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AgTech SME cites integrated farming models as solution to desert resource constraints

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Libya's NOC says Zawiya refinery may halt operations after drone attacks

QIC reports H1 net profit of QR354mn

Sheikh Hamad bin Faisal al-Thani, QIC chairman; and Salem al-Mannai, Group CEO.

Qatar Insurance (QIC) reported a net profit attributable to shareholders worth QR354mn in the first six months of 2026.

Insurance revenue rose 15% to QR4.8bn, reflecting the earned growth of QIC's in-force portfolio. Gross written premium, a measure of underwriting volume, increased 4.3% to QR5.9bn, underpinned by selective growth across QIC's domestic, regional and international portfolios, achieved while maintaining underwriting discipline in a softening global reinsurance market.

The insurance service result was QR202mn, down 8.4% on the prior-year period. The reduction reflects claims and reserving related to the regional geopolitical conflict, discussed separately below.

Investment income rose 2.8% to QR477mn, supported by QIC's positioning through a period of shifting global rates. The investment yield was 5.3%.

Net profit stood at QR365mn and net profit attributable to QIC shareholders at QR354mn, each modestly below the prior-year period, as the conflict-related pressure on underwriting outweighed the gains in premium and investment income. Earnings per share were QR0.076.

Sheikh Hamad bin Faisal al-Thani, chairman, said: "These results reflect the strength and resilience that define QIC. Even against this exceptional event, QIC has safeguarded shareholder value, maintained a strong capital position, and stayed the course on its strategic priorities. The board is confident that QIC's diversified franchise, prudent risk management and clear strategy will continue to deliver long-term value for our shareholders."

Salem al-Mannai, Group CEO, said: "The first half of 2026 tested our sector with an exceptional geopolitical event, and QIC faced it from a position of operational strength. Disciplined underwriting and a high-quality investment portfolio enabled us to absorb the impact on our insurance service result, while continuing to grow insurance revenue and gross written premiums, and increasing investment income. We maintain strong and sufficient reserves in line with actuarial estimates."

Al-Mannai affirmed that QIC enjoys strong capital solvency, and is moving forward with executing our strategic priorities according to plan, including continuing to expand its digital ecosystem and international franchise. He added: "Our focus is unchanged: underwriting quality and the profitability of our book through the cycle."

QIC maintained a strong capital and solvency position throughout H1 2026. Its capital strength continues to support its financial-strength ratings and its capacity to underwrite through periods of elevated geopolitical and market uncertainty.

The company enters the second half of 2026 with capital and balance sheet strength intact and continued momentum in its premium base and digital franchise. While QIC remains alert to the course of the regional geopolitical conflict and to softening reinsurance conditions, its underwriting discipline, diversified portfolio, and capital strength position it to continue creating value for shareholders and customers.

Doha Bank wins 2 accolades at Euromoney awards

Doha Bank continues to strengthen its position in retail banking and housing finance in Qatar with its customer-focused approachv earning the bank two prestigious titles at the Euromoney Awards for Excellence 2026.

Through its focus on making everyday banking simpler and more accessible, Doha Bank secured the 'Best Retail Bank' award. Over the past year, the bank redesigned key customer journeys, strengthened its digital channels, and simplified its product offering, with 90% of transactions now handled digitally or through self-service kiosk with QR12.5bn in e-commerce volume processed through its merchant network. The result is a retail experience built around speed, reliability, and ease of use.

Building on last year's win in the same category, Doha Bank earned the 'Best Bank for Mortgages/Home Loans' award in the Middle East. The bank exponentially expanded its housing loan portfolio, with a 40% year-on-year increase, driven by a campaign that combined competitive pricing, flexible terms, and unique incentives including complimentary insurance, cashback options, and fee refunds.

Doha Bank also deepened its commitment to green financing through GSAS-certified property solutions developed in collaboration with the Gulf Organisation for Research & Development (Gord), in line with Qatar National Vision 2030.

Doha Bank Group CEO Sheikh Abdulrahman bin Fahad bin Faisal al-Thani said, "These awards reflect our commitment to putting the customer at the center of everything we do. From simplifying everyday banking to helping families across Qatar own their homes, we continue to invest in solutions that are practical and accessible.

"We are proud to be recognised as the 'Best Retail Bank' in Qatar and the 'Best Bank for Mortgages' in the Middle East, and we will continue working to set new standards in both areas."

The achievements reinforce Doha Bank's position as a leading financial institution in Qatar, committed to delivering a modern, customer-focused banking experience across its retail and housing finance businesses.

Samsung, Ooredoo, Starlink Qatar and LuLu Hypermarket Unite for Landmark Qatar Launch of the Galaxy Z Fold8 and Galaxy Z Flip8

Samsung, Ooredoo Qatar, Starlink Qatar and LuLu Hypermarket came together and hosted a landmark launch experience for the new Samsung Galaxy Z Fold8 and Galaxy Z Flip8 at LuLu Hypermarket, Gharafa, on 9 August 2026.

The high-profile event brought together Samsung's global leadership in mobile innovation, Ooredoo's strategic telecommunications and distribution partnership with Samsung in Qatar, Starlink Qatar's local go-to-market and retail activation expertise, and LuLu Hypermarket's extensive customer reach. The collaboration created a premium platform for customers to discover, experience and engage with Samsung's latest generation of foldable smartphones.

Guests explored the devices through live demonstrations, guided product discovery and hands-on interaction, gaining a closer understanding of how the new foldables support productivity, entertainment, creativity, communication and personal expression.

