack of clarity heightened investor concerns about whether the Fed needs to do more to rein in inflation and steepened the US bond yield curve as 30-year yields hit 19-year highs. President Donald Trump, who hand-picked Warsh and called him "brilliant" following the Fed meeting, has made no secret in the past of his desire to see rate cuts.

US Federal Reserve Chair Kevin Warsh testifies before the House Financial Services Committee on Capitol Hill in Washington, DC, on July 14. Warsh pledged an unwavering commitment to bring inflation down, confusing traders and triggering heavy selling in longer dated bonds.

NEW ZEALAND

The Reserve Bank of New Zealand raised its benchmark rate to 2.5%, its first hike in three years earlier in July. With second-quarter inflation hitting a 2-1/2-year high, markets see the RBNZ tightening once more in September and again by year-end.

EUROZONE

The European Central Bank left rates unchanged last week and traders still price two more hikes by early 2027.

President Christine Lagarde held the door open to a rate increase in September on top of a June hike, which left the deposit rate at 2.25%. The eurozone is vulnerable to higher energy prices, but on Thursday data showed its economy grew faster than expected last quarter as surging investment in AI and ample government spending helped offset a drag from high energy costs.

CANADA

The Bank of Canada, this month, left its key policy rate unchanged for a sixth consecutive meeting, following an aggressive easing cycle last year that lowered borrowing costs to 2.25% by October 2025.

Its rate outlook will hinge largely on energy prices and the evolution of trade relations with the US, the two main risks to the inflation outlook.

SWEDEN

Sweden's Riksbank is in the dovish camp, and in June kept its policy rate unchanged at 1.75%.

Sweden's fossil-free energy mix has muted the impact of higher oil prices on inflation, though markets see one rate hike by year-end.

JAPAN

At the two-day policy meeting that ended on Friday, the BoJ kept short-term interest rates steady at 1%, as widely expected after a hike to the 31-year-high level just last month. The BoJ's decision and its hawkish statement pushed up the two-year Japanese government bond yield.

The yen initially posted little reaction to the decision but jumped sharply in European morning trade, with traders alert to the prospect of fresh intervention.

SWITZERLAND

The Swiss National Bank's key rate is at 0%, the lowest among developed markets, but a steady policy stance could prove enough to tame inflation, after the ECB has embarked on a tightening cycle. While acknowledging inflation risks from higher energy prices, policymakers argued at their last meeting inflation was unlikely to rise rapidly above the 2% target.

BUSINESS

LEGAL PERSPECTIVE

Disclosure, use of insider information punishable by law

By Dr AbdelGadir Warsama Ghalib

The stock market laws prohibit insider trading and, based on this, disclosure or use of insider information is punishable by law.
The disclosure and or the use of insider information either by the top management of a company, or by any person having access to such information by virtue of his official post (ex-officio) is legally, commercially and ethically not acceptable under any circumstances.
Furthermore, it is important to mention that unauthorised disclosure of classified or confidential information, unless allowed by law, opens the door for civil litigation in addition to criminal proceedings against violators.
Legally speaking, insider trading is an illegal act worldwide and there is a lot of legal literature and continuous litigation in this respect.
I can recall a recent American case wherein the CEO of an investment bank was charged, in a criminal complaint filed in a US federal court, with conspiracy and insider trading for allegedly passing on confidential classified information to a lady. This official was charged, in a criminal complaint filed in a federal criminal court, as explained, with conspiracy against his company and committing securities fraud for allegedly passing on confidential insider information.
The official, by virtue of his post, came to know that some banking mergers were in the pipeline. He knew this confidential information because his investment bank had been consulted to assist and to finalise the process.
This classified information should have been kept in close and strict confidence. However, the official did not respect his position and the trust conferred on him and broke the secrecy rules for personal interest. By doing this, he exposed himself to legal action.
The lady to whom he passed on the classified information was, also, charged in the complaint. Based on the insider information and tips given to her by this senior official, the lady bought the shares of the companies targeted for potential takeovers by clients, just prior to the announcements of the planned mergers by several banks. By doing this, the lady took the advantage of benefiting from the classified information passed to her. Her benefit was at the cost of other competitors, because all potential buyers should have the same level of access to the required information.
This lady, and her accomplice, made illegal profits that they could not have made without the information divulged by the official.
The lady also tipped off another man who allegedly made illegal profits based on the information passed on to him for no legal cause and at the cost of other potential buyers. In fact, insider information, once broken travels fast from one person to another and many people may benefit from such information. This makes the law more tough and firm in facing insiders who break the secrecy cycle.
In another case, a chairman disclosed certain information regarding an initial public offering (IPO) by his company, which was expected to generate a lot of money for the firm. In response to his unauthorised revelations, the company cancelled the IPO and took the chairman to the court.
Above cases, among others, show how insider information and insider trading affect business in general and the internal affairs of each company in particular.
According to the law, insider trading in stocks is totally prohibited as illegal act and criminal proceedings as well as civil can be taken against any person breaching the law as such illegal activities are very dangerous for the future and making the trading environment completely unhealthy.
All stock markets are required to issue tough rules and regulations to counter and criminalise insider trading activities. This is a very important point for developing healthy markets and for the protection of potential investors in these markets.

■ *Dr AbdelGadir Warsama Ghalib is a corporate legal counsel.*
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A sign is posted in front of the Electric Arts headquarters in Redwood City, California. The deal is a major push by PIF in its efforts to become a global hub for games and sports, betting on the enduring value of blockbuster game franchises as the industry recovers from a prolonged downturn.

Saudi PIF's $55bn EA deal gets EU approval under subsidy rules

Reuters
Brussels

Saudi Arabia's Public Investment Fund and a group of investors have gained EU approval for their $55bn acquisition of video game developer Electronic Arts under the bloc's subsidy rules, a European Commission filing showed on Friday.
In a regulatory filing on Thursday, Electronic Arts said it had received all regulatory approvals as of July 30 and that it expects to close the deal on August 4.
The deal secured a green light under EU merger rules last week, but the review under the Foreign Subsidies Regulation (FSR) was seen as the bigger hurdle.
The FSR aims to prevent unfair non-EU subsidies granted to companies looking to acquire rivals in the 27-country bloc. Reuters reported exclusively earlier this month that the deal would secure EU approval under the FSR.
The deal is a major push by PIF in its efforts to become a global hub for games and sports, betting on the enduring value of blockbuster game franchises as the industry recovers from a prolonged downturn.
It also underscores Saudi Arabia's diversification from oil into infrastructure, tourism, sports and gaming and other sectors.

HSBC sells $25bn Australian home and personal loan portfolio to Blackstone

Reuters
Hong Kong/London

HSBC is selling its A$36bn ($25.30bn) Australian home and personal loan book to global asset manager Blackstone in the world's largest-ever home loan portfolio transaction.
The deal, announced by the two companies on Friday, is the latest move in HSBC CEO Georges Elhedery's overhaul of the bank. Elhedery has cut management ranks, reduced costs and shed non-core operations since assuming the top job in September 2024.
The sale of the Australian portfolio is to close in the first half of 2027, subject to regulatory approvals. Blackstone said the deal was the largest-ever sale of a home loan portfolio.
It said the portfolio would be held across the Blackstone Credit and Insurance, Tactical Opportunities and Real Estate Debt Strategies funds.
HSBC is only a minor player in Australia's A$2.5tn mortgage market, which is dominated by the country's "Big Four" banks. It does not operate a major retail branch network.
Blackstone said the loan portfolio would be managed by Pepper Money, a non-bank lender that operates in Australia. Pepper shares rose as much as 6% on Friday, but the stock is down nearly 20% this year.
HSBC said it expected the sale would result in a loss of less than $100mn by the first half of 2027, and that it would incur about $300mn in restructuring costs linked to the retail wind-down.
It also expects to recognise about $300mn in foreign currency translation losses, with no impact on its CET1 ratio.
Since the global financial crisis, HSBC has been scaling back its worldwide footprint, exiting low-returning consumer banking activities in markets ranging from France and Greece to Canada.
The bank last week agreed to sell its Singapore insurance unit to Germany's Allianz SE, and struck a deal in May to divest its retail and wealth operations in Indonesia to Singapore's Oversea-Chinese Banking Corp.
HSBC said it would continue investing in its corporate and institutional banking business across Australia and New Zealand, moving away from consumer lending as part of the restructuring.
Blackstone said separately it plans to continue deploying significant capital to tap Australia's housing market.
The transaction comes as Australia's housing market faces softer demand, with higher borrowing costs and tax changes weighing on investor activity.
Australian lender Westpac said in June mortgage applications had declined 10% since the government's May budget, while National Australia Bank on Thursday posted a 15% drop in applications in the June quarter.

