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ABOUT US

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In both of our website and and this magazine we cover topics about Diplomacy, Security, Defence, Counter Terrorism, foreign policy and international affairs. Indeed our reporting, OPeds, interviews with various stakeholders provide unique insights and analysis as well as the tools to arm you with the intel you need to make informed decisions.

Here I wish to commend.

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House Approves Short-Term Extension of FISA Section 702 Surveillance Powers After Failed Longer Deals

BY JAN FRAZIER



located abroad, even if their communications involve Americans. The program, utilised by agencies including the CIA and NSA, has been a focal point of debate due to concerns over incidental collection of US citizens' data without warrants. The authority was due to expire on April 20, 2026, prompting urgent legislative efforts in Congress. House GOP leadership raced through the week to renew it before the deadline, initially pursuing the 18-month clean extension favoured by the Trump administration. The administration argued that lapses could jeopardise national security amid ongoing global threats, including tensions with Iran.

The US House of Representatives approved a two-week extension of Section 702 of the Foreign Intelligence Surveillance Act (FISA) shortly before 2 a.m. on Friday, April 17, 2026, following the rejection of longer-term proposals backed by President Donald Trump. This stopgap measure extends the controversial surveillance program until April 30, 2026, averting its expiration on April 20. House Speaker Mike Johnson expressed confidence in reaching a full agreement by the end of the month.

The House action came after Republican leaders failed to secure support

for an 18-month extension requested by President Trump or a five-year deal with minor reforms. Conservative Republicans, demanding stronger privacy protections such as a warrant requirement for Americans' data, blocked both proposals. The Senate ratified the short-term extension via voice vote later that morning, sending it for President Trump's signature.

Background on Section 702 Surveillance Authority

Section 702 of FISA permits US intelligence agencies to conduct warrantless surveillance on foreign nationals

Timeline of Failed Renewal Attempts

House Republicans first attempted an 18-month extension, aligning with President Trump's public call on Truth Social for Republicans to "UNIFY" behind a clean reauthorisation. This effort collapsed due to opposition from approximately 20 GOP members who joined most Democrats in procedural votes.

Leaders then proposed a compromise extending the program until 2031, incorporating stricter criminal penalties for FISA violations to address privacy

hawks' concerns. Conservatives rejected this as insufficient, insisting on mandatory warrants for querying Americans' communications.

A subsequent five-year extension with minor reforms also failed dramatically in late-night votes. These setbacks forced the pivot to the temporary measure, approved after midnight on April 17.

Key Statements from House Leadership

House Speaker Mike Johnson, R-La., addressed reporters early Friday, stating, "We were very close tonight. There's some nuances with the language and some questions that need to be answered and we'll get it done. The extension allows us the time to do that." He described efforts to "thread the needle of ensuring that we have this essential tool to keep Americans safe but also safeguard constitutional rights." Johnson noted the chamber could afford only two GOP defections in test votes, assuming full attendance, as Democrats typically opposed procedural steps despite some support for clean reauthorization. He emphasised on Wednesday that "this is an essential tool for national security. We cannot allow it to expire, and we won't."

Positions of Conservative GOP Opponents

GOP privacy advocates, including Rep. Chip Roy, R-Texas, supported the core 702 authority but pushed for reforms. Roy told

reporters, "We understand and agree with the president that we need 702 authority to go after bad guys abroad. We're fighting for greater protections... to ensure citizens have protections." Rep. Lauren Boebert, R-Colo., affirmed, "The folks who are saying we want these reforms within FISA, we mean what we say... I'm going to continue to stand up and protect that Fourth Amendment right for all American citizens." Fewer Republicans opposed a clean extension compared to prior fights, citing over five dozen reforms enacted in 2024.

Rep. Jim Jordan, R-Ohio, backed a short-term clean extension, stating, "2026 is not 2024 and a short-term clean extension of the 702 part of FISA law is an acceptable outcome."

Democratic Responses and Broader Criticism

Democrats criticised the rejected compromise as inadequate. Rep. Jamie Raskin, D-Md., remarked, "This simply says they may seek a warrant. They don't have to... In other words, this provision is meaningless." Both conservatives and progressives have long advocated warrant requirements for reviewing Americans' data under 702.

Administration and Intelligence Community Pressure

The Trump administration lobbied intensely for a clean extension. CIA Director John Ratcliffe visited Capitol Hill, telling Fox News, "There's a lot at

stake." Joint Chiefs of Staff Chairman Gen. Dan Caine sent a letter to lawmakers highlighting the program's national security value.

These efforts underscored arguments that the tool prevents terrorist attacks, but failed to sway all conservatives insistent on privacy guardrails.

Procedural and Legislative Path Forward

The House approved the extension in a post-midnight session after reconvening for consecutive failed votes on longer deals. The Senate passed it swiftly without a roll call.

Speaker Johnson voiced optimism for a month-end resolution. The measure awaits presidential signature, with no immediate reports of veto threats.

Historical Context of FISA Debates

Section 702 has faced repeated renewals amid bipartisan concerns over abuses, including past FISA court violations. Reforms in 2024 addressed some issues, reducing opposition this cycle. The current impasse highlights ongoing tensions between national security needs and Fourth Amendment protections.

Previous reauthorisations involved similar short-term patches when consensus eluded lawmakers. This extension provides breathing room for negotiations on reforms versus clean renewal.

Congress Faces 60-Day War Powers Deadline in Trump Iran Conflict

BY ATHENA NAGEL



Pydesetti in front of the capitol building with her D.C. roommates

Washington (Washington Insider Magazine) Apr 15, 2026 – The US Congress missed a key 60-day deadline under the War Powers Resolution for authorising or halting military hostilities with Iran, as President Donald Trump declared the conflict terminated. Senate Democrats' sixth war powers resolution to limit Trump's authority failed along party lines, while Republicans expressed reluctance to interfere with administration plans. A ceasefire has held since early April, but ongoing naval blockade raises questions about the war's status. The 60-day deadline under the

1973 War Powers Resolution passed on May 1, 2026, without congressional action to authorise continued US military operations in Iran. President Trump notified Congress of hostilities on March 2, 2026, triggering the clock. Hostilities began on February 28, 2026, involving US-Israel strikes and subsequent US naval actions, including a blockade of the Strait of Hormuz. In a letter to congressional leaders on May 1, Trump stated that hostilities had terminated following a ceasefire ordered on April 7, 2026, which has since been extended with no

exchanges of fire. The president asserted no congressional approval was needed.

Senate Rejects Democratic War Powers Resolutions

The US Senate rejected a war powers resolution introduced by Senator Adam Schiff (D-Calif.) on April 29, 2026, by a vote of 47-50. This marked the sixth such failure, with Republicans Sens. Rand Paul (R-Ky.) and Susan Collins (R-Maine) joining

emocrats, while Sen. John Fetterman (D-Pa.) voted against. Earlier votes, including a fourth block on April 14, followed party lines.