A New Chapter in Foldable Innovation

The Galaxy Z Fold8 introduces an all-new, lighter foldable form designed around immersive content and effortless multitasking. A wide cover screen and expansive main display create a versatile experience for productivity, entertainment and content discovery, while Galaxy AI, advanced performance and a dual 50 MP camera system add greater intelligence and creative flexibility.

The Galaxy Z Flip8 delivers Samsung's lightest and thinnest Flip experience to date, combining a highly pocketable design with an enhanced FlexWindow. A 50 MP camera, hands-free FlexCam, Super Steady video and Galaxy AI-powered Photo Assist make the device a distinctive choice for customers who value portability, creativity and self-expression.

Together, the Galaxy Z Fold8 and Galaxy Z Flip8 expand Samsung's foldable portfolio with two distinctive flagship experiences: one designed for immersive discovery and multitasking, and the other created for compact versatility and personal expression.

Four Market Leaders, One Landmark Experience

Samsung brought the vision, technology and innovation behind the new Galaxy Z series. Ooredoo contributed telecommunications leadership, broad customer access and an expanding Samsung device distribution network across Qatar. Starlink Qatar led local market coordination, launch execution and retail activation, while LuLu Hypermarket provided a familiar, high-traffic destination where customers could experience the devices as part of an accessible retail journey.

Leadership Perspectives

"The launch of the Galaxy Z Fold8 and Galaxy Z Flip8 marks an important milestone for Samsung's flagship portfolio in Qatar. Bringing together Samsung's innovation, Ooredoo's telecommunications leadership, Starlink Qatar's market execution capabilities and LuLu Hypermarket's retail reach created a powerful platform for customers to experience the next generation of foldable technology first-hand. The collaboration reflects a shared commitment to making premium innovation more accessible and engaging across Qatar."

Mr. Cyril Anand
Chief Executive Officer, Starlink Qatar

"Ooredoo is proud to build on the strategic partnership with Samsung by bringing the Galaxy Z Fold8 and Galaxy Z Flip8 closer to customers in Qatar. The new devices combine intelligent mobile experiences, advanced connectivity and distinctive foldable design. Collaboration with Starlink Qatar and LuLu Hypermarket connected world-class innovation with trusted local expertise and convenient customer access."

Mr. Mustafa Peracha
Chief Consumer Officer, Ooredoo Qatar

Qatar economy posts balanced performance in 2025, says QCB

QNA
Doha

The Qatar Central Bank (QCB) showcased the strong performance of the national economy, the continued momentum of economic diversification, and the robustness of key macroeconomic indicators in its 2025 Annual Macroeconomic Review.

The review reaffirms the resilience of Qatar's economy and its ability to withstand challenges and sustain economic stability.

The report showed that Qatar's real GDP grew by 2.9% in 2025, reflecting continued economic resilience despite a challenging global environment.

Non-hydrocarbon GDP expanded by 4.8%, confirming that diversification remains the main engine of growth in line with Qatar National Vision 2030.

The growth in non-hydrocarbon GDP reflects the continued expansion of the country's economic activity base, with sectors and activities not directly linked to hydrocarbons playing an increasingly important role in supporting growth. This strengthens the Qatari economy's capacity to achieve more diversified and sustainable growth.

Inflation in Qatar remained contained, averaging 0.5% in 2025, with price pressures largely limited to selected categories, including jewelry and related items.

Real estate prices in Qatar remained stable during 2025, indicating orderly market conditions and no signs of overheating.

Tourism continued to strengthen, with visitor arrivals reaching 5.1mn in 2025, up from 4.9mn in 2024 and 4.0mn in 2023, confirming Qatar's position as a leading regional tourist destination.

The private sector remained firmly in expansion territory, with the Purchasing Managers' Index averaging 51.2 in 2025, comfortably above the 50-point growth threshold. The index remaining above this level indicates that activity in the non-hydrocarbon private sector continued to expand, underscoring its growing role in supporting economic activity and diversifying the sources of growth.

Qatar's real GDP grew by 2.9% in 2025, reflecting continued economic resilience despite a challenging global environment, while non-hydrocarbon GDP expanded by 4.8%, confirming that diversification remains the main engine of growth in line with Qatar National Vision 2030

Qatar maintained a strong external position in 2025, recording a current account surplus of QR116.2bn, equivalent to 14.8% of GDP.

Qatar's financial markets demonstrated continued resilience in 2025, with the Qatar Stock Exchange Index recording an annual gain of 1.8%.

Qatar maintained strong sovereign credit ratings in 2025; AA from S&P and Fitch and Aa2 from Moody's, with stable outlooks from all three agencies.

These high ratings reflect the continued strength of Qatar's economic and fiscal fundamentals, as well as the robustness of its financial and external positions. They also reaffirm the country's continued high level of sovereign creditworthiness, as assessed by international credit rating agencies.

Overall, the report confirms that the Qatari economy ended 2025 with a balanced performance, combining real economic growth, price stability, a strong external position, and resilient financial markets. This strengthens confidence in the country's ability to continue implementing economic diversification policies and consolidates its position as one of the most stable economies in the region.

Fitch affirms India rating on robust growth, flags youth job risks to fiscal profile

Reuters
New Delhi

Credit ratings agency Fitch on Tuesday affirmed India's sovereign rating at 'BBB-', citing robust growth balanced against still-weak fiscal metrics that it reckons could face pressure from rising concerns over youth unemployment.

Fitch said macroeconomic stability and improving policy credibility would underpin India's growth despite near-term macroeconomic headwinds from an energy shock stemming from the conflict in the Middle East.

Fitch has rated India at 'BBB-' since 2006, while Moody's has retained its 'Baa3' rating since June 2020. S&P Global Ratings, meanwhile, upgraded India by a notch to 'BBB' last year.