The deal, announced by the two companies on Friday, is the latest move in HSBC CEO Georges Elhedery's overhaul of the bank. Elhedery has cut management ranks, reduced costs and shed non-core operations since assuming the top job in September 2024

Argentina, Korea in critical minerals partnership

AFP
Buenos Aires

Argentina and Republic of Korea are set to deepen their cooperation in the critical minerals industry, the Argentine foreign ministry announced on Friday.
The deal comes one day after Seoul entered a similar partnership with Chile, during a visit to South America by President Lee Jae Myung.
The agreement with Argentina "seeks to promote investments and joint projects in the exploration, extraction, processing and refinement" of critical minerals, Foreign Minister Pablo Quirno wrote on X.
The South American nation is the world's fifth-largest producer of lithium, considered an essential mineral in the global energy transition.
Lee met with his Argentine counterpart Javier Milei in Buenos Aires in what Quirno said was the first visit by a Republic of Korea's leader to the country in 22 years.
The meeting focused on "strengthening the bilateral relationship, expanding trade and investment, cooperation in critical minerals and energy and the development of joint projects in strategic sectors," the Argentine presidency stated.
Milei's administration on Friday also gave Korean company Posco the green light to ramp up lithium extraction in Salta, located in northwest Argentina.
"With a $547mn investment, the project will make it possible to produce 23,000 tons of lithium carbonate per year and will generate exports of more than $300mn annually," the economy ministry stated.
One day previously, Lee met with Chilean President Jose Antonio Kast in Santiago, where the two announced a similar critical minerals partnership.
Chile is the world's leading copper producer and second-largest lithium producer.

AI model distillation: Why is it becoming a US-China flashpoint?

Reuters
Beijing

A technique that allows developers to shrink powerful artificial intelligence models into cheaper, more efficient systems has become the latest battleground in the intensifying US-China race for AI dominance.
Known as model distillation, the method uses the outputs of a powerful AI system to train a smaller model that can perform some of the same tasks with fewer computing resources.
Long regarded as a standard tool of AI research, distillation is now at the centre of a growing dispute over whether advanced AI capabilities can be transferred without the consent of the companies that created them.
Washington and leading US AI firms have accused Chinese rivals of using the technique to extract capabilities from proprietary models, opening a new front in an increasingly bitter competition over technological leadership.
Below are key facts about the practice at the centre of the debate.

WHAT IS MODEL DISTILLATION?
The largest AI models, known as frontier models, require enormous amounts of computing power, data and investment to train.
Model distillation offers a way to create smaller systems by using a large "teacher" model to train a smaller "student" model. The teacher generates examples, such as answers and computer code, which are then used as training material for the student.
The smaller model is not a replica of the teacher. It does not inherit the teacher's weights, architecture or full capabilities. Instead, it learns selected behaviours that enable it to perform specific tasks more efficiently.

WHY DOES DISTILLATION MATTER?
The appeal of distillation is that it can make AI cheaper and easier to deploy.
A frontier model may require large data centres and expensive chips to operate. Distilled models can run on less powerful hardware and be tailored for specific tasks. That makes them appealing to companies and governments looking to deploy AI more widely, from devices and factories to vehicles and private networks.

Known as model distillation, the method uses the outputs of a powerful AI system to train a smaller model that can perform some of the same tasks with fewer computing resources

WHY ARE REASONING TRACES IMPORTANT?
Recent AI systems have increased interest in transferring not only final answers but also the steps used to reach them.
These "reasoning traces" can show a smaller model how to approach a difficult problem rather than simply what answer to produce.
Florian Tramer, an assistant professor at ETH Zurich who researches machine-learning security, compared the process to human learning. "If I give you a book of complicated math problems with final solutions, you will have a much harder time learning how to solve problems than if I gave you detailed solutions that describe all steps to take," he said.
As reasoning traces have become more valuable, access to AI outputs has become more sensitive because they may expose some of the methods advanced systems use to tackle complex problems.

WHO USES DISTILLATION?
Distillation is a widely used AI training technique, not an inherently improper practice.
US researchers and companies have long used it, including Stanford University's Alpaca project and Microsoft's Orca research, which relied on outputs from more advanced models to improve smaller ones.
Chinese researchers have also used outputs from US models in public research projects, including efforts to create Chinese-language instruction models.
The key difference lies in access. Open-weight models let researchers inspect and modify underlying parameters.
Closed models, such as OpenAI's ChatGPT and Anthropic's Claude, remain under company control and are typically accessed through proprietary interfaces or APIs.

WHY HAS DISTILLATION BECOME A US-CHINA ISSUE?
The controversy is less over distillation itself and more about unauthorised extraction.
AI companies argue there is a distinction between legitimate research and systematically harvesting outputs from proprietary models to replicate commercially valuable capabilities.
Anthropic has accused Chinese entities including DeepSeek, Moonshot and MiniMax of conducting large-scale campaigns to obtain capabilities from Claude models.
The company said those efforts targeted capabilities including software engineering and advanced reasoning.
OpenAI has also said it has detected attempts by Chinese actors to use its models for distillation-related purposes.
No Chinese companies have accused US rivals of distilling closed-source models so far.

World's $1.8 quadrillion balance sheet has a simmering problem

By Mike Dolan
London

The vast riches comprising the world's $1.8 quadrillion financial balance sheet may speak to the rude health of the global economy. But the rapid expansion of household net worth to some $570tn last year is increasingly being driven by paper equity values, drifting away from tangible asset values and underlying economic performance.

That makes this bill of health look a lot more precarious.

The annual number crunch by business consultants McKinsey & Company tries to capture the global financial picture using a balance sheet lens, estimating the scale of interlocking assets, liabilities and wealth around the world.

National variations can be stark, but the overall picture is clearly one of household net wealth expanding faster than global GDP. Equities were the main driver of this in all major economies last year. The artificial intelligence boom swept world equities 20% higher last year, even in the face of seismic US trade disruptions and even as real GDP growth hovered near its long-term average.

The McKinsey report said household wealth expanded 7.3% globally last year, well above the 5.9% annual average since 2000. Some 57% of that gain was due to equities, with only 15% driven by real estate - a marked departure from the average composition of wealth drivers over the past 25 years during which real estate produced more than half of the increase in wealth.

To put that in context, real estate currently accounts for about half of global household net wealth. Equities and investment funds represent about a quarter, with 20% in bonds and pensions and 20% in cash deposits. Loans of roughly 15% subtract from the total.

The equity percentage is a bit higher - closer to a third - in the United States.

All well and good then, unless you think that equity markets are seriously out of whack and riding for a fall. And this is where the report's authors focus their anxieties, fretting about stocks' "mounting detachment" from the real global economy, the risks of a sharp correction and rising inequality in asset holdings.

Last year, for example, US equity values soared to 2.4 times corporate net assets, with profits' share of US GDP now double their level in 2000.

Paper gains were the lion's share of the $40tn rise in household wealth last year. Only 20% was based on net new investment - in real assets including machinery and equipment, homes and buildings, infrastructure, and intellectual property, less depreciation - compared to 30% on average from 2000 to 2024. Valuations of existing assets grew 4 percentage points faster than already-high inflation.

"When the balance sheet outruns the underlying economy, weaknesses can be exposed," McKinsey said. "When real estate and equity values rise faster than GDP, capital may disproportionately go to asset repurchases, sometimes with a lot of leverage. This may push up valuations but leave the economy deprived of the type of investment that generates long-run growth."

"For households, wealth rises but merely on paper, with heightened risks of eventual corrections. Growing asset values also tend to exacerbate wealth inequality, as existing owners of wealth see large gains while entering asset markets becomes harder for others - for example, young households trying to buy a home."

These problems are well documented but speak to the question of the moment.

Will the blistering AI-driven stock market surge and capex spree of recent years be justified by the real returns and productivity gains over the long term?

That question is causing more angst than usual this week as the major AI "hyperscalers" report earnings.

If there's even a reasonable doubt that these equity valuations are justified, their reversal could ripple far and wide.

On one level, the equity issue is very US-centric, with the United States accounting for nearly half of the equity held across all countries in the McKinsey sample. And US equity values climbed to 2.4 times net assets last year while the figure in most other countries hovered around 1.0.

But a US equity pullback would affect households around the globe too. More than one-third of US equity liabilities are owed to foreign entities, as is clear in the gigantic deficit in the US net international investment position.

So what's the report's conclusion? It restates its three main scenarios. Either we get the promised productivity miracle that AI cheerleaders tell us is coming, or persistently high inflation eventually erodes real asset values and debts and reconnects the balance sheet with nominal GDP. The third option is a painful correction in which savers and the underlying economy suffer a protracted hangover.

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

Teetering US stock market faces jobs report and earnings week

Non-farm payrolls report due August 7, job growth of 91,000 seen; one-fourth of S&P 500 results due, including Lilly, AMD, Palantir; Elon Musk's SpaceX set to give first quarterly report

Reuters
New York

US employment data and a batch of corporate results this coming week will keep equity investors on edge over the direction of the stock market, which has been buffeted by geopolitical tensions, uncertain interest-rate policy and sizeable moves in heavyweight technology shares.

The S&P 500 was on track for a slim weekly gain as of Thursday, after some big daily swings, and was roughly 2.3% below the benchmark index's June 2 record high.