The resolution aimed to direct the president to remove US forces from hostilities with Iran. Democrats invoked the War Powers Resolution, which requires withdrawal after 60 days absent authorisation, with a possible 30-day extension for safe troop removal.

Senate Majority Leader John Thune (R-S.D.) noted no broad Republican desire for action, citing regular briefings from military leadership. Some Republicans, however, signalled potential shifts post-deadline.



AP Photo/Mariam Zuhaib

House Stands Firm Against War Powers Measures

The House of Representatives has rejected Democratic-led war powers resolutions twice since late February 2026. A measure to constrain President Trump's authority failed, with Republicans opposing abrupt cuts that could endanger US forces.

House Speaker Mike Johnson (R-La.) stated on April 30 that the US is "not at war" with Iran, citing no active kinetic operations amid ceasefire efforts. He expressed

reluctance to interfere with sensitive negotiations.

Democrats in the Congressional Progressive Caucus introduced daily resolutions ahead of the deadline, but none advanced.

Trump Administration Defends Ceasefire Position

President Trump ordered a two-week ceasefire on April 7, 2026, extended thereafter, halting direct fire exchanges. The administration maintains the 60-day clock does not apply due to terminated hostilities.

Defence Secretary Pete Hegseth testified on April 29 before the Senate Armed Services Committee that the ceasefire pauses the 60-day window. Sen. Tim Kaine (D-Va.) disputed this, stating the statute does not support pausing and calling it a key legal question.

The blockade of Iranian ports continues via US Navy, which Democrats like Kaine describe as ongoing war acts. Kaine noted: "The ceasefire just means bombs aren't dropping... We're still using the US Navy to block anything going into and out of any port in Iran. That's war."

Republican Proposals for Restraint and Authorisation

Sen. Lisa Murkowski (R-Alaska) is preparing an Authorization for Use of Military Force (AUMF) that includes "restraint" elements. She plans to introduce it upon Senate return if no credible plan emerges post-60 days.

Murkowski stated: "If we pass

this 60-day mark... it is something that I intend to introduce once the Senate reconvenes." A handful of GOP senators are drafting explicit authorisation legislation to bypass war powers debates.

Republicans argue prior resolutions risk emboldening Iran and endangering troops.

Democrats Eye Legal Challenges Post-Deadline

Without congressional action, the administration has 30 days to wind down operations absent authorisation. Democrats signal potential legal action if unmet, though Sen. Adam Schiff (D-Calif.) doubts Supreme Court intervention, stating: "It's hard for me to imagine them constraining this president." Schiff added reliance on the court would not suffice. Democrats forced repeated votes to highlight congressional oversight.

War Powers Resolution Background

Enacted in 1973 post-Vietnam War, the resolution limits unilateral presidential action. It requires notification within 48 hours of hostilities and withdrawal after 60 days without declaration of war or AUMF.

The law stems from constitutional division: Congress declares war, president as commander-in-chief directs forces. Disputes often resolve politically rather than judicially.

Democrats Demand Trump Removal Through Impeachment or 25th Amendment After Iran Threats

BY HENRY NICHOLAS



Brendan Smialowski / AFP - Getty Images

Dozens of Democratic lawmakers have called for President Donald Trump's removal from office following his threats to obliterate Iran's "whole civilization." Over 70 legislators urged invoking the 25th Amendment or pursuing impeachment proceedings. House Democrats later introduced a bill to establish a commission assessing presidential fitness under the amendment. President Donald Trump's statements threatening to annihilate "a whole civilization" in Iran prompted widespread

reactions from Democratic members of Congress. More than 70 Democrats, including senators and representatives, publicly advocated for his removal either through impeachment or the 25th Amendment. These calls emerged after Trump's remarks, which lawmakers described as alarming and indicative of unfitness for office. Senator Ed Markey, D-Mass., posted on X that the House and Senate must reconvene, with the House passing articles of impeachment and the Senate convicting to remove Trump, or

alternatively, the Cabinet and Vice President invoking the 25th Amendment with congressional agreement. Senator Chris Murphy, D-Conn., supported the 25th Amendment, stating no president in control of his senses would pledge to eradicate an entire civilization. Representative Ro Khanna, D-Calif., called for invoking the 25th Amendment, describing the threats as a breach of the Constitution and Geneva Conventions, and later emphasized considering all options on MSNBC.

The volume of Democratic voices marked a shift from prior restraint during Trump's second term. Over a quarter of Democratic members of Congress raised concerns about Trump's mental stability. Lawmakers reported surges in constituent calls to their offices regarding the Iran situation. President Trump later agreed to a two-week ceasefire with Iran, but the incident highlighted growing pressures.

Associated Press reported that Trump's declarations dismantled Democratic restraint on removal discussions. The New York Times noted over 85 Democrats from both chambers urged impeachment or 25th Amendment invocation following the Iran-related post. PBS NewsHour detailed how Democrats grew bolder post-threats, with numerous public declarations for removal. These statements appeared primarily on social media platform X and in media interviews. Axios highlighted the context of Trump's "civilization will tonight" phrasing linked to Iran.

House Democrats File Legislation for 25th Amendment Commission

On April 14, 2026, House Democrats introduced a 10-page bill to create a 17-member commission evaluating presidential incapacity under Section 4 of the 25th Amendment. Ranking Member Jamie Raskin,

D-Md., of the House Judiciary Committee, presented the measure. It has 50 Democratic co-sponsors.

The commission would conduct medical evaluations to determine if the president is mentally or physically incapable of duties. Appointments include two members each from Senate majority/minority leaders, House Speaker, and Minority Leader. Four former high-ranking officials—vice presidents, secretaries of State, Defense, Treasury, attorneys general, surgeons general—appointed equally by parties. The 16 members select a chair, either another official or medical professional.

Findings could lead to temporary removal if endorsed by the vice president. After 21 days, Congress votes on permanent removal, requiring two-thirds majorities in both chambers. Raskin stated the Constitution empowers Congress to establish such a body for government continuity. He added a serious obligation exists to create it alongside the vice president and Cabinet. Raskin noted public confidence in Trump's capacity has plummeted amid threats to civilizations' stability.

White House Responds to Democratic Proposals

White House spokesperson Davis Ingle criticized Raskin as a "lightweight" and "foolish person's notion of an intelligent individual." Ingle contrasted Trump's "sharp intellect,

unparalleled vigor, and unprecedented accessibility" with Democrats' handling of Joe Biden's decline. Axios assessed the bill's passage as challenging due to Republican congressional majorities and Trump's veto power. Vice President Vance's support would be required, given his allegiance to Trump.

Background on 25th Amendment and Impeachment Processes

The 25th Amendment allows the vice president and Cabinet, or another body Congress provides, to declare a president unable to discharge duties. Democrats positioned the proposed commission as that "other body." Impeachment requires House articles passage and Senate two-thirds conviction.

NBC News reported over 70 Democrats backing these steps post-threats. AP detailed dozens saying Trump should be removed. The Axios bill builds on prior calls, with over 85 Democrats urging action last week.