The agency expects India's economy to grow at 6.4% in real terms in financial year 2027, weaker than the average growth rate over the previous three years but still well above the median in its credit rating category.

India's economy grew at 7.8% year-on-year in the January-March quarter while retail inflation in June stood at 4.38%, marginally above the central bank's 4% medium-term target.

"There are residual risks from uncertainty related to the US-Iran conflict, given India's position as a large net energy importer, but we do not expect a durable risk to growth prospects," the agency said.

It noted that while India's inflation appears anchored and fiscal policy has limited inflation pass-through from elevated energy costs, the RBI is still expected to deliver a 25-basis-point rate hike later this year to tackle second-round effects from the oil shock and El Nino risks.

Although robust growth, contained inflation and strong external buffers offer comfort, Fitch said that high deficits and lagging structural metrics such as governance indicators and gross domestic product per capita were constraints to India's rating.

India's government debt is elevated at 84.4% of GDP in FY26, per Fitch's estimate, well above the 57.0% 'BBB' median.

"We forecast debt to decline slowly to around 79% by FY31, assuming medium-term nominal GDP growth of 10.5%," the agency said. The rating action comes as India navigates the most severe energy supply disruption in history which has sparked large capital outflows from local assets and pummelled the rupee to record low levels.

Amid the challenging environment, Fitch also pointed out that India's external finances remain solid. The agency expects the country's foreign exchange reserves to rise to $733bn by the end of fiscal year 2027.

The firm also noted that further gains for Prime Minister Narendra Modi's Bharatiya Janata Party (BJP) in state-level elections would support the implementation of policy priorities.

However, "recent protests, stemming from leaked medical exams, may point to rising concerns among youth over employment opportunities, risking fiscal spending pressures over time," it added.

An Indian-flagged tanker carrying crude oil that transited through the Strait of Hormuz is seen docked at an offloading terminal along the coast in Mumbai. Fitch said macroeconomic stability and improving policy credibility would underpin India's growth despite near-term macroeconomic headwinds from an energy shock stemming from the conflict in the Middle East.

Libya's NOC says Zawiya refinery may halt operations after attacks

- **NOC says it could halt Zawiya operations completely after third drone attack**
- **Engineers say blaze has caused no damage at Libya's largest operating refinery**
- **Oil ministry says burning Brega tank held about 4.5mn litres of gasoline**

Reuters
Tripoli

Renewed violence in the strategic Libyan city of Zawiya has once again disrupted the oil industry in the Opec member country, with state oil firm NOC saying it could declare force majeure if drone attacks on energy assets in the city continued.

Located west of Tripoli, Zawiya, which hosts Libya's largest operating refinery, has seen repeated clashes between armed groups.

Most recently, drone attacks over the weekend into Monday targeted its oil complex, causing a tank containing about 4.5mn litres of gasoline to collapse after a fire. Although intense, the blaze, which firefighters are still battling to put out, has not caused any damage to the refinery at the complex, the engineers told Reuters.

However, it led to a partial shutdown of operations at the Zawiya oil depot and a temporary disruption to fuel supply to several stations in the western region, said a spokesperson of Brega Petroleum Marketing, which is in charge of Libya's fuel supplies.

The overall supply situation within the country remained stable, the spokesperson added, due to available volumes of gasoline at the Tripoli oil depot and tankers loading additional shipments.

There was no immediate claim of responsibility for the attacks and authorities did not say who they believed was behind them, but Libya has been divided between rival factions since the toppling of Muammar Gaddafi 15 years ago.

Libya's National Oil Corp said it could completely halt operations at the Zawiya refinery after the attack.

The drone targeted on Monday an oil blending and filling plant operated by the Zawiya Oil Refining Company, falling near its main oil tank and a pipeline network used to produce oils for the domestic market. No casualties were reported, according to NOC.

The Zawiya refinery has a capacity of 120,000 barrels per day and is connected to the country's 300,000-bpd Sharara oilfield.

The oil ministry said earlier the series of drone attacks had targeted the refinery as well as a desalination plant in the Zawiya complex.

Two officials from Libya's electricity company also said two drones had targeted the Zawiya power plant early on Tuesday morning, with one hitting the fire-fighting system and another falling near a fuel tank but causing no damage.

The latest flare-up in violence could derail Libya's plans to overhaul its oil sector to boost output. The country holds Africa's largest proven oil reserves, yet has struggled to restore its pre-2011 production levels of 1.6mn bpd.

In June, it managed to reach 1.44mn bpd, the highest level since 2013.

The country, whose economy relies heavily on oil, has been actively courting international investors in its effort to increase its output to 2mn bpd.

It signed major deals with TotalEnergies and ConocoPhillips in January, then in February awarded oil and gas blocks to companies including Chevron and Eni — its first licensing round since 2007.

The split between two administrations in the east and the west has stunted the country's progress, as foreign investors remained wary. The sides often clash over control of the oil revenues that pour into the Central Bank of Libya, leading to oilfield shutdowns.

In 2024, a standoff over control of the bank slashed the country's oil exports by more than half. It was resolved after months with the appointment of current governor Naji Issa.

Firefighting teams attempt to extinguish a fire at the Zawiya oil refinery, the second-largest in Libya, with a capacity of 120,000 barrels per day on Tuesday. Located west of Tripoli, Zawiya, which hosts Libya's largest operating refinery, has seen repeated clashes between armed groups.

Iran to restore 95 mcm/day of gas production by end-September

Reuters
Dubai

Iran will restore 95mn cubic metres (mcm) per day of gas production capacity by the end of September, the oil ministry said on Tuesday, as Tehran repairs energy infrastructure damaged during the war with Israel and the US.