Investors were digesting contrasting earnings reactions from Microsoft and Meta Platforms - two megacap companies whose massive AI spending has been at the heart of the bullish AI trade this year. Microsoft shares posted their biggest single-day percentage jump since 2008 after its upbeat forecast on cloud growth, while Meta's tumbled after it reported a plunge in cash flow.

The Federal Reserve's monetary policy meeting and resulting "hawkish hold" on Wednesday also left investors unclear about the implications for stocks amid what many said were mixed messages over the central bank's plan for reining in inflation.

The monthly US jobs report, due on August 7, will command Wall Street's attention along with results from companies including drugmaker Eli Lilly and semiconductor designer Advanced Micro Devices.

The first quarterly report is also due on Tuesday for Elon Musk's SpaceX, whose shares have stumbled after their post-initial public offering surge last month and which could have broader ramifications for investors' risk appetite.

"It's an overall market that is searching to regain its footing and kind of feeling around for where that is going to come from," said Yung-Yu Ma, chief investment strategist at PNC Financial Services Group.

The S&P 500 is up over 8% in 2026. Investors have pointed to fundamental support for stocks from strong overall corporate profit growth, while a recent broadening of equity gains to lagging sectors could indicate more durability for the nearly 4-year-old bull market.

But concerns that some areas of the AI trade have become overheated have weighed on indexes, especially on high-flying shares of semiconductor companies that have retreated in July. A re-escalation in the US war with Iran is also complicating the picture, with a resurgence in oil prices driving up Treasury yields on renewed inflation worries.

"The market has kind of been held hostage to the price of oil and the yield on the 10-year (Treasury), both of which have moved higher," said Art Hogan, chief market strategist at B. Riley Wealth. "We'll see if we can get any relief on that front next week."

Wall Street was still grappling with the Fed's decision to keep interest rates unchanged, as three of its 12 policy-makers dissented from the vote in favor of a hike.

Confusion centered on the press conference from new Fed chair Kevin Warsh, who was presiding over his second meeting. Warsh repeated his firm intent to bring inflation down to 2%, but investors expressed uncertainty about how he planned to reach that longstanding target. Data on Thursday showed the core Personal Consumption Expenditures Price Index - an inflation gauge the Fed tracks - rising 3.3% year on year in June.

Warsh's aim to reduce the Fed's guidance telegraphing its rate plans could also bring new market scrutiny to economic data, including the upcoming jobs report.

The new leadership at the Fed is "a meaningful change in terms of mindset around forward guidance, transparency and communication," said Jim Baird, chief investment officer with Plante Moran Financial Advisors.

"What we'll likely see as a result is the potential for maybe a little bit more volatility around key economic releases ... because there's just a little less clarity around where we're heading."

The non-farm payrolls report for July is expected to show an increase of 91,000 jobs, and an unemployment rate of 4.3%, according to a Reuters poll.

Given the Fed's focus on inflation, a significantly higher job growth number could raise concerns about an overheated economy and firm up bets on rate hikes. Fed funds futures as of Thursday were indicating a 64% chance of a rate increase at the Fed's next meeting in September, according to LSEG data.

"If there was an unexpected heating up of labor conditions, that would contribute almost unambiguously to a Fed more likely to raise at the next meeting," Baird said.

More than one-quarter of the S&P 500 is due to post results next week. Reports include Caterpillar, Palantir and Merck.

Second-quarter profits overall are tracking for a big jump. Including companies that have reported along with estimates for the rest, S&P 500 earnings are on pace to rise 27.7% on an adjusted basis from a year ago, according to LSEG IBES data as of Wednesday.

"The earnings picture overall should provide stability," PNC's Ma said.

Traders work on the floor of the New York Stock Exchange. US employment data and a batch of corporate results this coming week will keep equity investors on edge over the direction of the stock market.

Euro may be poised for a rebound against the British pound

Reuters
London

The euro has been sliding against the British pound for the past nine months, but technical analysis indicates the trend could be nearing its end. The decline accelerated sharply in July, with the euro falling from 0.8617 to 0.8455, according to data supplied by LSEG. Technical analysts often scrutinise a sudden acceleration in a trend closely because it can sometimes signal exhaustion of a move rather than strength - like a final push before a reversal.

That acceleration briefly pushed the euro below its 200-month moving average. Moving averages smooth out price action over time, allowing analysts to better discern trends, and they often act as support, where buyers come out in stronger numbers.

In the case of the euro, the 200-month moving average had held firm since June 2025.

Crucially, the break below it did not last. This "false break" of a key support level is considered a bullish signal. Now, as long as the euro holds above this average on a closing basis, the broader outlook favors the single currency.

The second development comes from candlestick charting - a method that tracks the open, high, low and close of a market to reveal shifts in sentiment. July's price action has formed a "hammer" pattern: A candle with a small body near the top and a long lower wick trailing beneath it. This shape suggests that although sellers drove prices sharply lower during the month, buyers stepped back in and pushed the price back up towards its opening level - a sign that selling pressure may be fading.

Should this hammer candle hold through the end of July - when markets close on Friday - the euro could target gains to the 100-month moving average, currently positioned at 0.8658.

However, a closing level near the lows of the month would hand the advantage back to sellers and deal the euro a significant blow.

The euro's nine-month downtrend versus sterling accelerated sharply in July, from 0.8617 to 0.8455. Its dip below the 200-month moving average and subsequent rebound created a false break, a bullish signal. Formation of a hammer candlestick pattern points to a possible test of 0.8658.

The euro has been sliding against the pound for the past nine months, but technical analysis indicates the trend could be nearing its end

Ken Griffin's Citadel rescues AI fund Situational Awareness

Reuters
California

When rival hedge funds face catastrophic losses, billionaire investor Ken Griffin has a habit of identifying opportunities and showing up with a checkbook.

Citadel's founder this week reprised his role as one of Wall Street's rescue buyers, stepping in to salvage California hedge fund Situational Awareness as it buckled under souring bets on artificial intelligence stocks.

Amid market rumblings that at least one firm was in trouble, Griffin, 57, assembled his top lieutenants to investigate, according to five people with knowledge of the matter.

By Wednesday morning, Citadel executives had reached out to Situational Awareness, and Griffin spoke directly with Leopold Aschenbrenner, the fund's young founder and a former OpenAI researcher.

Together with Citadel co-Chief Investment Officer Pablo Salame, Chief Operating Officer Gerald Beeson, Perry Vais, its head of equity quantitative research, and Chief Legal Officer Shawn Fagan, Griffin pulled an all-nighter to analyze the trading book positions of Situational Awareness and how liquid the bets were, the sources said.

After a selloff in AI stocks, the Situational Awareness portfolio lost 67% of its value in July, and the fund was forced to unwind most of its $16bn public equities book. By Thursday, Citadel had bought a chunk of its book.

"We let you down," Aschenbrenner wrote to his investors in a letter seen by Reuters.

Word spread quickly on Wall Street that Citadel, one of the world's largest hedge funds which prides itself on disciplined risk-taking and seizing market opportunities, had stepped in.

"There are only a few firms that could take down this much risk," said one investor familiar with the deal who was not authorised to speak publicly.

Reuters could not ascertain how much money Citadel had made on the deal, although many AI stocks in the portfolio have risen since.

Representatives for Citadel and Situational Awareness declined to comment.

For Griffin, who began trading from his Harvard University dormitory some four decades ago and now oversees $71bn in assets, it is a playbook that stretches back decades.

"During market stress, the collective judgment of our business leaders, risk managers and portfolio managers enables us to capitalise on market opportunities when others, who depend on simplistic stop-loss approaches, cannot," Griffin wrote in a 2023 letter to investors seen by Reuters. When energy company Enron filed for what was then the largest bankruptcy in US history in 2001, Griffin chartered a jet that same day, dispatching top Citadel executives to interview nearly all of the energy traders and analysts who had worked there, the Financial Times reported last month and one of the sources confirmed.

The recruits would go on to shape Citadel's commodities franchise for years. It was an approach Griffin would return to time and again as markets lurched from one crisis to the next.

In 2007, $3bn hedge fund Sowood Capital transferred a portion of its portfolio to Citadel after Sowood became the first high-profile fund casualty of the global financial crisis sparked by subprime lending that led to the collapse of firms including US investment bank Lehman Brothers. "Citadel offered the only immediate and comprehensive solution," Sowood founder Jeffrey Larson wrote to clients, Reuters reported at the time.

The Sowood move followed on the heels of Citadel rescuing the energy portfolio of failed hedge fund Amaranth Advisors, which went out of business after losing $6.4bn from bad bets on natural gas trading.

And in 2021, when Main Street investors uniting on social media platform Reddit took the opposite side of prominent hedge fund Melvin Capital's bet against ailing video game retailer GameStop, Citadel stepped in again.

Together with Steven Cohen's hedge fund Point72 Asset Management, where Melvin's founder Gabe Plotkin had previously worked, Citadel injected $2.75bn into the troubled firm.