Trump's Iran threats followed unspecified escalations, leading to ceasefire agreement. Lawmakers' offices fielded constituent concerns.

This reporting compiles statements and developments from NBC News, AP News, Axios, The New York Times, and PBS NewsHour as of May 2026. All facts drawn from these outlets maintain neutrality without added interpretation.

Energy security dominated talks due to the Strait of Hormuz closure, where Iran and the United States imposed competing blockades, causing soaring prices and fears of shortages across Europe. The European Commission proposed measures including social schemes, tax reductions, grid investments, and subsidies for clean technologies to provide targeted, temporary relief. Leaders debated a multinational force to escort commercial ships and demine the waterway, though the plan remained in early stages.

Turkey's Exclusion Sparks Diplomatic Exchanges

The absence of Turkish President Erdoğan drew sharp reactions, exacerbating strains in EU-Turkey relations. European Commission President Ursula von der Leyen grouped Turkey with Russia and China as global threats in remarks to *Die Zeit*, prompting backlash. Former European Council President Charles Michel criticised the comments on X, arguing against double standards, while Christodoulides responded by recalling Turkey's 1974 invasion of Cyprus.

NATO Secretary-General Mark Rutte visited Ankara on 23 April 2026 to mitigate fallout, affirming NATO's commitment to defend Turkey and praising its alliance contributions ahead of a major NATO summit hosted by Turkey. The Commission clarified Turkey as an "important partner" and EU

candidate country. Turkish Foreign Minister Hakan Fidan had accused Israel, Greece, and Cyprus of fuelling instability through military cooperation, amid Turkey's ties to Tehran. Critics highlighted risks in discussing Iran, energy corridors, and navigation freedom without Turkey, which hosts four million refugees and controls Aegean migration routes. Supporters noted the venue's impracticality for Turkish attendance. The EU's new Migration Pact faces challenges without renewed accommodation, as visa liberalisation remains frozen.

Middle East Leaders Engage on Shared Concerns

Friday's extended session included leaders from Lebanon, Jordan, Egypt, Syria, and the Gulf Cooperation Council secretary-general. Gulf states declined alignment with Western sanctions on Russia, adding friction. The gathering addressed mutual assistance, the energy crisis linked to Hormuz, and completion of the EU Single Market.

Cyprus positioned the summit as a geopolitical test, with positive organisational outcomes but emphasis on implementation ahead. EU officials downplayed Turkey-related controversy, reiterating Ankara's role in the 2016 migration statement. Airlines continue facing overflight issues during Turkish-Cypriot military exercises closing flight information regions.

Broader Context of EU-Turkey Ties

Relations hit a low not seen since the 2022 Eastern Mediterranean gas standoff. Former Turkish President Abdullah Gül stated at the Delphi Economic Forum that the Cyprus issue should not bar Turkey from Europe's security architecture, underscoring its military and strategic value. Hungary's Viktor Orbán, absent due to his impending departure after electoral defeat, had previously obstructed EU actions, though some vetoes lifted recently.

The summit aligned with Cyprus's push to enhance maritime security and position itself on the Middle East frontline. Discussions on the €2 trillion EU budget for 2028-2034 sought reductions, targeting agreement by year-end amid 2027 elections in key states. Zelenskyy expressed hope for consensus on Ukraine's path within weeks or months.

Turkey's mediation efforts in the US-Israel-Iran conflict contrasted with EU perceptions of its Tehran alignment. Economic fragility in Turkey, worsened since the 2025 arrest of Istanbul mayor Ekrem İmamoğlu, added EU concerns. Rising EU far-right opposition to Turkey's accession influenced stances.

This event underscores ongoing Eastern Mediterranean dynamics, with practical implications for migration, energy, and travel amid ad-hoc diplomacy.

Lawmakers Demand Melania Trump Testify After Her Epstein Statement Prompts DOJ Scrutiny

By Adriana Montes



AP Photo/Jacquelyn Martin, file

First Lady Melania Trump denied any ties to Jeffrey Epstein and called for Congress to hold public hearings for his victims to testify under oath. Bipartisan lawmakers responded by demanding action from the Department of Justice and Acting Attorney General Todd Blanche, while some urged Melania Trump herself to testify. Epstein survivors criticised the statement, accusing the administration of shifting responsibility away from its own obligations under the Epstein Files Transparency Act. Melania Trump issued the statement

from the White House on Thursday, April 8, 2026, rejecting what she described as "disgraceful lies" linking her to the late sex offender Jeffrey Epstein. She explicitly stated she was never friends with Epstein, had no relationship with him, and was not a victim. In her remarks, the First Lady urged Congress to create a dedicated public hearing for Epstein's survivors, allowing them to provide sworn testimony entered into the Congressional Record. The statement came amid ongoing controversy over the release of Epstein-related files

by the Department of Justice. Former U.S. Attorney General Pam Bondi oversaw an earlier release that survivors claimed doxxed their identities by failing to protect personal information. Acting Attorney General Todd Blanche, who succeeded Bondi, stated in a Fox News interview that the DOJ had released all Epstein files and wished to move forward from the matter.

Lawmakers React to Melania Trump's Call for Hearings

Republican Representative Anna Paulina Luna reposted video of the First Lady's statement, calling on the DOJ to prosecute individuals who took plea deals under civil rights violations and consider additional charges. She noted that House Oversight Committee Chairman James Comer had agreed to summon four named co-conspirators to testify, with plans to question doctors and others as the list grows. Luna distinguished between traffickers and victims, emphasising the need for accountability.

Republican Representative Thomas Massie criticised the suggestion that Congress should handle survivor testimonies, stating it was Acting Attorney General Todd Blanche's responsibility. Massie, who has clashed with the

administration on the Epstein case, referenced prior hearings he co-hosted with Democratic Representative Ro Khanna where survivors testified, but claimed Bondi refused to acknowledge them. He demanded prosecutions.

Democratic Representative Ted Lieu pointed out that Congress had already acted, but accused Blanche of violating the law by refusing to release required Epstein files. California Representative Robert Garcia, the leading Democrat on the House Oversight Committee, agreed with Melania Trump's call for hearings but reiterated demands for Bondi to testify under subpoena. Garcia told CNN that Bondi knew details of the "cover-up" and botched file release that exposed survivors. Democratic Representative Ro Khanna demanded Melania Trump testify before Congress, arguing her statement indicated she possessed relevant information. Representative Melanie Stansbury shared a letter purportedly signed by 15 Epstein victims, which accused the First Lady of politicising the issue and diverting attention from the DOJ's non-compliance with the Epstein Files Transparency Act.

DOJ and White House Responses Remain Limited

The Department of Justice provided a statement to NPR following Melania Trump's remarks, encouraging victims to contact the FBI with information on abusers. No further details

on new actions were announced. Fox News Digital sought comment from the DOJ and White House on the First Lady's statement and congressional demands but received no response at the time of reporting.

Acting Attorney General Blanche, in his recent interview, affirmed that the Epstein saga should not continue to dominate DOJ efforts. This position drew criticism from lawmakers across the aisle who insist more files, testimonies, and prosecutions are needed.