In July, a senior government official said Iran expected to restore about 100 mcm per day of natural gas production capacity "within the coming months", after strikes cut output by about 230 mcm/day since the war started in late February.

Oil Minister Mohsen Paknejad was quoted by the ministry's news outlet as saying 95 mcm/day of lost capacity would return following damage to gas-processing facilities in Assaluyeh.

He said the impact had largely been offset by using spare capacity at other gas-processing plants.

Reconstruction of four damaged gas-processing plants was advancing rapidly, Paknejad said, adding debris had been cleared, reconstruction systems were in place and contractors had begun work.

He said rebuilding was expected to finish ahead of schedule, allowing the full lost capacity to return to the production network.

A general view of a unit of South Pars Gas field in Asalouyeh Seaport (file). Iran will restore 95mn cubic metres (mcm) per day of gas production capacity by the end of September, the oil ministry said on Tuesday, as Tehran repairs energy infrastructure damaged during the war with Israel and the US.

Sony and TSMC to invest $4.7bn in advanced image sensors

AFP
Tokyo

Japanese giant Sony Group and Taiwan chip titan TSMC said on Tuesday they will invest $4.7bn to manufacture advanced smartphone image sensors. Production is slated to begin in 2029.

Sony is to invest ¥465bn ($2.9bn) and TSMC ¥282bn ($1.8bn) in the joint venture in Koshi City, which lies in southwestern Japan's Kumamoto region, the companies said in a statement. The venture will serve as a development and manufacturing hub for the production of image sensors for smartphones, they said.

It will be created at a fabrication plant of Sony's semiconductor business subsidiary in Koshi.

Sony is a world leader in the image sensors sector, accounting for over 50% of the global market by value.

The use of image sensors for robots and other machines is expected to expand, driven by the growth of artificial intelligence.

The collaboration is aimed at utilising TSMC's "advanced process technology and manufacturing expertise," while Sony is to take a lead in developing image sensor technologies and product design, the two firms said.

TSMC is already investing in Japan, announcing in February it would produce three-nanometre semiconductors — among the most advanced chips that can power AI systems — at a factory in Kumamoto.

The firm opened its first Japanese chip plant two years ago in the region, touting it as a move to boost the resiliency of chip supply for Japan and worldwide.

China Shock 2.0 reshuffles winners and losers amid domestic slump

By Manishi Raychaudhuri
Hong Kong

China is trying to export its way out of a domestic slump, unleashing what many Western governments call a second "China shock."

While this strategy is triggering trade fights abroad, it's also producing a new set of potential beneficiaries at home.

The dichotomy between China's robust external sector and flagging domestic economy has been on full display in recent months.

China posted 24% year-on-year export growth in July and a $113 bn trade surplus, following similar numbers in June, putting it on track for another trillion-dollar-plus surplus in 2026.

Meanwhile, it recorded disappointing 4.3% GDP growth in the second quarter, and subdued retail sales growth of minus 0.6% in May and 1.3% in June.

This split is not an accident but directly reflects Beijing's policy choices. Over the past decade, the world's largest exporter has sought to gain dominance in advanced manufacturing, amassing enormous market share in products such as electric vehicles (EVs), solar cells and batteries.

Western policymakers have dubbed this "China Shock 2.0," echoing the period in the early 2000s, when China's rise as a manufacturing exporter disrupted industries across Europe and the US Governments today argue that a new wave of subsidized Chinese EV and green-tech exports is undercutting producers and threatening industrial jobs, particularly in Europe.

Europe has responded through a combination of sectoral tariffs, more stringent cybersecurity requirements and exhortations to China to appreciate its currency. At the same time, US President Donald Trump has doubled down on tariffs.

While these tensions have been building abroad, Beijing has only taken modest steps to increase consumption at home. The Chinese government has implemented some measures to limit the cutthroat price wars crushing domestic profitability in industries such as food delivery, EVs and solar components, but this so-called "anti-involution" campaign has had limited success.

Chinese companies have thus had to adapt. To shield lucrative international revenue streams from global fragmentation, firms are increasingly manufacturing directly in core consumer markets to bypass trade barriers, build local support, and insulate supply chains from geopolitical disruption — while escaping an unprofitable domestic market.

Again, this is not an organic development, but part of a policy initiative: Beijing's "Globalization Phase 3.0".

This new road map is creating the potential for new winners and losers in the world's second-biggest economy.

The firms best positioned to benefit from these policy shifts are, unsurprisingly, concentrated in the sectors that dominate China's export landscape. This includes companies in the EV and battery supply chains, where China represented 65% of global intellectual property in 2024.

EV leaders BYD and Geely, and battery major CATL not only command large global market shares but also run globally diversified manufacturing bases and supply chains.

The dichotomy between China's robust external sector and flagging domestic economy has been on full display in recent months

Consumer electronics titans Midea and Haier also operate fully integrated global systems combining localized research and development (R&D), manufacturing and distribution in Southeast Asia, Latin America, the US and Europe.

Other potential winners include companies that produce critical technological components with few, if any, Western-produced substitutes.

Zhongji Innolight and Eoptolink manufacture optical transceivers that are deeply integrated into the global AI hardware and data center supply chains. Their large production pipelines in Southeast Asia can help to insulate them from potential trade disputes with Western clients. However, some of these companies may also find themselves directly in the crosshairs of the escalating trade conflicts. For example, the White House is considering a ban on US imports of new models of Chinese data center components, according to a report by Reuters.

Beijing's policy response to the criticisms of its export imbalances with the US and Europe may involve allowing its currency to appreciate, creating another set of potential corporate "winners".

The yuan has rallied 3.6% against the dollar and 5.5% against the euro in 2026, as of August 7. Yet, over the last decade, the currency has actually depreciated against the euro by 6% even as Europe's trade deficit with mainland China has more than doubled.

