

Stocks mixed, oil steadies on guarded optimism for Iran ceasefire

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AFP | London, United Kingdom

Stock markets were mixed and oil prices steady yesterday with investors cautiously optimistic about the US-Iran ceasefire holding, and as a US inflation report was not as bad as feared.

A cloud of uncertainty hung Friday over the scheduled start of talks in Pakistan this weekend to turn a shaky two-week truce into a lasting accord that would reopen the key Strait of Hormuz.

But there has been no announcement yet on the arrival of negotiators and both sides have accused the other of failing to properly implement the ceasefire.

"Investors remained cautious as they kept a close eye on developments surrounding the fragile ceasefire between the US, Israel and Iran," said David Morrison, an analyst at Trade Nation, add-

Key figures at around 1545 GMT

Brent North Sea Crude:	▲ 1.0% at \$96.89 a barrel
West Texas Intermediate:	▲ 0.9% at \$98.76 a barrel
New York - Dow Jones:	▼ 0.3% at 48,025.82 points
New York - S&P 500:	▲ 0.1% at 6,832.44
Nasdaq Composite:	▲ 0.5% at 22,939.17
London - FTSE 100:	■ at 10,600.53 (close)
Paris - CAC 40:	▲ 0.2% at 8,259.60 (close)
Frankfurt - DAX:	■ at 23,803.95 (close)
Tokyo - Nikkei 225:	▲ 1.8% at 56,924.11 (close)
Hang Seng Index:	▲ 0.6% at 25,893.54 (close)
Shanghai - Composite:	▲ 0.5% at 3,986.22 (close)
Euro/dollar:	▲ at \$1.1728 from \$1.1707 on Thursday
Pound/dollar:	▲ at \$1.3463 from \$1.3441
Dollar/yen:	▲ at 159.19 yen from 159.06 yen
Euro/pound:	▲ at 87.11 pence from 87.09 pence

ing that investors were pausing "to catch their collective breath heading into the weekend".

The main international oil contracts were up around 1%, holding just under \$100 a barrel even as only a trickle of tankers have so far transited the Strait of Hormuz, where a fifth of the world's oil passes in normal times.

Some two hours into trading on Wall Street the main US indices were mixed as the Dow stood

off 0.3% while the broader S&P 500 and the tech-heavy Nasdaq were barely in the green.

In Europe, London and Frankfurt closed virtually flat as Paris added 0.2%.

New York shares had rebounded late Thursday on news that Israel and Lebanon had agreed to talks, upping the chances for the ceasefire after five weeks of fighting.

But despite this week's rebound, stock markets remain



Currency dealers monitor exchange rates as a screen shows South Korea's benchmark stock index (KOSPI) in a foreign exchange dealing room at the Hana Bank headquarters in Seoul

lower and oil prices significantly higher than before the war -- though oil was flat Friday after weeks of gyrations.

Investors were also watching US inflation and the prospects for interest rates in the world's largest economy as the Gulf war sends economic shock waves through myriad sectors.

US consumer prices rose 3.3% in March from a year earlier, ac-

ording to data released Friday, and while that was up sharply from the previous month as gas prices surged, it was below what some economists expected.

White House spokesperson Kush Desai responded by saying the US economy "remains on a solid trajectory."

Core inflation, which strips out volatile categories like food and energy, rose 2.6% from a

year ago, again lower than what some analysts had feared.

A higher rate might have ruled out any interest rate cuts from the Federal Reserve for several months.

"Although core inflation was seemingly subdued in March, the concern is that the energy price shock will bleed through more to core inflation in April," said Patrick J. O'Hare, an analyst at Briefing.com.

IMF to cut global growth forecast due to Mideast war

AFP | Washington, United States

The International Monetary Fund will lower global growth forecasts due to the Middle East war, its chief said Thursday, warning of the conflict's "scarring effects" despite a fragile ceasefire.

"Even in a best case, there will be no neat and clean return to the status quo ante," IMF managing director Kristalina Georgieva said.

Georgieva said that -- even in the fund's "most hopeful scenario" -- spiraling energy costs, infrastructure damage, supply disruptions and a loss of market confidence meant growth would be less than expected.