Background on Epstein Files Controversy

Jeffrey Epstein, the financier convicted of sex trafficking, died in 2019 while awaiting trial. His case has led to bipartisan efforts for transparency, including the Epstein Files Transparency Act, which mandates full disclosure. The Trump administration's handling, particularly under Bondi, faced backlash for the flawed release that allegedly endangered survivors by exposing their data.

Melania Trump's advisor Marc Beckman explained the statement addressed smears linking her to Epstein. She referenced recent resignations of business figures tied to Epstein, calling for transparency without implying guilt. The First Lady did not take press questions after her speech.

California Representative Robert Garcia told CNN that sufficient Republican support

exists for Bondi's subpoenaed testimony. He vowed continued pressure on the DOJ and Blanche.

Survivors' letter, as posted by Stansbury, stated they had fulfilled their role and urged those in power—the DOJ, law enforcement, and administration—to act. It highlighted risks from withheld files shielding enablers.

Bipartisan Momentum Builds for Testimonies

Representative Luna's announcement signals potential Oversight Committee hearings for co-conspirators. Massie and Khanna's prior event provided a platform for survivors, but participants reported inadequate DOJ engagement.

Garcia urged Chairman Comer to schedule hearings promptly, echoing Melania Trump's call while focusing on Bondi. Lieu emphasised congressional action already taken.

The White House statement originated from an official briefing on April 8. Melania Trump advocated for every victim's story to be heard publicly if desired, with permanent record.

DOJ's FBI referral stance remains consistent, but lacks specifics on prosecutions or file releases. Blanche's forward-looking comments contrast with congressional insistence on unresolved issues.

This develops as Capitol Hill pressures mount for accountability in the Epstein matter.

Senate Banking Committee Advances Kevin Warsh Nomination for Federal Reserve Chair Seat

By Danielle Campbell



AP Photo/Jose Luis Magana

The Senate Banking Committee has officially advanced the nomination of Kevin Warsh to serve as the next chair of the Federal Reserve, following a strictly partisan 13-11 vote. This action clears a primary legislative hurdle, sending the nomination to the full Senate for a final confirmation vote. The proceedings occurred amidst ongoing political scrutiny regarding the nominee's independence and the transition of leadership from current Chair Jerome Powell.

Senate Banking Committee Advances Federal Reserve Nomination

On Wednesday, the Senate Banking Committee voted to move forward with the nomination of Kevin Warsh to lead the Federal Reserve, a decision that marks a significant step in the transition process initiated by President Donald Trump. The committee's endorsement came following a vote of 13-11, which was conducted entirely along party lines, with all 13 Republican members supporting the nomination and all 11 Democratic members opposing it. This result sets the stage for a final confirmation vote on the floor of the upper chamber, potentially occurring before the current Federal Reserve Chair Jerome Powell's term concludes on May 15, 2026.

The committee's action follows a period of deliberation regarding the nominee's policy perspectives and his relationship with the current

administration. Republican Senator Thom Tillis, a member of the committee, provided the critical vote necessary to move the nomination forward. His support was confirmed following the Department of Justice's announcement on Friday that it would discontinue its criminal investigation into the current Federal Reserve leadership. Senator Tillis had previously indicated that he would pause the advancement of Mr Warsh's nomination until the status of that investigation was clarified.

Opposition Concerns Regarding Institutional Independence

Democratic members of the committee expressed significant opposition throughout the confirmation process, citing concerns over the perceived influence of the executive branch on the independence of the Federal Reserve. Senator Elizabeth Warren, D-Mass., was vocal in her criticism, characterising the development as a partisan milestone in the committee's history. She argued that the current economic environment necessitates a focus on maintaining the bank's autonomy and questioned the implications of the nominee's appointment.

During the hearing, several Democratic senators chose to cast their votes against the nominee via proxy, with some opting to skip the physical proceedings. Senator Warren stated that the advancement of the nomination occurs under uniquely challenging circumstances, pointing to the

ongoing scrutiny of Fed policies and leadership. The debate underscored broader tensions within the Senate regarding the future direction of the central bank and the nature of executive oversight in monetary policy.

Context of the Federal Reserve Leadership Transition

The nomination of Kevin Warsh, a former official at the Federal Reserve, has been a focal point of recent economic discussions, particularly given his past commentary on the institution. Mr Warsh has previously offered critical assessments of the central bank's management, including specific criticisms of inflation trends observed in 2022. President Trump, who announced his intention to nominate Mr Warsh in January 2026, has frequently publicly criticised the current Chair, Jerome Powell, for his handling of borrowing rates and economic policy.

As the nomination moves toward a full Senate vote, the legislative calendar remains tight. If confirmed, Mr Warsh will assume the chairmanship as the Federal Reserve faces ongoing decisions regarding interest rates and broader monetary strategy. The upcoming Senate floor vote will represent the final step in a confirmation process that has been defined by clear divisions within the banking committee and heightened public interest in the future of the nation's monetary policy authority.

US-Iran Peace Talks in Pakistan Face Major Obstacles Over Ceasefire

By Jan Frazier



BBC

(US Vice-President JD Vance concluded 21 hours of ceasefire negotiations with Iran in Islamabad without reaching agreement on key issues including nuclear program and Strait of Hormuz reopening. Both sides remain far apart on crucial demands despite temporary ceasefire. Israel has escalated military actions in Lebanon while Iran's regime remains intact despite massive damage. Trump's 15-point plan demands nuclear dismantlement while Iran's proposal includes reparations and US troop withdrawal.)

US Vice-President JD Vance Returns From Islamabad Without Breakthrough

US Vice-President JD Vance returned from Islamabad on Sunday following 21 hours of high-stakes negotiations with Iranian representatives aimed at resolving the ongoing conflict. The discussions, representing the most significant diplomatic engagement between the United States and Iran in decades, yielded no substantial progress on critical issues.

According to an anonymous US official, no consensus was reached regarding the fate of Iran's enriched uranium stockpiles. Several unresolved matters persist, including the reopening of the Strait of Hormuz without tolls — a priority for President Donald Trump — and securing Iranian commitments to cease funding proxy organisations such as Hezbollah and Hamas.

Conflicting Peace Plans Centre on Nuclear Facilities and Regional Demands

President Trump's 15-point plan, though not officially published, has been revealed through leaked drafts to demand Iran dismantle all major nuclear facilities, halt uranium enrichment on Iranian territory, export enriched uranium stockpiles, and permit rigorous international inspections. The US plan also includes a one-month ceasefire window for negotiating broader war conclusion terms.

Iran presented a 10-point plan through Pakistani intermediaries containing demands consistently rejected by America in the past. The proposal includes a US guarantee against future military aggression, recognition that Iran controls the Strait of Hormuz, acceptance of Iran's right to enrich uranium, lifting of all primary and secondary sanctions, termination of all Security Council and IAEA Board of Governors resolutions, payment of reparations to Iran, withdrawal of US combat forces from the region, and ceasefires on all fronts including against Hezbollah in Lebanon.