Against the dollar, the yuan has depreciated by a more modest 2% as the US' trade deficit with China has expanded 10% during this period.

This dynamic highlights just how much deep-seated undervaluation could still be corrected.

Obvious beneficiaries of the yuan's appreciation against the euro would be companies with significant euro-denominated debt, whose liabilities shrink when the yuan surges. Large state-owned enterprises like Sinopec fall into this category.

Meanwhile, an appreciation against the US dollar could directly benefit China's "Big Three" state-owned airline carriers: Air China, China Southern and China Eastern, whose massive dollar-denominated debt burdens would decrease in local-currency terms.

Companies best positioned for this new environment may still need to watch out for headwinds. For one, bumper exports do not necessarily translate into strong equity performance. For instance, overseas deliveries of EV giant BYD have grown more than 70% in the first half of this year compared with this same period last year, but the stock has declined, dragged down by a fierce domestic price war.

Exogenous shocks could also limit any positive impact from Beijing's policy shifts. For example, Chinese airline stocks have dropped precipitously since February, largely thanks to the energy price shock triggered by the US-Iran war. This conflict could keep jet fuel prices high even if there is an interim deal due to the shortage in global refining capacity.

The first "China shock" reshaped the world's industrial order, serving as the fulcrum for an era of increased globalization. This time around, Chinese companies can't depend on enhanced cooperation and lower trade barriers, but will instead likely face an environment characterized by fragmentation, conflict and meaningful pushback by the world's other major economic powers.

■ *The views expressed here are those of Manishi Raychaudhuri, the founder and CEO of Emmer Capital Partners Ltd and the former head of Asia-Pacific Equity Research at BNP Paribas Securities.*

Swiss panel fails to reach UBS capital deal

Reuters
Bern

A Swiss parliamentary committee on Tuesday failed to reach an agreement on proposed new banking regulations for UBS as some lawmakers pushed to soften tougher rules drafted by the government after Credit Suisse's collapse.

The draft bill would require UBS to hold about $20bn in additional Common Equity Tier-1 capital (CET1) to help prevent another banking crisis and protect taxpayers.

But UBS, which acquired Credit Suisse following its 2023 demise, argues the requirement is excessive, would undermine its competitiveness and damage Switzerland's banking sector. The bill is being examined by the economic affairs and taxation committee of parliament's upper house, where lawmakers concerned the measures are too burdensome have proposed amendments to reduce the capital requirement for UBS.


The UBS logo is pictured on a building next to the Federal Palace of Switzerland, in Bern. A Swiss parliamentary committee yesterday failed to reach an agreement on proposed new banking regulations for UBS.

No agreement was reached on Tuesday and the committee will reconvene on August 31, Fabio Regazzi, a committee member from the Centre party, said. The goal remains to bring the bill to an upper-house vote in September, he said. At the heart of the bill is a proposal for UBS to fully capitalise its foreign subsidiaries, up from 60% currently, using CET1 capital alone.

Under the current framework, part of the requirement can be met with less costly forms of capital.

The committee has discussed allowing UBS to use Additional Tier 1 (AT1) capital to meet part of the requirement. AT1 debt is cheaper to hold than CET1 capital and is designed to absorb losses during times of stress, but regulators regard it as less secure.

Lawmakers said discussions have also covered steps to strengthen AT1 instruments, including introducing a new, higher regulatory trigger point.

That could require UBS to suspend payouts to investors if its capital ratio falls below a specified threshold, enhancing the loss-absorbing capacity of AT1 bonds.

Eurozone bond yields decline

Reuters
London

Eurozone bond yields fell on Tuesday, reversing an earlier rise, as oil prices edged lower.

Meanwhile, disruption to Middle East energy flows continued, with three crew members killed in a suspected attack by Iran-backed Houthis on a small cargo vessel in the Bab el-Mandeb strait.

Germany's 10-year bond yield was down 2 basis points to 3.15%, after climbing 5 bps on Monday on the back of rising oil prices. Yields rise as prices fall and vice versa.

US President Donald Trump said on Monday Iran should pay compensation for people killed in wars, attacks and protests, in response to Tehran's own demands for compensation and an end to sanctions. Iran said earlier on Monday it was nearing a final pact with Oman defining new shipping lanes through the Strait of Hormuz, but repeated that the US must meet conditions, including compensation, before opening the key energy waterway.

Oil prices fell on Tuesday, with Brent crude down 2% at $86.80 a barrel, after increasing 5% on Monday as the prospect of a near-term Hormuz deal ebbed.

Germany's 2-year bond yield, which is sensitive to European Central Bank rate expectations, fell 2 bps to 2.77% after rising 5 bps on Monday.

"We are back to the situation where there is no war ongoing, but the Strait of Hormuz remains closed," Mohit Kumar, a senior European economist at Jefferies, said.

"The longer the strait is closed, the more inventories will be depleted and the greater would be the impact on oil prices."

Wall Street lenders scrutinise US data centre financing

Reuters
New York

The race to finance the US data centre boom is forcing banks and asset managers to confront an added risk: Political and community opposition.

A spate of projects has hit roadblocks or faces opposition, creating another level of due diligence for banks and financiers assessing opportunities.

Senior bankers told Reuters they are scrutinising community concerns when they assess project loans and are leaning toward projects in states that are more welcoming toward data centres. Still, they remain keen to invest in or finance the red-hot sector.

"I will primarily look for two things. One is the readiness of the project ... the second aspect I look for is the credit quality of the project," said Karen Fang, global head of infrastructure & sustainable finance at Bank of America. "Readiness means all the permitting and approvals that are required, and the community support from the people who are going to live around it."

