

# Oil prices slide, European stocks rebound on Trump's Iran remarks

AFP | London, United Kingdom

Oil prices tumbled and European stock markets rebounded Monday in volatile trading as US President Donald Trump suddenly ordered a halt to strikes on Iranian energy infrastructure after claiming "very good" talks with Tehran.

Crude futures plunged more than 14 percent after Trump's comments on his Truth Social platform, a sharp contrast to his threatening talk over the weekend.

However they later pulled back to trade down around eight percent as Iran denied negotiations had taken place.

"We need to wait for more clarity," UBS commodities analyst Giovanni Staunovo told AFP, as European gas prices declined four percent.

Asian and European stock markets had kicked off the new week with sharp losses. However following Asia's close and Trump's update, European equities rallied. All three of Wall Street's major indices jumped higher at the opening bell and were trading up more than one percent.

## Key figures at around 1330 GMT

Brent North Sea Crude:	▼ 8.7% at \$102.42 per barrel
West Texas Intermediate:	▼ 7.8% at \$90.60 per barrel
New York - Dow:	▲ 1.6% at 46,317.10 points
New York - S&P 500:	▲ 1.3% at 6,592.95
Nasdaq Composite:	▲ 1.5% at 21,964.56
London - FTSE 100:	▲ 0.2% at 9,934.82
Paris - CAC 40:	▲ 1.1% at 7,752.37
Frankfurt - DAX:	▲ 1.6% at 22,727.28
Tokyo - Nikkei 225:	▼ 3.5% at 51,515.49 (close)
Hang Seng Index:	▼ 3.5% to 24,382.47 (close)
Shanghai - Composite:	▼ 3.6% at 3,813.28 (close)
Euro/dollar:	▲ at \$1.1586 from \$1.1550 on Friday
Pound/dollar:	▲ at \$1.3394 from \$1.3323
Dollar/yen:	▼ at 158.67 yen from 159.30 yen
Euro/pound:	▼ at 86.51 pence from 86.68 pence



A cargo ship is moved to a berth at the container terminal at the port in Qingdao, in China's eastern Shandong province

The rebound lost some steam after Iranian media said there had been no talks between Tehran and Washington.

"It's incredibly difficult to trade these markets when Trump is swinging between massive escalation and declaring peace/victory... but the market is happy for now that we do not enter a new phase of danger,"

said Saxo UK investor strategist, Neil Wilson.

Analyst Patrick O'Hare at Briefing.com said the stock market "is reading between the lines of everything and is sensing an off-ramp moment, sooner rather than later."

Ahead of Trump's update, the International Energy Agency warned of the worst global en-

ergy crisis in decades.

Trump on Saturday gave Iran 48 hours to reopen the Strait of Hormuz to shipping or face the destruction of its energy infrastructure.

The ultimatum came as the waterway -- through which a fifth of global oil and liquefied natural gas flows -- remained effectively closed.

Iran warned Hormuz "will be completely closed" should Trump act on his threat.

Observers have raised the prospect of surging inflation as oil prices remain far above pre-war levels despite Monday's plunge.

This in turn could see central banks hike interest rates, potentially triggering a fresh cost-of-

living crisis.

Disruption to fertiliser shipments has fanned concerns about global food security.

The prospect of higher borrowing costs has hammered the price of non-yielding gold but the precious metal recovered some of its losses after Trump's latest comments, which also reversed the direction of the dollar.

As Wall Street opened for trade, the greenback dropped against the euro, British pound and yen, having earlier risen.

Yields on 10-year government bonds, which have been surging on inflation concerns, pulled back slightly.

"As government bonds... see yields rise, it makes gold less attractive given that gold pays no interest," said Susannah Streeter, chief investment strategist at Wealth Club.

"Investors who have made losses elsewhere in volatile markets are selling to cover positions."

Israel has said the Middle East war could last several more weeks, with its military expanding ground operations in Lebanon against Iran-backed militant group Hezbollah.

# What cargo ships are passing Hormuz strait?

AFP | London, United Kingdom

Just a trickle of cargo ships and tankers -- most of them Iranian -- have made it through the Strait of Hormuz since Iranian forces effectively blocked the crucial trade route in the Middle East war.

Here are facts and figures about vessels that have passed through the 167-kilometre (104-mile) long strait since the war broke out with US-Israeli strikes on Iran on February 28.

## 95% shipping drop

From March 1 to 0400 GMT on March 23, commodities carriers made just 138 crossings, according to analytics firm Kpler -- a 95% decrease from peacetime.

Of these, 87 crossings were by oil and gas tankers and more than half were loaded, Kpler data showed, with most travelling east out of the strait.

"Traffic through the Strait of Hormuz continues to be severely disrupted," shipping intelligence journal Lloyd's List said in its latest update Monday.

Its editor Richard Meade has noted bulk carriers, tankers and container ships make up most of the traffic.

He said the week to last Thursday saw an "uptick in gas carriers moving" through the maritime chokepoint.

## New approved route?

On Monday, three further vessels -- two Indian-flagged tankers carrying liquefied petroleum gas (LPG) and a China-bound oil carrier -- became the latest to navigate the strait, according to Kpler's monitoring service MarineTraffic.