Trump characterised Iran's proposal as "significant" but deemed it "not good enough". The 15-point US plan reportedly resembles more of a capitulation document than a framework for negotiation according to leaked versions.

Israel's Escalated Lebanon Offensive Complicates Negotiations

The biggest obstacle to negotiation success remains a total absence of trust between the parties, no discernible common ground, and Israel's significant escalation of military actions in Lebanon. Israel, described as America's full partner in the war, has hugely escalated its onslaught on Lebanon.

Iran and Pakistan assert that the ceasefire extends to Lebanon, while Israel and the US contest this interpretation. Israel claims it is targeting Hezbollah, yet growing numbers of Lebanese believe it is actually targeting Lebanon itself, having occupied significant territories in the south and displacing thousands of residents.

Anti-US sentiment in Iran has not abated since the start of the war. The war ignited by the US and Israel on 28 February, alongside huge strikes that killed Iran's supreme leader Ayatollah Ali Khamenei, his wife and other family members, was expected by Trump to produce quick victory.

Strait of Hormuz Reopening Becomes Central Negotiation Issue

The newest and most urgent problem facing negotiators concerns reopening the Strait of Hormuz, the narrow exit from the Gulf. Keeping the waterway closed gives Iran a chokehold on the world economy.

Reopening the strait, which was used by hundreds of ships daily until US and Israeli attacks on Iran, has become the central issue in negotiations. Hundreds of vessels remain waiting to pass through the Strait of Hormuz.

Iran Regime Remains Intact Despite Massive Military Damage

The American and Israeli war has done immense damage to Iran's armed forces as well as its military and civilian infrastructure. However, while the Iranian regime may be battered, it remains intact with regime change not occurring. Iran continues demonstrating the ability to launch missiles and drones. The regime's social media warriors continue pouring out AI videos lampooning Donald Trump. Iran's cities have come to an economic standstill and the regime needs time to regroup.

Hopes that killing Iran's supreme leader would lead to regime collapse were wildly misplaced. His son Mojtaba Khamenei, appointed as successor, has not been seen since the attack that killed his parents, with speculation he was badly hurt along with reportedly his sister, wife and one son.

Without active participation of the new supreme leader, Iran's regime has demonstrated depths of resilience that took Trump by surprise. This means that despite loud claims, the US and Israel have not translated tactical victories into strategic advances.

Trump Needs War End Before

Royal Visit and Midterm Elections

US President Donald Trump is already speaking about the war in the past tense, having declared victory and needing an exit. He has a state visit from King Charles scheduled for later this month, followed by a summit with China's President Xi Jinping in May, and midterm elections in November.

With America's summer holiday season looming, Trump also needs petrol prices to fall back to pre-war levels. Royal visits, summits and elections do not mix well with wars.

Iran's regime has its own reasons to end the war despite remaining as defiant as ever. The best hope for ceasefire talks in Pakistan is that both the United States and Iran have strong reasons to call a halt to the war.

Pakistani Mediators Face Difficult Shuttling Between Distant Positions

The Pakistani intermediaries shuttling between the two delegations have a tough job on their hands. The declared positions of the two sides are as far apart as possible.

In Islamabad, Vance faces the challenge of appeasing all parties involved. The measure of success in these talks remains ambiguous: whether it will be a comprehensive peace agreement or merely constructive preliminary discussions preserving the temporary ceasefire.

A White House official informed the BBC that Trump had assigned Vance the lead role in

the negotiations. Vance has indicated a preference for restraint in American foreign policy, which is difficult to reconcile with the ongoing conflict with Iran.

Prior to departure from the US, Vance stated: "If Iranians are to negotiate in good faith we are certainly willing to extend an open hand," while cautioning Iran not to "play us," noting Trump had provided the negotiating team with "some pretty clear guidelines".

Creating Durable Ceasefire Requires Agreement to Keep Talking

Creating a more durable ceasefire will require some kind of agreement to at least keep talking about the two sides' contradictory lists of intractable issues. It would be hard enough to work through them in peacetime.

In wartime, without any kind of mutual trust, even a form of words that keeps the ceasefire going irrespective of there being no agreement on wider issues will look positive. No agreement at all points towards the road back to war.

The millions of civilians in the Middle East caught up in this conflict hope this negotiation will be the war's endgame. The war that the US and Israel ignited is already reshuffling Middle Eastern geopolitics, and as longer-term consequences reveal themselves, that process will deepen.

FSB Middle East and North Africa Group Holds Virtual Meeting on Stability Risks

By Kathy Malouf



The Financial Stability Board's Regional Consultative Group for the Middle East and North Africa met virtually on 30 April, co-chaired by the governor of the Central Bank of Egypt and the governor of the Central Bank of the Republic of Türkiye. The group discussed global and regional financial stability vulnerabilities, including recent developments in the region, and also reviewed the FSB's ongoing work in 2026.

The meeting brought together senior officials from central banks, financial authorities and regulatory bodies across the region. According to the FSB, the discussions focused on vulnerabilities affecting financial stability

and took place against the backdrop of recent regional developments.

Virtual meeting with regional officials

The FSB said the Regional Consultative Group for Middle East and North Africa, or RCG MENA, met on 30 April in virtual format. The session was co-chaired by Governor Hassan Abdalla of the Central Bank of Egypt and Governor Fatih Karahan of the Central Bank of the Republic of Türkiye.

The group includes senior officials from central banks, financial authorities and regulatory

bodies in the region. Its purpose is to provide a forum for discussion among regional policymakers on financial stability issues affecting the Middle East and North Africa.

Financial stability vulnerabilities

The FSB said the meeting covered global and regional financial stability vulnerabilities, including in light of recent developments in the region. The organisation did not publish further detail in its brief notice on the specific vulnerabilities discussed.

The FSB also said members discussed its ongoing work in 2026. No additional outcomes, votes or formal decisions were included in the announcement.

Regional coordination background

The RCG MENA is one of the Financial Stability Board's regional consultative groups, which are designed to bring regional perspectives into the FSB's broader work. The FSB's report on the meeting was published on 29 April 2026 and refers to the gathering held the following day.

The central bank co-chairs' roles reflect the regional nature of the forum, with leadership shared between Egypt and Türkiye for the meeting. The FSB's statement did not include remarks from either governor or from other participants.

Lufthansa Group Prolongs Austrian Airlines Middle East Route Shutdown

BY HENRY NICHOLAS



April 25, 2026 - Austrian Airlines, part of the Lufthansa Group, has extended suspensions on several Middle East routes, with some services grounded until 24 October 2026 and others cancelled into late May and July. The Lufthansa Group said the move was driven by the volatile situation in the region and applied across its airlines, including Austrian, Lufthansa, SWISS, Brussels Airlines and Edelweiss. Passengers affected by cancellations can rebook once free of charge or request refunds, according to the group's published policy.