Governments, regulators and cities worldwide are increasingly moving to freeze, restrict or ban data centre construction. Data centres, which are used for cloud storage and artificial intelligence compute, have caused concern nationwide from people living nearby, with complaints about their noise, appearance and worries about higher power bills and heavy water use.

Wall Street banks, including JPMorgan, Morgan Stanley and Bank of America, advise on financing such projects.

Banks conduct extensive due diligence before funding AI infrastructure projects, including technical, environmental, zoning, appraisal and insurance reviews.

Given the intense opposition, lenders worry about wasting time on projects that may not proceed or face delays, causing them to scrutinise proposals more carefully. Community concerns are part of credit risk assessments for data centers, one bank source said.

"The amount of work that goes into putting a bank loan in place for one of these projects is significant," said Kevin Curtin, head of AI infrastructure investment banking at JPMorgan.

"Putting the credit agreement in place is only the beginning. Throughout construction, builders must continually demonstrate that the project remains in compliance with the financial covenants and monitoring requirements agreed with lenders before each drawdown."

Morgan Stanley Chief Financial Officer Sharon Yeshaya said the firm is "very cognizant" of the risks. "This is a capital-heavy, capital-dependent industry, and we are here to help clients raise, syndicate and underwrite that capital needs, and to find offsets for the risks," she said.

A source at a private capital firm said lenders consider community sentiment when assessing a project's risks, and approvals and permits remain fundamental before financing can move forward.

In the first quarter of 2026, at least 75 projects worth about $130bn faced local opposition, according to research firm Data Center Watch. Big tech companies will spend more than $6tn on AI through 2030 - many times the capital deployed to internet infrastructure during the dotcom era, Goldman Sachs forecasts.

Banks typically begin talks on funding a project at least a year before construction starts and have recurring conversations with developers as it progresses, another banking source said, meaning that problems with projects can waste time and energy doing additional due diligence.

Banks are involved in several projects that face community action. For example, banks including JPMorgan and Morgan Stanley managed the $12.3bn bond sale for BlackRock, a partner with Meta on a data centre project in El Paso, Texas, according to a term sheet seen by Reuters.

Some residents oppose the project. JPMorgan, Morgan Stanley and BlackRock declined to comment while Meta said the company is actively engaging with residents, city leaders, and local organisations.

Data centre operator QTS, owned by private equity firm Blackstone, did not approach lenders for bank financing for its now-terminated Prince William Digital Gateway data center project in Virginia, a source familiar with the matter said. The project had faced strong local opposition. QTS declined to comment.

Firms including Morgan Stanley and KKR Capital Markets were among the lead arrangers for a $9.7bn warehouse credit facility for Dallas-based data centre operator CyrusOne, which is facing opposition from residents to its $500mn centre in Sangamon County, Illinois, according to NPR. CyrusOne said it has financing for the project, without providing details. Safeguards are in place for the financiers, as part of the credit facility can be used for new construction only if all permits and leases are in place, one of the sources said.

Morgan Stanley and KKR declined to comment. Bank of America, one of the biggest US lenders to AI-related companies, is also a structuring agent and one of the financial advisors to Related Digital, the developer of a $16bn data centre campus in Saline Township, Michigan, purpose-built for Oracle.

The project has faced opposition from residents but is moving ahead. BofA declined to comment.

A senior banker at a foreign lender said investors are getting comfortable pricing potential cancellation risks because demand for compute is expected to remain high.

To try and allay concerns, data centre operators are trying to pre-empt issues as they propose projects by considering steps such as building power generation on site.

"Many companies building new AI data centers are trying to address these concerns," said Rajat Rana of Quinn Emanuel Urquhart & Sullivan, LLP.

AgTech SME cites integrated farming models as efficient solution to desert constraints

By Peter Alagos
Business Editor

The founder of an AgTech startup based inside the Qatar Science and Technology Park (QSTP) has revealed that deploying controlled-environment agriculture alongside traditional farming methods offers the company a practical strategy to overcome severe land and water limitations in hyper-arid climates.

"Hydroponics is not meant to replace traditional agriculture—it is meant to complement it," Jeacim Francis Adaya, founder and CEO of Hydrovest Technology, told *Gulf Times* in an exclusive interview.

He explained that traditional farming remains essential, but hydroponics allows food production in locations where conventional farming is difficult. "A diversified agricultural system is always stronger than relying on one approach alone," he further pointed out.

According to Adaya, the integration of soilless cultivation techniques provides commercial growers with a viable mechanism to stabilise local food production without overextending natural resources.

Rather than seeking to displace open-field agriculture, tech-driven systems serve as targeted tools to expand output into non-arable areas and maintain year-round production cycles, he emphasised.

Adaya noted that modern soilless systems address two of the most pressing agricultural bottlenecks in Qatar: Acute freshwater scarcity and a lack of fertile soil. He highlighted that being headquartered at QSTP has helped the firm develop agricultural equipment specifically engineered for high-heat, desert conditions.

Jeacim Francis Adaya, founder and CEO of Hydrovest Technology.

From an operational standpoint, closed-loop hydroponic systems capture and recycle water within closed circuits. This process drastically reduces overall consumption compared with conventional soil irrigation, providing a predictable output model for commercial operators facing high input costs, Adaya explained, noting that "these advantages make hydroponics an important component of sustainable agriculture in arid regions."

Beyond commercial-scale facilities, Adaya stressed that decentralised production models offer secondary supply chain support across the domestic market. Establishing small-scale setups in urban environments, residential clusters, schools, and community centers helps build regional resilience against broader import and logistics disruptions, he said.