Griffin was born in Daytona Beach, Florida, in 1968. After placing his first convertible bond trades as a college student, he founded Miami-based Citadel in 1990 in Chicago and built it into one of the world's most profitable hedge funds.

Forbes estimates Griffin's personal fortune at roughly $52bn. In 2002, Griffin expanded beyond hedge funds by co-founding Citadel Securities, a market maker that has become a cornerstone of global trading.

Griffin has donated more than $2.5bn to causes ranging from medical research to educational institutions, and made headlines for giving more than half a billion dollars to his alma mater, Harvard.

Griffin is known as a prominent Republican donor who has weighed in on thorny topics like President Donald Trump's tariffs, calling them a "huge policy mistake."

Citadel founder and CEO Ken Griffin.

Profits surge at US oil giants

AFP
New York

US petroleum giants ExxonMobil and Chevron released blowout profits on Friday, reflecting a major lift in business conditions from the Middle East war that easily offset negative effects at both companies.

ExxonMobil's second-quarter profits more than doubled to $14.5bn on surging oil prices and record refining margins due to the US-Iran war.

At Chevron, profits for the three-month period were $12.1bn, more than five times the level in the year-ago quarter. The results come on the heels of massive profits reported by other petroleum giants in the aftermath of Iran's virtual shutdown of the Strait of Hormuz, a key waterway for crude oil and liquefied natural gas shipments.

While both companies returned billions of dollars in dividends and share repurchases, pleasing investors, the profits arrive at a sensitive time in the United States, where gasoline prices sit above the psychologically important $4 per gallon level and polling has shown US President Donald Trump increasingly vulnerable on economic issues.

With revenues of $116bn, up 42%, ExxonMobil pointed to higher oil prices as a factor but described the level as "within historical ranges," citing the effects of reduced refining capacity and crude inventory releases as offsets that kept crude prices from rising more.

But refining margins, the profit from gasoline and other products minus crude oil costs, "reached record levels in the quarter," ExxonMobil said in prepared remarks that cited a nearly nine percent drop in global capacity because of war-related dislocations.

"The market environment was clearly supportive. But market conditions alone do not explain results," said the company, which also touted "reliable operations, optimisation in advantaged assets and high-value products across our businesses."

While the effects from the war mostly benefited ExxonMobil, damage to key liquefied natural gas assets in Qatar dented output.

Chevron's results also benefited from increased refinery margins as well as higher crude prices, which came in at an average of $96.41 a barrel on international assets, up 64% from the year-ago period.

Another boost compared with the year-ago period came from increased upstream production after Chevron completed the acquisition of Hess in July 2025.

Prada profits slump in first half

AFP
Milan

Prada said that its net profit slumped in the first half of this year as it integrates its new brand Versace, amid what the luxury fashion company called a "disrupted" macroeconomic environment.

Yet the 15 percent drop in net profit, to 327mn euros ($377mn) beat the analyst consensus forecast established by FactSet. The owner of the Prada, Miu Miu and Versace saw revenue rise by 11% to 3.0bn euros.

The Milan-based fashion house called its results "solid" amid a general slump in the luxury sector that predates the war in the Middle East.

But it warned that that growth opportunities were waning in the tough environment for luxury. "There is no obvious growth trend across the world," chief executive Andrea Guerra told analysts in a conference call. "There are in some countries, but not all across the world," he cautioned, adding that there nevertheless remained "huge opportunities" for the company.

"While the environment remains disrupted, we are confident in the strength of our brands and their long-term potential," Guerra said.

At Prada, the company's flagship brand, retail sales rose by 3.3% in the first quarter and 6.3% in the second quarter, helped by improvements in the Americas, Japan and the Asia-Pacific region and growth in all categories.

But the war in the Middle East was having an effect, reducing second-quarter growth by one percentage point, Guerra said.

Revenue at Miu Miu, Prada's more youthful line that has been a sales driver in recent years, rose by 2.5% in the half year -- against the difficult comparison of a 49% rise in the first half of 2025.

There, the effect from tensions in the Middle East was even more dramatic, curbing growth by about three percentage points, said Guerra.

"We have to adapt mentally to a new way of doing in a new world of normalised growth," he said of Miu Miu.

Versace, which Prada acquired last year, performance was "in line with expectations", the company said, adding that focus for the brand was on improving quality and retail execution. Guerra cited a "huge milestone" for the Prada brand coming in mid-September -- a new flagship store in Milan.

The company, he said, will open a "cultural, artistic, fashion, art, retail food experience" in Milan's Galleria Vittorio Emanuele II, the ornate 19th century shopping arcade where the first Prada boutique opened in 1913.

Musk dismisses report of Tesla's potential China business sale

Reuters
New York

Elon Musk dismissed as "fake news" a report that executives at his electric vehicle company Tesla have been told to prepare for a separation of its China business ahead of a potential merger with his space exploration firm SpaceX.

Tesla advisers have discussed possible options for a separation, including a spin off, sale or closure, the Wall Street Journal reported on Thursday, adding that it was unclear how quickly Tesla could move on the China business and that the plans could change.

"This has never even come up in a discussion ever," Musk, the world's richest person, said on his X social media account in response to the report. "Absurdly fake news".

A merger between Musk's Tesla and SpaceX would raise geopolitical and regulatory hurdles, particularly in China, because SpaceX is a major US defense contractor involved in national security and satellite programmes, while Tesla operates wholly owned manufacturing facilities in China.

Tesla and SpaceX could not be immediately reached for comment outside regular business hours.

Shares of the EV maker were up about 2% in premarket trading. Investors and analysts have long speculated about the possibility of combining Musk's EV and space firms, with the discussion intensifying during SpaceX's record $75bn initial public offering process.

Last week, Musk declined to dismiss the possibility of a merger between Tesla and his other trillion-dollar-plus company, SpaceX, saying the two businesses are increasingly overlapping.

Musk had in recent years instructed Tesla executives to organize the company with a "laser" between its US and China businesses, aiming to ensure that in the event of geopolitical strife between the two countries, at least the US half of Tesla would survive, the Journal said, citing sources.

Unlike many foreign automakers, Tesla's Chinese vehicle business is not structured as a joint venture with a local partner.

Tesla's Gigafactory Shanghai remains its largest and most productive plant globally, serving as its key export hub for Europe, Canada and the Asia-Pacific region.

The facility historically accounts for more than half of Tesla's global deliveries, with an annual production capacity of more than 950,000 vehicles.

Earlier last month, Musk left the door open to Tesla merging with his other trillion-dollar-plus-valued firm SpaceX, declining to dismiss the possibility and citing growing overlap between the companies.

JPMorgan analysts, however, have pointed to the "practical bottleneck" of getting regulatory approvals for both companies, particularly in China, where national security concerns over SpaceX's US government ties could pose problems.

While Giga Shanghai acts as a vital export pipeline, China itself is Tesla's second-largest market globally after the United States, though it faces intense pressure from local players such as BYD.

The Journal reported that executives have also discussed creating a separate sales entity to handle exports from the Shanghai plant. Tesla could create separate office systems and bar China-based employees' direct access to other company units, it added.

SpaceX President and Chief Operating Officer Gwynne Shotwell has also acknowledged potential benefits, telling CNBC in June that folding the companies together "might make Elon's life a little easier" by streamlining management across his businesses.

Nasdaq leads gains among Wall Street's main indexes

Indexes up: Dow 0.16%, S&P 500 0.12%, Nasdaq 0.34%; Amazon jumps as AWS growth soothes fears over rising AI spending; Apple slides as supply snags cloud outlook; July selloff puts chip index on track for worst month since June 2022

Reuters
New York

The Nasdaq logo is displayed on a screen at the Nasdaq Market site in Times Square in New York City. The Nasdaq led gains among Wall Street's main indexes on Friday, buoyed by Amazon's 13.7% jump after the Big Tech company joined some of its peers in delivering strong cloud revenue growth, putting to rest concerns about AI returns.

The Nasdaq led gains among Wall Street's main indexes on Friday, buoyed by Amazon's 13.7% jump after the Big Tech company joined some of its peers in delivering strong cloud revenue growth, putting to rest concerns about AI returns.

Limiting some optimism, Apple warned that supply constraints would hurt growth, prompting investors to look beyond near-term shortages to weigh the hit from an expected iPhone price hike as its shares dropped 9.8% in early trading.

This week was what some analysts called 'make-or-break' for the tech sector that had been rattled by investors taking some profits through July following a strong end to the second quarter, as they awaited signs that investments made by AI leaders at the expense of free cash flow were paying off.

Amazon reported its biggest revenue growth in over four years for the previous quarter on Thursday, joining similar reports from Microsoft and Alphabet earlier this month, prompting investors to look past the big drop in cash flows that the companies also logged.

"Amazon showed us, without a shadow of a doubt, that the web-services or AI side of the business is driving growth for the company," said Adam Sarhan, chief executive of 50 Park Investments in New York. "Investors are able to look past the free-cash-flow decline because it is one component. If growth continues, it will make up for that shortfall."