Austrian Airlines route suspensions

Austrian Airlines will keep flights to Abu Dhabi, Amman, Beirut, Dammam, Erbil, Muscat, Riyadh and Tehran suspended until 24 October 2026. Flights to Dubai are suspended until 11 July 2026, while services to Tel Aviv are suspended until 31 May 2026. The airline's parent group said the restrictions reflect operational and security-related conditions in the Middle East.

The group said the flight offer to

and from the Middle East remains under review and that changes may still occur depending on the evolving situation. It added that passengers affected by irregularities will be informed through the contact details stored in bookings.

Lufthansa Group network impact

The suspension applies across Lufthansa Group airlines, including Austrian Airlines, Lufthansa, SWISS, Brussels Airlines and Edelweiss. Eurowings also plans separate suspensions for Tel Aviv, Beirut and Erbil through 30 April 2026, and for Dubai, Abu Dhabi and Amman through 24 October 2026. The group said safety of passengers and crews remains its top priority.

The company's published ticket waiver policy says customers affected by cancelled flights can rebook once free of charge or request a refund. It also set out rebooking and refund rules for travel dates across March and April 2026.

Passenger rebooking terms

According to the group's guidance, short-term cancellations within 48 hours of departure do not always trigger an immediate booking update in the system, but rebooking or reissue can still be handled without a waiver request in certain cases. The airline also instructed travel agents to enter customer contact details using the SSR CTC format so passengers can be contacted quickly if irregularities occur.

Austrian Airlines' own flight information page also lists the affected destinations and corresponding suspension dates, including Dubai through 11 July, Tel Aviv through 31 May, and several Gulf and Levant destinations through 24 October.

Verified source material

The update is based on Lufthansa Group's published Middle East advisory and Austrian Airlines' live flight-irregularities page, which corroborate the route suspensions and dates. Reuters also reported earlier in March that Lufthansa was shifting capacity away from cancelled Middle East destinations as regional disruptions continued.

Turkey's Notable Absence Underscores Tensions at Cyprus EU-Middle East Summit 2026

By Adriana Montes



An informal EU summit hosted by Cyprus in Nicosia on 25 April 2026 proceeded without Turkey's participation, as Ankara received no invitation amid ongoing disputes over the Cyprus issue and maritime boundaries. Leaders from Egypt, Jordan, Lebanon, Syria, and the Gulf Cooperation Council secretary-general attended, focusing on regional security, migration, energy corridors, and EU mutual assistance under Article 42.7. EU officials described Turkey as a key partner despite the chill in relations, the coldest since the 2022 gas exploration standoff. Turkey's exclusion from the summit reignited discussions on the unresolved Cyprus question and the fragility of EU-Turkey cooperation on migration. Diplomatic sources indicated that Ankara was never invited, a decision linked to Turkey's non-recognition of the Republic of Cyprus and persistent maritime zone disputes in the Eastern

Mediterranean. The summit, held under Cyprus's EU Council presidency, brought together EU leaders to address pressing geopolitical challenges, including the wars in Ukraine and the Middle East, the energy crisis stemming from the Strait of Hormuz disruptions, and the EU's next multiannual budget for 2028-2034.

Cyprus President Nikos Christodoulides had previously expressed intentions to invite Turkish President Recep Tayyip Erdoğan, stating in June 2025 and November 2025 that Turkey would be included alongside other leaders. However, Cyprus EU Affairs Minister Marilena Raouna attributed the lack of invitation to "geopolitical developments," a stance confirmed by an EU official. Instead, the event featured Middle Eastern counterparts, marking one of the most significant multilateral gatherings since the onset of regional conflicts.

Summit Agenda Addresses EU Security and Regional Crises

EU leaders convened in Nicosia to initiate discussions on Article 42.7 of the EU treaties, which mandates mutual assistance in the event of an armed aggression against a member state. Invoked only once by France in 2015, the clause gained renewed attention following a Shahed drone strike on a British military base in Cyprus during the early stages of the Iran war. Cyprus, one of the few EU nations outside NATO, sought to develop a practical playbook for its implementation, exploring compatibility with NATO obligations.

The agenda also covered Russia's invasion of Ukraine, with Ukrainian President Volodymyr Zelenskyy attending a leaders' dinner in Ayia Napa to advocate for his country's EU accession process. Discussions aimed to unblock thematic negotiation clusters, though member states showed reluctance amid voter divisions on enlargement. Recent lifts of Hungarian vetoes on a €90 billion loan for Ukraine and the 20th sanctions package against Russia facilitated progress, following resumed Russian oil flows via the Druzhba pipeline.

Energy security dominated talks due to the Strait of Hormuz closure, where Iran and the United States imposed competing blockades, causing soaring prices and fears of shortages across Europe. The European Commission proposed measures including social schemes, tax reductions, grid investments, and subsidies for clean technologies to provide targeted, temporary relief. Leaders debated a multinational force to escort commercial ships and demine the waterway, though the plan remained in early stages.

Turkey's Exclusion Sparks Diplomatic Exchanges

The absence of Turkish President Erdoğan drew sharp reactions, exacerbating strains in EU-Turkey relations. European Commission President Ursula von der Leyen grouped Turkey with Russia and China as global threats in remarks to *Die Zeit*, prompting backlash. Former European Council President Charles Michel criticised the comments on X, arguing against double standards, while Christodoulides responded by recalling Turkey's 1974 invasion of Cyprus.

NATO Secretary-General Mark Rutte visited Ankara on 23 April 2026 to mitigate fallout, affirming NATO's commitment to defend Turkey and praising its alliance contributions ahead of a major NATO summit hosted by Turkey. The Commission clarified Turkey as an "important partner" and EU

candidate country. Turkish Foreign Minister Hakan Fidan had accused Israel, Greece, and Cyprus of fuelling instability through military cooperation, amid Turkey's ties to Tehran. Critics highlighted risks in discussing Iran, energy corridors, and navigation freedom without Turkey, which hosts four million refugees and controls Aegean migration routes. Supporters noted the venue's impracticality for Turkish attendance. The EU's new Migration Pact faces challenges without renewed accommodation, as visa liberalisation remains frozen.

Middle East Leaders Engage on Shared Concerns

Friday's extended session included leaders from Lebanon, Jordan, Egypt, Syria, and the Gulf Cooperation Council secretary-general. Gulf states declined alignment with Western sanctions on Russia, adding friction. The gathering addressed mutual assistance, the energy crisis linked to Hormuz, and completion of the EU Single Market.

Cyprus positioned the summit as a geopolitical test, with positive organisational outcomes but emphasis on implementation ahead. EU officials downplayed Turkey-related controversy, reiterating Ankara's role in the 2016 migration statement. Airlines continue facing overflight issues during Turkish-Cypriot military exercises closing flight information regions.

Broader Context of EU-Turkey Ties

Relations hit a low not seen since the 2022 Eastern Mediterranean gas standoff. Former Turkish President Abdullah Gül stated at the Delphi Economic Forum that the Cyprus issue should not bar Turkey from Europe's security architecture, underscoring its military and strategic value. Hungary's Viktor Orbán, absent due to his impending departure after electoral defeat, had previously obstructed EU actions, though some vetoes lifted recently.