Adaya highlighted that grassroots education and widespread resident participation remain essential for driving long-term adoption. Building public awareness around modern farming methods ensures that state investments in agricultural technology yield measurable, community-wide results, he continued to explain.

He said, "Food security begins at the community level. Individually, these projects may seem small, but collectively they create a more resilient food system. When residents understand where food comes from and participate in growing it, they become partners in achieving national sustainability goals."

Combining advanced resource management with existing farming infrastructure creates a balanced, flexible production framework, he said. At the same time, optimising input costs while maintaining steady yields aligns directly with national sustainability directives and long-term economic planning under Qatar National Vision 2030, he stressed.

Adaya said the focus over the next decade remains on advancing desert-tailored agricultural innovation, expanding research partnerships, and fostering a commercial ecosystem that makes tech-driven farming economically viable across the Gulf region.

"Our aim is to develop technologies designed specifically for desert agriculture, support local food production, collaborate with research institutions, and inspire the next generation of AgriTech entrepreneurs," Adaya added.

US existing home sales fall for a second straight month in July

Reuters
Washington

US existing home sales fell for a second straight month in July as higher mortgage rates and house prices because of tight supply pushed out potential buyers from the market.

Mortgage rates have risen amid the Middle East conflict, which raised oil prices, and are likely to limit any rebound in home sales. Higher mortgage rates are also discouraging some homeowners from selling, worsening the housing shortage.

"No one who has a home already can afford to sell it, people with ultra-low Covid-era mortgages cannot afford to give them up," said Carl Weinberg, chief economist at High Frequency Economics. "If no one is selling, no one can be buying, and inventories are low. Prices were falling right up to the oil price shock."

Home sales dropped 1.7% last month to a seasonally adjusted annual rate of 4.06mn units, the National Association of Realtors said on Tuesday.

Economists polled by Reuters had forecast home resales slipping to a rate of 4.05mn units.

Existing home sales are counted at the closing of a contract. Last month's sales likely reflected contracts signed in May and June when mortgage rates resumed their upward trend after briefly pulling back amid the ongoing conflict in the US-Israeli war with Iran.

The average rate on the popular 30-year fixed-rate mortgage has jumped 71 basis points since the war started in February, data from mortgage financing firm Freddie Mac showed.

It averaged 6.69% last week, the highest level since July 2025. Many homeowners have mortgages with fixed rates below 5%.

The home sales pace has remained below 5mn units for four years. Sales fell in the Midwest and South.

They rose in the Northeast and were unchanged in the West. Sales increased 0.7% on a year-over-year basis in July.

"Right now, being in the housing market can feel like being in stop-and-go traffic," said Mary Lee Blaylock, president of Coldwell Banker Affiliates. "A dip in mortgage rates or the end of the school year will get people moving for a minute, until rate increases and the end of summer vacation causes them to hit the brakes once again."

Houses priced $250,000 and below have accounted for the weakness in sales amid an acute shortage of starter homes.

Houses priced from $750,000 and above have enjoyed double-digit growth, underscoring what economists call a K-shaped economy, where higher-income households are doing well relative to their middle- and lower-income counterparts. Higher-income households have seen their wealth boosted by a stock market rally.

The inventory of previously owned homes decreased 1.9% to 1.54mn units in July. It was down 0.6% from a year ago. At July's sales pace, it would take 4.6 months to exhaust the current inventory of existing homes, unchanged from June and a year ago. The median existing home price last month increased 2.0% from a year ago to $434,100.

First-time buyers accounted for 29% of sales, down from 33% in June and slightly up from 28% a year ago.

A 40% share in this category is needed for a robust housing market. The median number of days on the market for listed properties edged up to 29 from 28 in June and a year ago. Distressed sales, including foreclosures, were unchanged at 2%.

Residential investment, which includes homebuilding and sales, rebounded in the second quarter after declining for five straight quarters.

Given the affordability challenges facing potential homeowners, however, economists saw the recovery as a blip.