Shares of Microsoft were up 1.8% after logging their biggest one-day gain on record for a company in the previous session, while Alphabet and Meta gained more than 2% each. Among chip stocks, Nvidia climbed 1.3% and Micron gained 1.6%.

The Dow Jones Industrial Average rose 82.26 points, or 0.16%, to 52,290.32, the S&P 500 gained 10.05 points, or 0.12%, to 7,446.54 and the Nasdaq Composite gained 86.20 points, or 0.34%, to 25,208.37.

The S&P 500's consumer discretionary sector led the gains, up 5.2%, helped by Amazon's surge.

All three of Wall Street's main indexes are on track for weekly gains, aided by the strong rebound late this week. But the S&P 500 and the Nasdaq were on track for monthly losses, reflecting the sharp selloff AI-linked stocks witnessed through July.

The Philadelphia Semiconductor index rose 1.8% on Friday, butit was still down over 16.7% in July, which would mark its biggest monthly fall since June 2022. Investors instead took notice of other sectors, as the S&P 500 equally weighted index is on track for its fourth-straight month of gains.

"This momentum crash was tremendous and the positioning has been rinsed," said Laurent Clavel, global head of multi-asset at AXA Investment Managers, BNP Paribas Asset Management.

"Going into August, if anything, we are going back into it slowly. We're buying this weakness and we're re-buying this AI narrative," Clavel said.

The week also brought uncertainty in terms of interest rates after the Federal Reserve left its benchmark rate on hold. Chairman Kevin Warsh's commentary and a broadly benign inflation report on Thursday led investors to price in a 35% chance that rates will remain unchanged in September- up from about 18% last week, according to CME's FedWatch tool.

Chipmaker Monolithic Power Systems gained 11.1% after forecasting third-quarter revenue above estimates. Domain registrar GoDaddy lost 24.4% after narrowing its annual revenue forecast.

Declining issues outnumbered advancers by a 1.18-to-1 ratio on the NYSE and by a 1.16-to-1 ratio on the Nasdaq. The S&P 500 posted three new 52-week highs and one new low, while the Nasdaq Composite recorded 29 new highs and 30 new lows.

Europe makes trillion-euro bet to revive its battered industry

By Ron Bousso
London

Europe has been battered by a succession of energy shocks this decade that left it with some of the world's highest power costs. The bloc is now hoping to rebuild its competitive edge with a multi-trillion-dollar wager on home-grown electricity and renewables that could determine its industrial future.

Europe has gone through a succession of energy transitions over the past century. After running predominantly on coal until the 1960s, the region's economy expanded to oil before shifting in the 1980s to nuclear and natural gas, which remain central in its energy mix today, even as the continent has sought to transition to renewables since the early 2010s. Europe now finds itself at a crossroads once again.

The region's energy prices surged following Russia's full-scale invasion of Ukraine in 2022, leaving the region with power prices that are around 50% above those in China and double those in the United States, according to the International Energy Agency.

At the same time, European industry - which used to have a competitive edge thanks to its highly efficient manufacturing processes - has largely been eclipsed by China, which has made rapid advancements in high-value manufacturing in recent years.

Reducing its energy cost base is therefore crucial for Europe's industrial survival. Whether it can achieve this quickly enough remains uncertain, yet the continent's history shows that its deepest energy crises can become catalysts for profound economic transformation.

"France has no oil, but it does have ideas," was a famous slogan created as part of a campaign to encourage fuel savings following the 1973 energy shock triggered by the Arab oil embargo.

France responded to this crisis with the Messmer Plan, a massive programme to build a fleet of nuclear plants that transformed the country's energy system. By the late 1980s, the country's reliance on coal imports plummeted and energy costs had fallen to 1960s levels. Forty years later, France's reactors still underpin Europe's electricity market and stand as one of the continent's most consequential industrial policy successes.

The 1973 oil shock also coincided with the emergence of the North Sea as a major source of hydrocarbons for the region. Advances in offshore drilling unlocked vast reserves that supplied Europe with oil and gas for decades, reducing reliance on imported energy and underpinning a new era of regional prosperity.

However, after North Sea oil production peaked in the late 1990s, the energy model that underpinned European growth increasingly rested on imports of abundant, affordable fossil fuels from Russia.

Moscow's invasion of Ukraine led to that model's abrupt collapse, forcing Europe into a costly scramble for alternative supplies. The region's gas prices surged 10-fold to a record high of over €260 per megawatt hour in August 2022.

The continent ultimately replaced long-term pipeline oil and gas contracts with more expensive liquefied natural gas imports from global markets. The primary source was the United States, which had become the world's largest exporter of LNG in recent years.

The economic consequences were profound. Europe's energy-intensive sectors, including chemicals, fertilisers, aluminium, steel, cement and paper, suffered a sharp loss of competitiveness. This contributed to a prolonged industrial slowdown that has caused European economic growth to lag much of the world since 2023. Then came the Iran war. The abrupt loss of roughly 20% of global oil and gas supplies following the closure of the Strait of Hormuz after US-Israeli strikes on February 28 was yet another reminder of the vulnerability that comes with dependence on imported fuels.

Looking back on the past half century, Europeans have learned one lesson repeatedly: Energy security cannot be outsourced.

This realisation has fundamentally changed the rationale behind Europe's energy transition. When the EU first embraced renewables at scale - first through binding targets in 2009 and later in the 2019 "Green Deal" - climate change was the overriding objective. Policymakers assumed that steadily expanding wind and solar power, combined with the gradual reduction of fossil fuel consumption, would be sufficient to decarbonise the economy.

Many also assumed Russian gas would remain plentiful and dependable throughout the transition. That assumption proved disastrously wrong.

Today, renewables are no longer merely a climate policy. They are at the heart of national security and industrial policy. The scale of Europe's ambition is extraordinary. The bloc aims to raise the share of renewables in energy consumption from around 26% today to at least 42.5% by 2030. Last month, the European Commission unveiled plans to turn Europe into what it calls the world's first "electro-continent", doubling electricity's share of final energy consumption to 46% by 2040.

These plans are aggressive but not unreasonable. The Institute for Energy Economics and Financial Analysis estimates that if the EU achieves its heat pump, solar and wind installation targets, these three technologies alone could cut gas demand by around a quarter by 2030. The investment required is daunting, however. Brussels estimates the transition will require more than €660bn annually through 2040. Yet the cost looks different when viewed against the alternative.

First, the European Commission estimates its electrification plan could save €260bn per year by 2040 on its fossil fuel import bill.

The European Union has spent roughly €450bn a year on fossil fuel imports since the 2022 crisis. Additionally, the shift to renewables could save hundreds of billions of euros in avoided costs from the environmental impact of climate change such as wildfires and floods, advocates argue.

What's more, while fossil fuel imports shift cash overseas, renewable infrastructure creates a domestic ecosystem. Assets such as solar farms, power grids, electric vehicles, heat pumps, battery plants and transmission networks generate local labour and local supply chains, representing a transformational opportunity.

The quest for cheap and abundant power has become doubly important due to the energy-hungry artificial intelligence revolution. Maintaining industrial competitiveness moving forward is expected to require robust AI infrastructure.

■ *Ron Bousso is a columnist for Reuters. The opinions expressed are those of the author.*

BUSINESS

The Qatar Stock Exchange (QSE) declined by 111.79 points or 1.1% to 9,920.69 vs. the previous week. Market capitalisation declined by 1.3% to QR594.2bn from QR601.9bn at the end of the previous trading week.

Of the 54 companies traded, 15 ended higher, one unchanged, while 38 ended lower. Gulf Warehousing Co (GWCS) was the best performing stock for the week, rising 4.4%. Meanwhile, Dlala (DBIS) was the worst performing stock for the week, decreasing 10.9%.

Ooredoo (ORDS), Industries Qatar (IQCD) and Dukhan Bank (DUBK) were the main contributors to the weekly index decline, shaving off 52.08, 47.57 and 19.80 points from the index, respectively.

Traded value during the week declined 8.9% to QR1,563.1mn vs. QR1,716.3mn in the prior trading week. QNBK was the top value stock traded during the week with total traded value of QR160.8mn.

Traded volume climbed up 1.9% to 654.8mn shares compared with 642.8mn shares in the prior trading week. The number of transactions dropped by 24.3% to 126,679 vs. 167,271 in the prior week. Mazaya (MRDS) was the top volume stock traded during the week with total traded volume of 77.3mn shares.

Foreign institutions remained bearish, ending the week with net selling of QR86.6mn vs. net selling of QR65.6mn in the prior week.

Qatari institutions remained bullish with net buying of QR40.0mn vs. net buying of QR54.7mn in the week before. Foreign retail investors ended the week with net buying of QR13.1mn vs. net buying of QR1.3mn in the prior week. Qatari retail investors ended the week with net buying of QR33.5mn vs. net buying of QR9.6mn.

Global foreign institutions remained net sellers of Qatari equities by $101.5mn YTD, while GCC institutions remained net sellers by $23.2mn.