The summit aligned with Cyprus's push to enhance maritime security and position itself on the Middle East frontline. Discussions on the €2 trillion EU budget for 2028-2034 sought reductions, targeting agreement by year-end amid 2027 elections in key states. Zelenskyy expressed hope for consensus on Ukraine's path within weeks or months.

Turkey's mediation efforts in the US-Israel-Iran conflict contrasted with EU perceptions of its Tehran alignment. Economic fragility in Turkey, worsened since the 2025 arrest of Istanbul mayor Ekrem İmamoğlu, added EU concerns. Rising EU far-right opposition to Turkey's accession influenced stances.

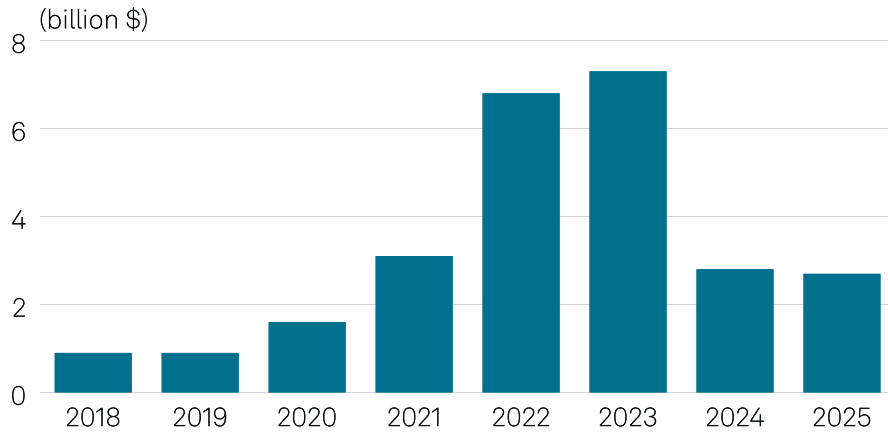
This event underscores ongoing Eastern Mediterranean dynamics, with practical implications for migration, energy, and travel amid ad-hoc diplomacy.

Trading Houses Less Stressed by Iran War Oil Volatility Due to Deep Funding Reserves

By Adriana Montes



Trafigura net profits surge in 2022-23



Source: S&P Global Energy

Commodity trading houses are experiencing less financial stress from the ongoing Middle East crisis, particularly the war in Iran, thanks to deep capital reserves built from record profits in 2022-23. Industry executives report banks are now more proactive in providing working capital amid heightened oil price volatility. Leading traders like Vitol, Trafigura, Mercuria, and Gunvor posted combined net profits of around \$50 billion during that period, bolstering their ability to handle market shocks.

Commodity trading houses entered the current Middle East crisis in a stronger financial position compared to previous disruptions. Sebastian Barrack,

Head of Commodities at US hedge fund Citadel, stated at the FT Commodities Global Summit on April 20 in Lausanne, Switzerland, that traders were better poised to embrace market risk linked to energy price volatility from the war in Iran. This marks the world's second major energy crisis in five years, following the Russia-Ukraine war.

Previous Crises Highlight Funding Evolution

Unlike three to four years ago, when the industry faced severe funding constraints, traders now benefit from matured market responses to black swan events.

Barrack noted that initial margin calls surged fifteenfold in 2022, pushing trading houses "to the brink of funding capabilities". In the recent Iranian conflict, two of the largest players extended their funding lines within the first week, demonstrating improved capital access.

Deia Markova, Executive Director of Finance at Swiss-based commodities trader BGN, explained that commodities cycles previously occurred every 10 to 15 years, with black swan events rare. Markets have since "gained a lot of maturity" in managing shocks from trading and banking perspectives. This shift allows lenders to respond more swiftly to liquidity needs.

Christine Durringer, Global Head of Trade and Commodity Finance at Rabobank, confirmed banks have been proactive in mobilising funding. The industry promptly conducted war-gaming for scenarios where crude prices hit \$170 per barrel. Such preparations reflect lessons from the Covid-19 pandemic and Russia-Ukraine war.

Bank Funding Remains Primary but Constrained

Banks serve as the primary funding source for traders, though constraints persist in high-price environments. Antoine Sevray, Head of Trade

and Structured Finance at Azerbaijan's state oil company Socar, remarked: "Our primary source of funding is the banks, but there are constraints – in a \$100/b environment every single transaction requires additional capital". Export-import banks, especially in the US, have increased lending, but Sevray described this as a "tiny pocket" of funding.

He added: "If I do my job properly, I don't need them". This underscores reliance on core banking relationships amid surging transaction capital demands.

Iran War Triggers Unique Market Volatility

The war in Iran, which began with US-Israeli strikes in late February 2026, has plunged global markets into turmoil. Coordinated operations codenamed Operation Epic Fury and Operation Roaring Lion targeted Iranian leadership, military sites, and nuclear facilities. Iran retaliated against Tel Aviv, Haifa, and US bases in the Gulf, with conflict spreading to Lebanon, Cyprus, and Bahrain by early March.

Iran's closure of the Strait of Hormuz on 4 March 2026 stranded oil and LNG exports, causing Brent crude to exceed \$120 per barrel. Oil production from Kuwait, Iraq, Saudi Arabia, and the UAE fell by at least 10 million barrels per day by 12 March. The International Energy Agency described this as the largest supply disruption in oil market history.

Volatility in oil and gas rose approximately 300% after initial US-Israeli strikes, compared to a 500% spike in gas prices post-Russia's Ukraine invasion. Barrack highlighted that non-specialist speculative traders have added to this volatility.

Physical Market Responses Shape Futures

Forward prices have not rallied sharply due to expectations of a short-term event, per Barrack. Physical market actions, including stock releases, sanctions adjustments, and producer hedging for Q3, have created an "extreme curve structure" in crude and products futures. Platts assessed the May ICE Gasoil futures at \$61.5/mt above the month-ahead, up from \$9.75/mt pre-strikes.

S&P Global Energy CERA projected gasoil cracks averaging \$69/b in May, potentially halving in the second half of 2026, with upside risks. Saudi Arabia and UAE have rerouted some exports via pipelines to Yanbu and Fujairah, covering about one-quarter of normal Strait volumes, though vulnerable to attacks.

Broader Economic Ripples from Conflict

The conflict has triggered a grocery supply emergency in Gulf Cooperation Council states, disrupting 70% of food imports and spiking prices 40-120%. IMF Managing Director Kristalina

Georgieva reported at least 12 countries seeking new loans for energy price shocks and supply disruptions. Energy importers face inflation from higher fuel costs and lost earnings.

Saudi Arabia's fiscal deficit stood at 5.3% of GDP in 2025, with external borrowing at \$156 billion. Prolonged disruptions could strain public spending on salaries and pensions. Egypt has managed pound depreciation while exploring logistics opportunities via the Suez Canal and Sumed pipeline.