Norway wealth fund manager says fund collapse not impossible

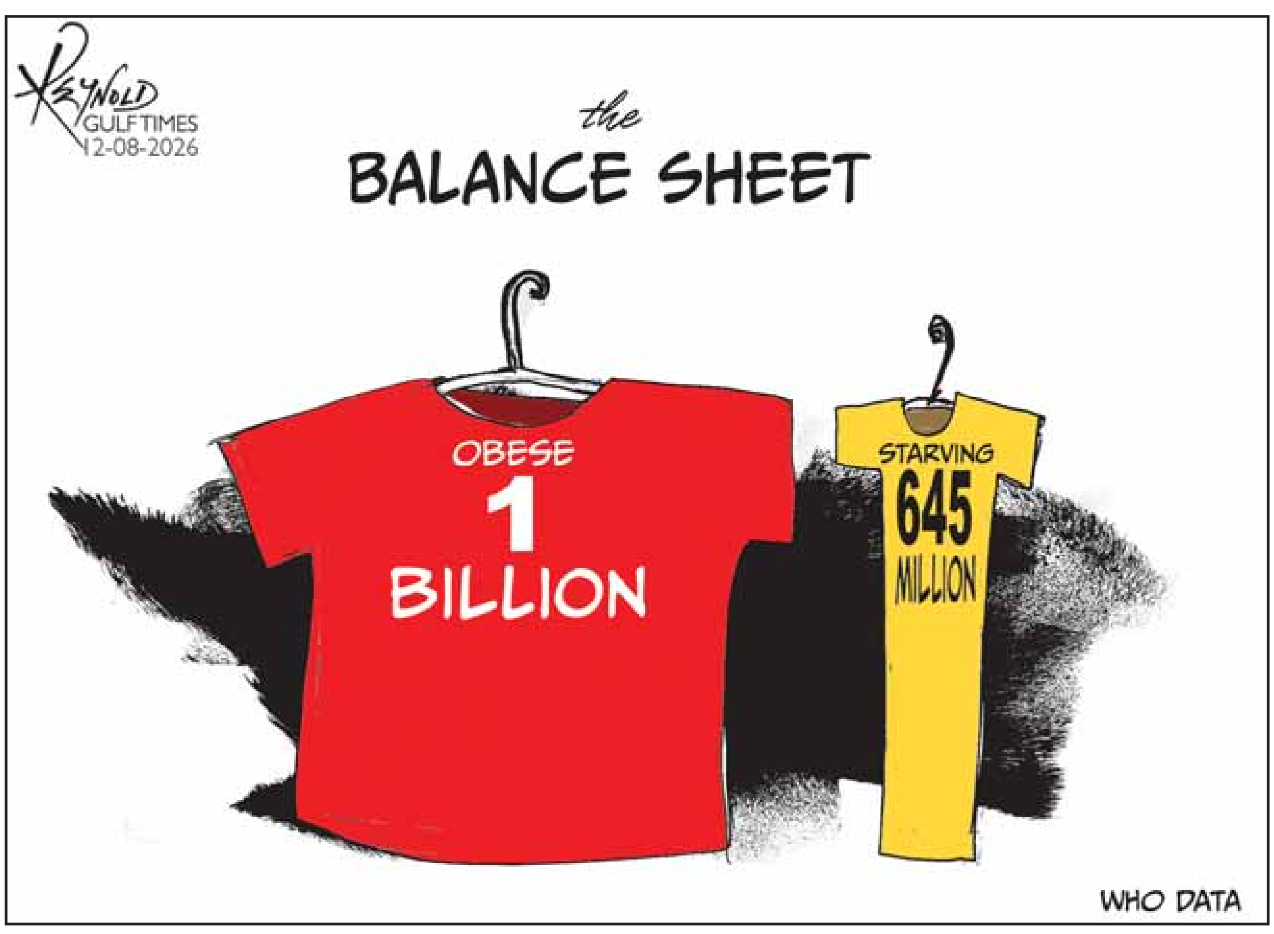
Could Norway's sovereign wealth fund, the largest in the world with over $2tn in assets, go up in smoke? On Tuesday, its manager said it was a possibility and that current global tensions made the prospect less implausible, reports AFP.

Fuelled by the Norwegian state's oil and gas revenues, the sovereign wealth fund -- commonly called the oil fund -- has seen its value rise from under 2bn kroner at its inception in 1996 to more than 22tn kroner ($2.3tn) today. Nicolai Tangen, CEO of Norges Bank Investment Management which manages the fund, on Tuesday warned the phenomenal and extraordinary growth, partly due to luck, was not something that could be expected to continue at the same pace in future.

"Can the oil fund disappear? The answer is yes. And the worst thing is that in the world we live in today, it's not totally improbable," he said in a speech in Arendal, a town in southern Norway where the country's elite is gathered this week.

"No country in history has managed to maintain such a vast fortune over the long term. Fortunes always end up disappearing," he argued, citing historical examples such as Spain and the United Kingdom.

Invested in equities, bonds and property across the world, the Norwegian fund is designed to be a long-term undertaking and to benefit future generations.



Europe stock markets steady near record highs despite energy risks

Reuters
Frankfurt

The German share price index DAX graph is pictured at the stock exchange in Frankfurt. The pan-European STOXX 600 was flat at 660.51 points yesterday, holding near all-time highs.

European shares ended little changed on Tuesday, hovering near record highs as optimism over a strong earnings season offset caution stemming from uncertainty around the supply of energy through the Strait of Hormuz.

The pan-European STOXX 600 was flat at 660.51 points, holding near all-time highs after a recent rally driven by upbeat corporate results, as investors balanced earnings optimism against geopolitical risks in the Middle East.

"The bigger question is can that earnings momentum be sustained? The market seems to think so," said Steve Sosnick, chief market analyst at Interactive Brokers.

"As long as the world's energy supplies don't get any worse, it's reasonable to think that could occur."

LSEG estimates show that earnings are expected to increase 22% in the second quarter. Excluding the energy sector, however, earnings growth is projected to be 11.5%.

Oil prices firmed 1.2% on Tuesday as traders weighed signs of progress in Iran-Oman talks against evidence of continued disruption to energy flows, with Kpler data showing traffic through the Strait of Hormuz at six vessels on Monday, compared with a 10-day average of roughly 11.

Meanwhile, Bloomberg News reported, citing Pakistan's defence minister, that the US and Iran are close to "some sort of agreement".

Rising energy prices supported oil and gas stocks, but concerns that a prolonged disruption around the Strait of Hormuz could stoke inflation and cloud the outlook for monetary easing kept broader risk appetite in check. "The pause this week reflects some caution around the Iran conflict and renewed pressure on oil prices. That is the key near-term risk for European markets," said Gordon Kerr, European Macro Strategist, at KBRA.

The energy sector jumped 1.7%, while tech shares rose 1.1%, providing further support. The sector remains among Europe's top performers this year, up about 24% year to date.

Investors are now awaiting euro zone employment and GDP data, as well as US consumer price figures later this week, for further clues on the path of interest rates.

Among individual movers, Alcon gained 4.7% after the Swiss-American eye-care company raised its full-year earnings forecast.

Danish facility manager ISS gained 4.4% after reporting half-year results above estimates.

Spirax Group slid 5.6% to the bottom of the STOXX 600 after the engineering firm reiterated its full-year forecast for mid-single-digit organic revenue growth and margin expansion.