The Jag Vasant and Pine Gas,

## Countries act to limit fuel price rise, cut consumption

Paris, France

The surge in fuel prices triggered by the war in the Middle East has prompted countries to take measures to limit the financial impact on consumers and businesses.

Countries have also moved to reduce consumption, especially when they have limited reserves.

Here are some of the measures that have been adopted:

### Tax cuts and aid

Some countries are targeting the price of fuel in order to limit the impact of the rise of crude oil prices on consumers and businesses.

Spain has launched a five-billion-euro (\$5.8-billion) plan that reduces the value added tax (VAT) on fuel which should result in a reduction of 30 euro cents per litre.

A similar measure is in place in Portugal and has been announced in Sweden.

Since US-Israeli attacks on Iran set off the war on February 28 a number of countries such as Croatia, Hungary, South Korea and Thailand have set price

limits on fuel.

Vietnam has waived customs duties on fuel imports through the month of April.

Japan is using subsidies to refiners to ensure the pump price of petrol stays around 170 yen (\$1.07) per litre, having hit a record 190.8 yen in the middle of the month.

Taiwan uses a mechanism that absorbs 60 percent of increases.

China on Monday limited the amount that fuel prices may rise at the pump.

Greece has earmarked 300 million euros (\$347 million) in relief for households and farmers in April and May to help them cope with rising fuel prices.

Morocco has put in place a special direct subsidy for road transport firms.

Brazil has announced temporary measures to limit fuel price increases, including suspending taxes on diesel fuel.

Germany has banned service stations from raising prices more than once per day.

Stocks, rationing, restrictions The war is also forcing countries to dip into their strategic stocks and take other measures

to avoid shortages, including rationing and reducing travel.

The 32 member countries of the International Energy Agency (which includes the G7 nations) have released a record amount from their strategic reserves.

### Bangladesh has imposed rationing

Egypt has limited non-essential travel by government employees.

The Philippines has reduced ferry services and prices of local public transport have risen.

India, the world's number two importer of liquefied petroleum gas which is used to produce cooking gas, has prioritised supplies for households.

South Korea's ruling party said the country will lift a cap on coal-powered generation capacity set at 80 percent and boost the use of nuclear power to about the same level.

### Reducing energy consumption

Other countries are introducing measures to reduce fuel consumption.

Thailand is encouraging government employees to work

from home, while Vietnam is encouraging employers to do so.

Indonesia is looking at imposing one day of working from home for government employees, while the Philippines has gone further, introducing a four-day work week for government employees.

In Thailand, the temperature in public buildings has been raised to 26 degrees Celsius (79F) to reduce electricity consumption for air conditioning.

Vietnam is encouraging people to ride bicycles, share rides and use public transport.

Bangladesh shut universities and brought forward the Eid holidays, the end of the Muslim holy month of Ramadan, to limit electricity consumption.

It also cancelled decorative light displays on government buildings on Eid and those scheduled for Independence Day celebrations on March 26 and asked shopping malls to do the same.

Countries are also looking at importing Russian crude after the United States temporarily suspended sanctions in mid-March.

the strait are owned or flagged in Iran, followed by Greek and Chinese carriers, Bridget Diakun, an analyst at Lloyd's List Intelligence, said last week.

"Although Iran is continuing to control the Strait and exit its own oil, everything else is largely still at a standstill," Meade previously noted.

## 51 sanctioned ships

Overall since the war started, more than 40% of the ships transiting the strait have been under US, EU or UK sanctions, according to an AFP analysis of passage data.

Of the oil and gas tankers, nearly 59 percent were under sanctions.

Since March 16 "anything heading westbound has been shadow fleet, gas carriers or tankers... they absolutely dominate the traffic going through," Diakun told the Lloyds briefing.

## Oil to China

Commodities analysts at JPMorgan bank have noted that most of the oil passing through the strait was headed for Asia, principally China.

Cichen Shen, Asia Pacific editor at Lloyd's List, said there were indications online that Chinese authorities were working on "some sort of exit plan" for their big tankers stuck in the region.

## 1.3 mn barrels of Iran oil

The JPMorgan analysts said overall 98% of the observable oil traffic through the strait was Iranian, averaging 1.3 million barrels a day "in early March".

A fifth of the world's oil and liquefied natural gas passes through the strait in peacetime.%

both Indian flagged, were each carrying around 45,000 metric tonnes of LPG when they left the waterway, having loaded up in the UAE and Kuwait respectively in late February, according to Bloomberg and MarineTraffic.

The Panama-flagged Bright Gold left the strait carrying around 40,000 metric tonnes of

methane, and was due to arrive in China on April 13.

The trio -- not included in Kpler's overall tally update -- appeared to have used a purported Tehran-approved route around Larak Island just off the Iranian coast.

Meade has said that governments including China, India,

Pakistan, Iraq and Malaysia seemed to have been in direct talks with Tehran, "coordinating vessel transits" with its Revolutionary Guards.

Lloyd's List noted last week that at least nine ships had by that time passed through the apparent Iranian-approved "corridor" for vetting by its author-

ities.

Two of the vessels navigating it Monday -- the Bright Gold and the Indian tanker Pine Gas -- kept their AIS transponders on, a rare occurrence for a non-Iranian vessel in the current climate.

Iranian, Greek, Chinese ships The biggest proportion of ships to have passed through