QNB FINANCIAL SERVICES

Weekly Market Report

Market Indicators	Week ended. July 30, 2026	Week ended. July 23, 2026	Chg. %
Value Traded (QR mn)	1,563.1	1,716.3	(8.9)
Exch. Market Cap. (QR mn)	594,182.2	601,901.4	(1.3)
Volume (mn)	654.8	642.8	1.9
Number of Transactions	126,679	167,271	(24.3)
Companies Traded	54	54	0.0
Market Breadth	15:38	17:35	–

Source: Qatar Stock Exchange (QSE)

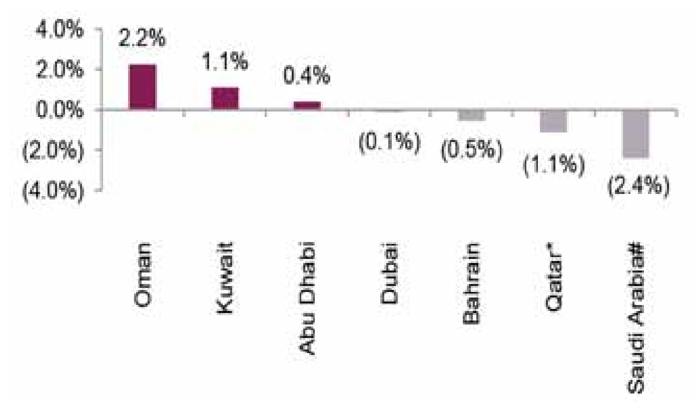
Market Indices	Close	WTD%	MTD%	YTD%
Total Return	24,515.29	(1.1)	(3.1)	(4.7)
ALL Share Index	3,884.03	(1.1)	(3.2)	(4.3)
Banks and Financial Services	4,966.64	0.0	(2.6)	(5.3)
Industrials	3,942.11	(2.8)	(4.5)	(4.7)
Transportation	5,172.91	0.4	(3.2)	(5.4)
Real Estate	1,404.70	(1.4)	(3.9)	(8.1)
Insurance	2,655.42	(2.2)	(2.0)	6.2
Telecoms	2,307.77	(6.1)	(5.0)	3.5
Consumer Goods & Services	7,941.37	(0.4)	(2.9)	(4.6)
Al Rayan Islamic Index	4,983.20	(2.1)	(3.4)	(2.6)

Source: Qatar Stock Exchange (QSE)

QSE Index and Volume

Source: Qatar Stock Exchange (QSE)

Weekly Index Performance



Source: Bloomberg

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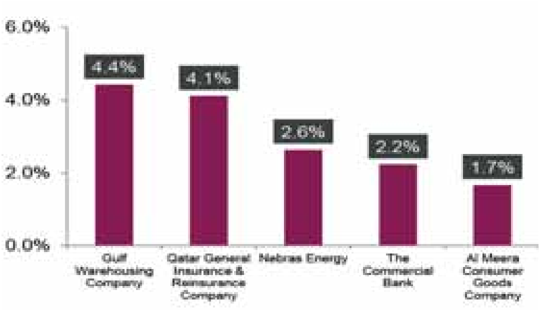
Regional Indices	Close	WTD%	MTD%	YTD%	Weekly Exchange Traded Value ($ mn)	Exchange Mkt. Cap. ($ mn)	TTM P/E**	P/B**	Dividend Yield
Qatar*	9,920.69	(1.1)	(3.1)	(7.8)	429.01	162,984.2	11.4	1.3	5.0
Dubai	5,792.16	(0.1)	(2.7)	(4.2)	496.60	261,394.1	9.2	1.7	5.5
Abu Dhabi	9,878.82	0.4	0.8	(1.1)	1,055.46	753,451.0	19.3	2.3	2.5
Saudi Arabia#	10,544.10	(2.4)	(2.4)	0.5	5,325.30	2,536,583.7	16.5	2.1	3.6
Kuwait	8,756.68	1.1	0.6	(1.7)	1,233.63	168,300.8	17.9	1.8	3.8
Oman	7,277.20	2.2	(3.1)	24.0	663.48	54,940.9	12.8	1.6	4.2
Bahrain	1,956.33	(0.5)	(4.2)	(5.3)	13.18	20,122.2	16.2	1.3	4.5

Source: Bloomberg

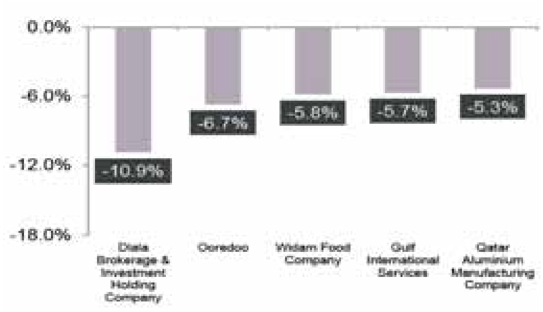
Qatar Stock Exchange

Top Five Gainers



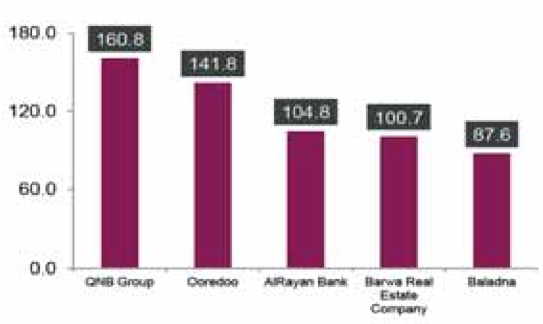
Source: Qatar Stock Exchange (QSE)

Top Five Decliners



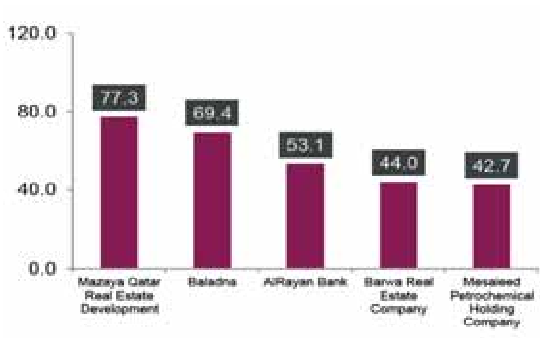
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



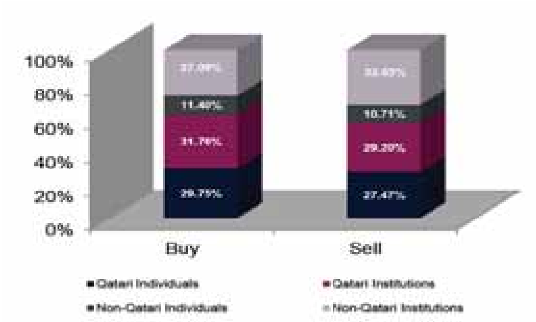
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



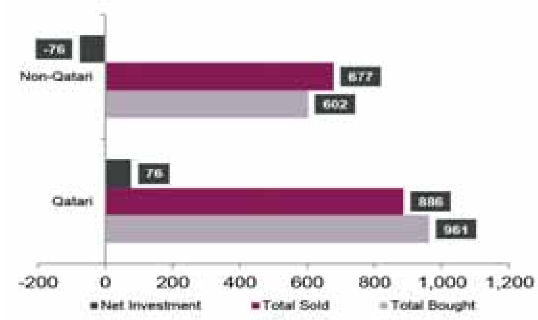
Source: Qatar Stock Exchange (QSE)

Investor Trading Percentage to Total Value Traded



Source: Qatar Stock Exchange (QSE)

Net Traded Value by Nationality (QR Million)



Source: Qatar Stock Exchange (QSE)

