

CBB opens **liquidity taps**, offers loan breathing space

Loan and credit card repayments deferred for up to three months for individuals and businesses

● **Unlimited dinar liquidity to banks for six months, with repo operations extended**

● **Reserve and liquidity ratios cut to inject funds and support economic activity**

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Bahrain has rolled out a sweeping financial relief package, offering up to three months' deferment on loan and credit card repayments to ease pressure on households and businesses.

In parallel, the Central Bank of Bahrain has unveiled a series of additional measures to inject liquidity and reinforce the banking sector, including unlimited dinar funding for banks, relaxed reserve requirements, and eased liquidity ratios to sustain credit flow across the economy.

Announced by the Central Bank of Bahrain, the move comes in line with directives from His Royal Highness Prince Salman bin Hamad Al Khalifa, the Crown Prince and Prime Minister, aimed at safeguarding financial stability and sustaining economic momentum across the Kingdom.

The repayment pause will apply to both individuals and businesses, giving banks and financial institutions flexibility in delaying the reclassification of



11.3bn

The Central Bank noted that total domestic lending currently stands at around BHD 11.3 billion.

3.5%

Reduced reserve requirement ratio from 5 per cent to 3.5 per cent

7bn

Unlimited Bahraini dinar liquidity for commercial banks for six months against eligible collateral, estimated at nearly BHD 7 billion

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In a further boost to the financial system, the Central Bank will inject unlimited Bahraini dinar liquidity into commercial

banks for six months against eligible collateral, estimated at nearly BHD 7 billion. It will also extend the maturity of repurchase (repo) operations to three months, providing banks with greater funding stability.

Additional measures have

been introduced to enhance liquidity, including a reduction in the reserve requirement ratio from 5% to 3.5%, alongside easing the Liquidity Coverage Ratio and Net Stable Funding Ratio from 100% to 80%.

The Central Bank reaffirmed

Shura Council backs bold economic support drive

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Bahrain's financial relief measures have drawn strong backing from the Shura Council, with its Speaker hailing the package as a timely step to reinforce economic stability and national unity.

H.E. Ali bin Saleh Al-Saleh praised the announcement of the major financial support package issued under the directives of His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince and Prime Minister.

Al-Saleh said the measures reflect a spirit of national solidarity and play a key role in strengthening the Kingdom's economic resilience.

"These proactive steps align with His Majesty King Hamad bin Isa Al Khalifa's vision to support citizens and safeguard their livelihoods. They help reduce the impact of recent economic challenges and reflect strong national unity," he said.

He reaffirmed the Shura Council's support for government efforts to assist the private sector and protect jobs,



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adding that a proposed draft law linked to the measures will be prioritised once submitted for review.

that Bahrain's banking sector remains resilient, backed by strong capital adequacy and liquidity levels. It added that it will continue to closely monitor

developments and stands ready to take further action to ensure financial stability and the uninterrupted flow of credit in the Kingdom.

Oil surges, stocks drop as Trump threatens to **block Hormuz**

AFP | London, United Kingdom

Oil prices surged back above \$100 a barrel and stocks mostly fell yesterday as a US blockade of Iranian ports went into effect, ratcheting up fears for Middle East energy supplies.

The resurgent geopolitical tensions come after ceasefire talks between Washington and Iran broke down over the weekend, dousing hopes for a lasting end to a war that has threatened economies worldwide.

Traders say the prospect of widespread inflation from spiking oil prices and supply disruptions has also put a focus on corporate earnings, with a range of blue chips this week starting to report first-quarter results.

On Friday, the US reported that its consumer price index climbed to 3.3% in March, the highest level since May last year.

"The stagflation word is being widely aired once again as geopolitical turmoil threatens to stymie international growth and stoke inflationary pressures," said Russ Mould, investment director at AJ Bell.

Such concerns have increased

Key figures at 1530 GMT

Brent North Sea Crude:	▲ 6.5% at \$101.38 a barrel
West Texas Intermediate:	▲ 6.2 percent at \$102.58 a barrel
New York - Dow Jones:	▼ 0.6% at 47,642.89 points
New York - S&P 500:	■ at 6,817.69
Nasdaq Composite:	▲ 0.3% at 22,961.96
London - FTSE 100:	▼ 0.2% at 10,582.96 (close)
Paris - CAC 40:	▼ 0.3 percent at 8,235.98 (close)
Frankfurt - DAX:	▼ 1.3% at 23,742.44 (close)
Tokyo - Nikkei 225:	▼ 0.7% at 56,502.77 (close)
Hang Seng Index:	▼ 0.9% at 25,660.85 (close)
Shanghai - Composite:	▲ 0.1% at 3,988.56 (close)
Euro/dollar:	▼ at \$1.1704 from \$1.1728 on Friday
Pound/dollar:	▼ at \$1.3452 from \$1.3463
Dollar/yen:	▲ at 159.74 yen from 159.19 yen
Euro/pound:	▼ at 87.04 pence from 87.11 pence

with the United States beginning on Monday a partial blockade of the Strait of Hormuz, through which one-fifth of the world's oil and gas passes.

"The blockade will be enforced impartially against vessels of all nations entering or departing Iranian ports and coastal areas, including all Iranian ports on the Arabian Gulf and Gulf of

Oman," US Central Command posted on X.

It will allow ships not coming or going to Iran to pass through the strait, however.

The threat comes as Tehran has already effectively closed the Strait of Hormuz to oil and other traffic since the start of US-Israel strikes on Iran in late February.

World oil prices jumped more



Stockbrokers react during trading hours at the Pakistan Stock Exchange (PSX) in Karachi

than 6% Monday,

Wall Street's main indices were mixed in late morning trade.

Asian and European markets ended the day mostly lower.

"Reopening the Strait of Hormuz remains the key requirement for reigniting a sustainable rally across risk assets," said

David Morrison, an analyst at Trade Nation.

"Yet there's also a conviction, rightly or wrongly, that the war will end relatively soon," he said, noting that oil futures contracts for deliveries later this year are currently priced well below current market prices.

"As far as oil traders are con-

cerned, this war may be in its seventh week, but it should be resolved by summer," Morrison said.

But Chancellor Friedrich Merz warned Monday that Germany, Europe's biggest economy, would feel the effects of the energy shock from the war "for a long time to come, even after it is over", as his government announced relief measures including a fuel-tax cut.

In Hungary, stocks rallied 5% after conservative Peter Magyar won a thumping majority in parliamentary elections Sunday, ousting Prime Minister Viktor Orban after 16 years in power and opening the way to improved relations with the European Union.

Economists at ING said that alongside economic reforms, Hungary's new pro-Europe government could set a target date for adopting the euro.

"If timed perfectly, this could boost market confidence and give the Tisza party more time to work on the Hungarian economy with some tailwinds," they wrote in a research note.