The IMF also anticipates having to provide up to \$50 billion in immediate financial assistance to countries affected by the war, with food insecurity set to affect at least 45 million people.

"Given the spillovers from the war, we expect near-term demand for IMF balance-of-payments support to rise

by somewhere between \$20 billion and \$50 billion, with the lower bound prevailing if ceasefire holds," Georgieva said.

The IMF chief was kicking off the annual Spring Meetings co-hosted by the International Monetary Fund and the World Bank in Washington, which bring together top economic policymakers from around the world.

Speaking on Bloomberg TV on Thursday, World Bank President Ajay Banga said his institution could put up as much as \$25 billion

Tehran and Washington have traded accusations of violations of the ceasefire terms, with talks aimed at a more durable peace slated for Saturday.

Georgieva highlighted the "asymmetric" effects of the crisis, hitting low-income energy importers much harder than others.

"Spare a thought for the Pacific Island nations at the end of a long supply chain, wondering if fuel still reaches them in the wake of such a severe disruption," she said.

Global inflation

Excluding Iran, overall regional economic growth was expected to slow to just 1.8% in 2026 -- a downgrade of 2.4 percentage points from before the war, the Bank said.

The IMF is also expected to revise global headline inflation upwards due to the oil price and supply chain shocks associated with the war.

On Wednesday, the heads of the IMF, World Bank and World Food Programme (WFP) met in Washington to discuss the economic and food security impacts of the conflict.

"Sharp increases in oil, gas, and fertilizer prices, together with transport bottlenecks, will inevitably lead to rising food prices and food insecurity," said a joint statement on the meeting.

The IMF and World Bank have also formed a coordination group to address the energy market impacts of the war. A top-level meeting of that body will take place on Monday.

"Very quickly" in financing to developing countries affected by the war. He said as much as \$60 billion may be made available over the longer term, if countries need it.

The US-Israel war on Iran, launched on February 28, has engulfed the Middle East in violence, snarled supply chains and sent oil prices surging after Tehran virtually blocked the Strait of Hormuz.

International Monetary Fund (IMF) managing director Kristalina Georgieva



US consumer inflation surges 3.3% year-on-year as Iran war impact bites

Washington, United States

Consumer inflation in the United States rose sharply to 3.3% in March, government data showed Wednesday, as higher energy prices due to the war in the Middle East hit Americans hard.

The nationwide sticker shock put pressure on President Donald Trump, who has ordered peace talks with Iran.

By comparison, the consumer price index (CPI) rose only 2.4% year-on-year a month earlier.

Gasoline prices surged by 21.2% between February and March -- the largest monthly increase since the the government began publishing a gasoline price index in 1967, the US Bureau of Labor Statistics (BLS) said.

Excluding volatile energy and food prices, inflation accelerated, rising 2.6% compared to 2.5 a month earlier.

Markets had anticipated the surge, according to the consensus published by MarketWatch.

Russian envoy in US for economy talks: Kremlin

AFP | Moscow, Russia

Kremlin envoy Kirill Dmitriev is in the United States for talks on the economy, Russia said yesterday, stressing that he would not be holding discussions on the Ukraine war.

"Kirill Dmitriev is not conducting negotiations on a settlement of the Ukrainian issue. This does not constitute a resumption of negotiations," Kremlin spokesman Dmitry Peskov told reporters, including AFP.

"Kirill Dmitriev heads the economic affairs group and he continues his work within the framework of this group."

Dmitriev, who heads a Russian state investment fund, has been one of Moscow's main conduits for talks with Wash-



Kirill Dmitriev

ington since Donald Trump returned to the White House last year and has travelled to the US several times, including last month.

He is pushing for the US to relax sanctions and boost business ties with Russia, though has made little progress.

Talks on the Ukraine war have been stalled for weeks, with Moscow sticking to hardline territorial and political demands that Ukraine has ruled out.



The International Monetary Fund was established in 1944 at the Bretton Woods Conference to promote global financial stability, and today has 190 member countries.