Company Name	Last Price	% Change Weekly	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	16.57	0.42	(11.20)	153,048	9.4	1.4	4.4
Qatar Islamic Bank	21.66	0.28	(9.56)	51,181	11.0	1.7	4.2
Commercial Bank of Qatar	4.12	2.23	(1.90)	16,675	9.4	0.8	7.3
Doha Bank	2.90	(0.07)	0.98	8,985	10.0	0.8	5.2
Al Ahli Bank	4.06	(0.15)	8.38	10,365	11.6	1.4	6.2
Qatar International Islamic Bank	10.82	(1.55)	(5.34)	16,378	12.9	2.0	4.9
Al Rayan Bank	1.99	1.02	(9.30)	18,507	13.7	0.8	5.5
Lesha Bank	2.80	(2.54)	50.48	3,135	13.0	2.0	2.1
National Leasing	0.68	(1.59)	(1.02)	336	15.4	0.5	5.9
Dlala Holding	1.52	(10.89)	55.46	290	95.5	1.6	N/A
Qatar & Oman Investment	0.77	(0.90)	(17.46)	138	N/M	0.8	N/A
Islamic Holding Group	2.70	(1.96)	(15.36)	153	76.9	0.9	1.7
Dukhan Bank	3.25	(4.13)	(7.04)	17,011	12.6	1.2	4.9
Banking and Financial Services				**296,202**			
Zad Holding	12.46	(1.50)	(10.30)	3,581	15.3	1.9	5.5
Qatar German Co. for Medical Devices	1.26	(2.71)	(14.14)	145	14.1	N/M	N/A
Salam International Investment	0.74	(4.42)	1.38	841	8.1	0.5	8.2
Baladna	1.23	(0.68)	0.18	2,334	5.0	0.9	N/A
Medicare Group	5.50	(3.20)	(17.06)	1,548	18.0	1.5	4.0
Qatar Cinema & Film Distribution	2.34	0.00	(2.67)	147	14.6	1.1	4.3
Qatar Fuel	13.90	0.29	(8.37)	13,820	14.1	1.6	6.5
Widam Food	1.47	(5.85)	(1.88)	264	N/M	N/M	N/A
Mannai Corp.	4.88	(2.01)	8.81	2,226	8.0	2.0	6.1
Al Meera Consumer Goods	13.41	1.67	(7.96)	2,762	21.4	1.8	3.0
Mekdam Holding Group	2.11	(1.72)	(4.27)	359	10.3	1.5	6.6
Meeza QSTP	3.19	1.53	(6.18)	2,070	31.0	2.9	2.7
Al Faleh Education Holding	0.55	(2.50)	(20.32)	131	8.1	0.5	2.3
Al Mahhar Holding	2.06	0.10	(5.94)	426	8.6	1.1	7.3
Mosanada Facility Management Services	8.50	(0.46)	(10.53)	595	N/M	4.1	0.6
Consumer Goods and Services				**31,250**			
Qatar Industrial Manufacturing	2.18	(0.41)	(7.43)	1,035	7.9	0.5	6.0
Qatar National Cement	2.72	(1.13)	(1.45)	1,778	17.7	0.6	8.1
Industries Qatar	10.54	(3.92)	(11.65)	63,767	15.8	1.8	6.7
Qatari Investors Group	1.33	(0.89)	(9.52)	1,654	11.8	0.6	7.5
Nebras Energy	14.78	2.64	(1.79)	16,258	11.9	1.1	5.1
Aamal	0.70	(5.00)	(16.61)	4,429	10.7	0.5	7.1
Gulf International Services	1.82	(5.70)	(28.77)	3,382	6.4	0.8	5.5
Mesaieed Petrochemical Holding	1.09	(4.20)	0.09	13,744	39.8	0.9	3.8
Estithmar Holding	4.22	(0.38)	25.66	18,962	16.6	3.6	N/A
Qatar Aluminum Manufacturing	1.42	(5.33)	(11.25)	7,924	9.7	1.1	7.0
Industrials				**132,933**			
Qatar Insurance	1.92	(3.90)	(5.69)	6,284	11.2	1.0	5.7
QLM Life & Medical Insurance	2.20	0.05	(12.04)	770	12.0	1.1	4.6
Doha Insurance	2.92	(0.81)	13.91	1,462	7.2	1.1	6.3
Qatar General Insurance & Reinsurance	2.05	4.11	32.58	1,795	13.2	0.5	2.4
Al Khaleej Takaful Insurance	2.88	(1.94)	26.54	735	9.9	1.2	5.2
Qatar Islamic Insurance	7.99	(3.73)	(9.67)	1,199	8.3	2.0	6.3
Damaan Islamic Insurance Company	4.39	(0.20)	0.97	878	8.4	1.5	5.7
Insurance				**13,122**			
United Development	0.80	(5.00)	(12.60)	2,826	7.0	0.2	6.9
Barwa Real Estate	2.33	0.82	(10.97)	9,063	7.9	0.4	7.7
Ezdan Real Estate	0.81	(2.06)	(23.44)	21,485	179.3	0.6	N/A
Mazaya Qatar Real Estate Development	0.55	0.36	(4.01)	550	15.6	0.5	N/A
Real Estate				**33,924**			
Ooredoo	12.50	(6.72)	(4.07)	40,040	10.6	1.4	6.0
Vodafone Qatar	2.58	(3.80)	5.95	10,910	14.1	2.1	4.6
Telecoms				**50,950**			
Qatar Navigation (Milaha)	9.90	(0.23)	(8.05)	11,251	9.4	0.6	4.5
Gulf Warehousing	2.34	4.42	4.46	137	11.1	0.5	4.3
Qatar Gas Transport (Nakilat)	4.13	0.73	(8.00)	22,881	13.5	1.6	3.5
Transportation				**34,270**			
Qatar Exchange				**594,182**			

Source: Bloomberg

Technical analysis of the QSE index

Source: Bloomberg

The Index closed -1.1% for the week and printed 9,920.69. The index has been in a down-leg for the past few months and breached the 10,000 psychological level. This indicates the index can witness further profit-booking and test the 9,700 level, followed by 9,400. The 10,000 level may act as a stiff resistance going ahead.

Definitions of key terms used in technical analysis

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

MACD (Moving Average Convergence Divergence) indicator – The indicator consists of the MACD line and a signal line. The divergence or the convergence of the MACD line with the signal line indicates the strength in the momentum during the uptrend or downtrend, as the case may be. When the MACD crosses the signal line from below and trades above it, it gives a positive indication. The reverse is the situation for a bearish trend.

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

WEEKLY ENERGY MARKET REVIEW

Oil prices settle higher, log strongest month since March

www.abhafoundation.org

Oil

Oil prices closed more than $1 a barrel higher on Friday, ending July with their biggest monthly gains since March, as concerns over global crude flows mounted following reports from Iran that some tankers were forced to turn back in the Strait of Hormuz.

For July, Brent gained 24% and WTI rose 21%. Brent crude futures settled at $90.12 a barrel, and US West Texas Intermediate (WTI) crude finished at $84.67 a barrel. For the week, Brent fell 6.9%, while WTI fell 5.2%.

The war in Iran, which began on February 28, has sharply curtailed traffic through the Strait of Hormuz, a vital chokepoint that previously carried about one-fifth of global crude oil and natural gas supplies.

Iran has largely blocked shipping through the strait since the conflict began, while the Houthis have threatened vessels transiting the Bab el-Mandeb Strait at the southern end of the Red Sea.

A Liquefied Natural Gas tanker anchored for storage. Asian spot LNG prices inched down this week but remained near their highest level in four months. *Picture supplied by the Abdullah bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development.*

Gas

Asian spot liquefied natural gas (LNG) prices inched down this week but remained near their highest level in four months after an attack on Egyptian gas facilities added to the ongoing uncertainty over Middle East shipping routes.

The average LNG price for September delivery into northeast Asia was $21.35 per million British thermal units, down from $22.00 per mmBtu the week before.

Most players are managing with US substitution rather than any meaningful Middle East supply. Some demand destruction has occurred, but the price is being supported by a lack of supply.

In Europe, the Dutch TTF gas price settled at $19.71 per mmBtu, posting a weekly loss of 6.7%. A fall in Asian demand due to the higher price environment has led to stronger offers to Europe for uncommitted cargoes, according to analysts.

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

QNB explores prospects for US monetary policy under Warsh

The recent passing of former Federal Reserve chair Alan Greenspan provides an opportunity to reflect on how US monetary policymaking has evolved over the past 20 years.

A central debate is how much guidance a central bank should provide regarding the path of interest rates. Greater transparency and forward guidance can reduce uncertainty and strengthen transmission, but excessive commitment to a policy path may reduce policymakers' ability to respond to large economic shocks.

Finding the appropriate balance between policy commitment and flexibility is therefore one of the key challenges facing central banks, QNB stated in its latest economic commentary.

In recent decades, the Federal Reserve has confronted an extraordinary series of major economic and financial shocks, including the collapse of the dot-com bubble, the Global Financial Crisis, the Covid-19 pandemic and, more recently, rising trade tensions and tariff wars alongside geopolitical conflicts. These events have influenced the way monetary policy is conducted, moving from policy discretion to forward guidance, QNB stated.

"Now, with Kevin Warsh assuming the leadership of the Federal Reserve, there are indications that the approach may again be changing," stated QNB, which discusses how US monetary policy has changed over the past two decades and how the balance between policy commitment and policy flexibility could shift going forward.

Before communication became a central policy instrument, the Federal Reserve followed a markedly different approach. The Greenspan era (1987-2006) was characterised by a high degree of policy discretion and limited communication about the future path of monetary policy.

This reflected the view that preserving flexibility was essential in an uncertain economic environment, allowing policymakers to respond to evolving conditions without being constrained by earlier commitments, according to QNB.

The Global Financial Crisis (GFC) during 2007–2009 marked a turning point in the approach to communication. As the crisis deepened, the federal funds rate was rapidly reduced to near zero, reaching the effective lower bound - the point at which policy rates cannot be lowered further.

"In this environment, influencing expectations through communication about the future path of interest rates and assessments of the economic outlook became an increasingly important tool itself. By signalling that policy rates would remain low for an extended period of time, the Federal Reserve could reduce longer-term borrowing costs and stimulate economic activity even when short-term interest rates were already close to zero.

"This transformation began under Ben Bernanke in response to the GFC and was later reinforced under Janet Yellen and Jerome Powell. As a result, forward guidance evolved into an integral component of the monetary policy framework," QNB stated.

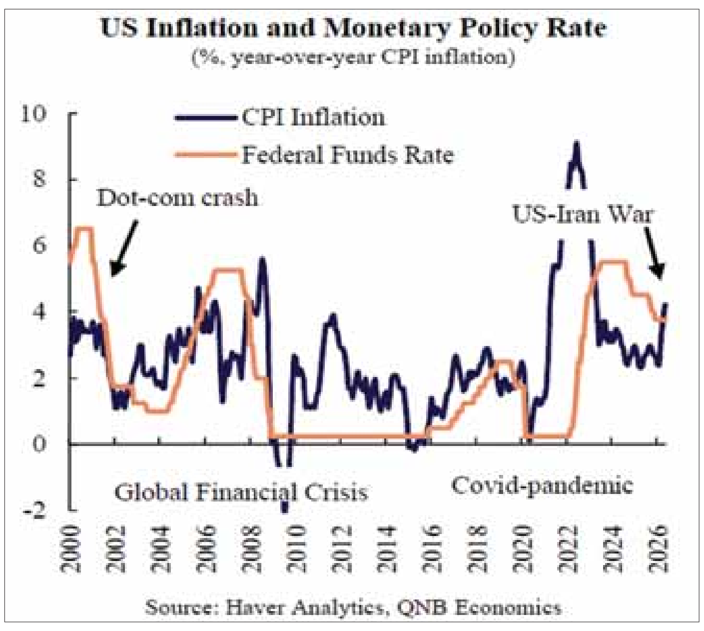
QNB stated that the economic environment today differs markedly from that of the post-GFC period. Rather than weak demand and below-target inflation, policymakers are now facing recurring supply shocks, heightened geopolitical uncertainty, trade conflicts, and structural changes associated with artificial intelligence.

"As a result, preserving policy flexibility has become increasingly valuable, while the benefits of committing to a predetermined policy path may have diminished. Against this backdrop, chair Warsh has established internal task teams to review key aspects of the Federal Reserve's policy framework, including its communication practices.

These reviews suggest a willingness to reassess approaches that have become established over the past two decades," QNB stated.

QNB added: "All in all, the evolution of the Federal Reserve's communication strategy reflects the changing nature of the challenges confronting monetary policymakers. Greater transparency and forward guidance were well suited to the post-Global Financial Crisis environment.

"Today's environment may require a different balance between policy commitment and flexibility. While it remains too early to assess the long-term direction of monetary policy under chair Kevin Warsh, the Federal Reserve could be moving in a new direction with the way it conducts and implements monetary policy."



Space-Eyes to go public in $638mn SPAC deal

Reuters
New York

Defence technology company Space-Eyes has agreed to go public through a merger with special purpose acquisition company McKinley Acquisition Corp, in a deal valuing the combined business at $638mn, according to four people familiar with the matter.

President Donald Trump's son Eric Trump has recently become the third-largest private investor in the original Space-Eyes, which has operated primarily as a research-and-development company and generated about $1mn in annual revenue, the people said.

Eric Trump will serve as a strategic adviser to the combined business following the transaction, the people said, adding he helped introduce potential board candidates to the new public company. Representatives for Eric Trump did not respond to a request for comment.

The Miami-based company develops artificial intelligence-powered counter-drone and geospatial intelligence technologies for governments and agencies.

While it is so far mostly a technology developer, it plans to scale up the business using third-party manufacturers, allowing it to expand into government contracts in different continents and into corporate clients, from cruise companies to data centers, the people said.

The investment thesis is based on expected contract growth rather than existing revenue, the people said. The company is currently negotiating contracts worth around $35mn over a period of five years, compared with the company's current awards that are typically valued annually at $300,000 to $400,000, the people said.

Those could include monitoring drug trafficking in the Caribbean, defense applications in the Middle East or preventing drone-borne contraband from entering US prisons, the people said.

As part of his new role, Eric Trump is expected to advise the company on security threats posed by drones and other emerging technologies, drawing on his experience with security issues surrounding the White House.

"He is an important adviser that connects us to people and opportunities, and he is an adviser that brings the intelligence," one of the people said.

The transaction is expected to provide up to $251.7mn in gross proceeds, including capital held in McKinley's trust account and a planned private investment in public equity, or PIPE, financing, the people said.

The deal reflects growing investor interest in defense technology companies as governments worldwide increase spending on drone detection, autonomous systems and AI-driven battlefield intelligence. Space-Eyes' model is inspired by software and data analytics providers such as Palantir, the people said.

Palantir, a major US government contractor, reported an adjusted operating margin of 60% in the first quarter, compared with the single-digit margins typical of traditional defense hardware contractors. Space-Eyes defines itself as software and systems company that combines data from satellites, radar, radio-frequency sensors and other sources to detect, track and respond to drone threats and deliver real-time geospatial intelligence.

US bank regulators propose fair-lending rule update

Reuters
Washington

A pair of US bank regulators proposed an update on Friday to some fair lending rules, which would place additional scrutiny on how banks dole out grants while exempting smaller firms from some requirements.

The proposal from the Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency is the latest attempt in a long-running effort to update rules policing the 1977 Community Reinvestment Act.

Conceived to prevent redlining - a discriminatory practice where banks refuse or offer only limited lending to certain areas or populations, primarily minorities - CRA regulations are central to banks' overall supervisory performance. Poor CRA grades put lenders in a so-called penalty box, meaning they are barred from doing mergers and other deals.

The new proposal, if finalised, would require banks to prove that most of the funds distributed via so-called "community development" grants are spent in the intended communities and that the organisations receiving those funds do not have excessive overhead costs. It would also exempt more banks from the rule's requirements. Banks with under $10bn in assets would be exempted from some data collection and reporting requirements, relief previously granted to banks with under $1.65bn in assets.

The agencies touted the proposal as trimming burdens on banks and ensuring grants benefit communities, but the plan was quickly criticized by Democrats. Senator Elizabeth Warren and other Democrats on the Senate Banking Committee said the proposal would "gut" a critical tool for spurring community investments.

"This proposal would make America's housing crisis worse," the lawmakers said in a statement.

The rule faces an uncertain future, as the Federal Reserve, which shares responsibility for enforcing the CRA, did not issue its own complementary proposal.

Typically, the three bank regulators prioritise issuing matching rules to avoid patchwork requirements for the banking industry. A Federal Reserve spokesperson declined to comment.

The three agencies previously updated those rules in 2023, but the new, stricter regulations were rescinded under President Donald Trump following a legal challenge to the new requirements from the banking industry.

Europe markets notch monthly gains

Reuters
Frankfurt

European shares closed lower on Friday, but posted monthly gains as strong corporate earnings buoyed markets helping them weather a month of Middle East hostilities and artificial intelligence-related jitters.

The pan-European STOXX 600 index inched down 0.1% at 649.19 points. The index hit its highest level on record earlier in the session but gave back those gains. On Friday, Universal Music Group slumped 25.4%, marking its biggest one-day loss on record, after its first-half results. The STOXX 600 media index lost 5.5%.

Technology stocks rose 0.3%, but pared some gains from earlier in the session. This week, quarterly earnings from U.S. Big Tech painted a mixed picture as Microsoft surged after signs its AI investments were paying off, while Meta was punished as its free cash flow saw a drop due to its spending plans.

Concerns that hefty spending on AI buildouts and their returns not materializing at the pace markets expected have raised scrutiny of valuations in the sector, leaving it vulnerable to wild swings.

UBS analysts said in a note they estimate operating cash flow at hyperscalers will be overtaken by their cash capex, raising the risk of AI spending in 2028 coming in below 2027 levels - a negative for semiconductors. "We remain constructive on the AI growth story, but believe investors should manage concentration risk by broadening their exposure to defensive tech stocks," they said.

Energy stocks added 1.2%, the biggest jump among sectors helped by an uptick in oil prices. The sector is the biggest percentage gainer on the STOXX 600. Hostilities in the Middle East escalated this month, with Brent crude topping $90 a barrel earlier in the week. However, robust corporate earnings helped offset the impact from these, helping the STOXX 600 notch both weekly and monthly gains.

This week, US Federal Reserve chief Kevin Warsh said policymakers were committed to bringing inflation down, after a divided central bank left interest rates on hold, leaving markets with little clarity on the next likely move.

The Eurozone inflation ticked up in July, bolstering the chances of another rate hike from the European Central Bank in 2026, after it raised the benchmark rates by 25 basis-point at its June meeting.

Meanwhile, earnings were in full swing in Europe. Telefónica...

The German share price index DAX graph is pictured at the stock exchange in Frankfurt. European shares closed lower on Friday, but posted monthly gains as strong corporate earnings buoyed markets helping them weather a month of Middle East hostilities and artificial intelligence-related jitters.