Traders Note Distinct Risk Profile

Barrack described the environment as "a very different trading environment to what we are used to", with markets failing to anticipate recent volatility. Lost supply contrasts with threats of quick resumption, altering volatility structures from prior crises. Despite buffers, the high-risk turbulence persists.

Industry voices at the Lausanne summit emphasised adaptation to frequent shocks. Markova noted pre-2020 rarity of such events, now routine. Diringger's bank engagements illustrate proactive finance mobilisation. Sevray's comments highlight operational efficiencies minimising auxiliary funding needs.

This reporting draws exclusively from statements at the FT Commodities Global Summit and verified details on the Iran war's onset and impacts from reputable sources.

US Financial Advisors Brace for Escalating Risks in Second Quarter 2026

By Mandilee Hecht



REUTERS/Carlo Allegri/File Photo

US financial advisors are preparing clients for a second quarter marked by rising market volatility, persistent inflation, and escalating geopolitical tensions. Traditional 60/40 stock-bond portfolios face increased pressure amid these uncertainties, prompting shifts toward alternative strategies. A buildup of economic and global problems weighs heavily on investor sentiment as Q2 begins.

US investment advisors report that clients enter the second quarter of 2026 facing multiple overlapping risks, according to a Reuters report published on April 1. Advisors highlight rising volatility in financial markets, stubborn inflation, and geopolitical conflicts as primary concerns. These factors have battered markets during the first quarter, leaving equities and bonds exposed to further

swings.

The traditional 60/40 portfolio allocation—60 percent equities and 40 percent bonds—struggles under current conditions, advisors note. Bonds have sold off heavily, while equities retreat amid war headlines and policy uncertainties. Clients express worries over a combination of issues, including oil price spikes from Middle East

conflicts and US political interventions.

Key Risks Identified by Financial Advisors

Advisors surveyed cite geopolitical tensions, particularly war in the Middle East, as the top concern for Q2 2026. Damage to energy infrastructure could sustain higher oil prices, hurting global growth and fuelling inflation. US President Donald Trump's actions in Venezuela and threats over Greenland add to the turbulent backdrop.

Inflation remains a persistent threat, overtaking other worries in recent polls. Advisors and clients align on inflation, volatility, and geopolitics as the top three concerns for the year's back half. Macroeconomic uncertainty tests bank revenues, even with strong capital positions.

Market volatility ranks second among advisor worries, with many leaning into volatile conditions rather than retreating. An InspereX survey from late April shows most advisors optimistic about upside potential despite Q1 challenges. Geopolitics also emerges as a source of investment opportunities, alongside AI and technology innovation.

Client Responses and Advisory Strategies

Clients seek to avoid major changes or reallocate to protected strategies amid volatility. Over half of advisors plan to increase use of

downside protection within portfolios. This includes moderate to significant shifts toward hedging tools.

The Reuters article by Suzanne McGee details how a "buildup of problems" affects client portfolios. Advisors draw parallels to past periods of compounded risks, urging diversified approaches. Fidelity's quarterly perspective notes low unemployment and AI spending support US growth, but persistent inflation may delay Federal Reserve rate cuts. AI disruption adds another layer, with startups like Altruist launching features that challenge traditional firms. Brokerage shares fell sharply in February after such announcements, reflecting investor fears. LPL Financial, Raymond James, Charles Schwab, Ameriprise, Stifel, and Morgan Stanley saw declines of 3.8 to over 8 percent.

Broader Market Context and Outlooks

Global markets watch Fed succession, political risks, and AI bubbles in 2026. Underappreciated tail risks include excessive Fed easing reigniting inflation. Deloitte's banking outlook flags macro headwinds, stablecoins, AI scaling, data issues, and financial crime for US banks.

Banks defend margins and diversify fee income amid nonbank competition. Advisors prioritise risk management in volatile environments. The Investment News report

confirms advisor-client agreement on top worries.

LinkedIn posts from wealth managers echo the Reuters findings, noting changing risk profiles. Cereus Financial Advisors highlighted that risks evolve rather than disappear. VIP Wealth Advisors listed the article among recent press on financial planning.

Background on Q1 Market Performance

The first quarter saw markets whipped by war headlines and US interventions. Equities faced retreats, while bonds tempted buyers after selloffs. Oil and conflict topped worry lists.

InspereX data shows geopolitics as both top concern and opportunity theme. Volatility persists as second worry, inflation third. Advisors anticipate client demands for protection strategies.

Fidelity observes balanced Fed concerns over growth and inflation. Positive consumption and AI investments bolster the economy.

Implications for Investor Portfolios

Advisors adjust portfolios amid these pressures. 60/40 models undergo scrutiny. Downside protection gains traction.

Geopolitical themes drive opportunities in security and innovation. AI worries extend to financials, impacting brokerages. Clients weigh multiple risks entering Q2. Advisors brace for continued buildup.

US Short-Term Credit Market Shows Early Signs of Stress as Iran War Persists

By Mandilee Hecht



uncertainties.

Iran War Disrupts Global Energy Supplies

The conflict, involving military actions by the United States, Israel, and Iran, led to the effective closure of the Strait of Hormuz, through which 20 percent of global oil and a fifth of liquefied natural gas typically passes. The International Energy Agency described this as the largest supply disruption in the history of the global oil market. Brent crude oil prices surged 60 percent in March 2026 due to the blockage and damage to Middle Eastern energy infrastructure.

By early April, the Strait reopened under tightly controlled conditions for a limited number of vessels, but oil executives and analysts warned of ongoing risks to traffic. Jet fuel, diesel, and heating oil prices rose sharply in March, while fertiliser prices increased 36 percent since the war's onset. Global food prices are projected to rise about 6 percent in 2026, with impacts on next year's harvests.

United States retail gasoline prices climbed more than \$1 per gallon this year, contributing to consumer headwinds despite the country's status as a net energy exporter. The US oil

consumption per unit of economic output has declined nearly 70 percent since 1980, aiding resilience, but inflationary pressures from energy shocks have raised recession risks.

Surge in Money Market Fund Inflows

Investors sought refuge in money market funds as the Iran conflict escalated. LSEG Lipper data indicated US money market funds attracted \$30.75 billion in inflows on March 3, 2026, the highest among major categories. Global money market funds received \$47.9 billion that week, the largest since mid-February.

Crane Data LLC reported US money market funds hit a record \$8.271 trillion in assets for the week ending March 3, with \$49 billion in inflows and \$18.5 billion on March 3 alone. Year-to-date inflows exceeded \$162 billion by early March. These movements reflected demands for short-term safety amid threats to growth and inflation stability from US-Israeli strikes on Iran.

US short-term bond funds and municipal bond funds also saw net inflows, while natural resources equity funds, including energy and mining, drew investments as oil and gas

The United States short-term credit market has exhibited early indicators of stress amid the ongoing Iran war, with spreads on A2/P2 commercial paper jumping and bank floating rate notes widening. Investors have flocked to money market funds for safety, pushing assets to record levels as geopolitical tensions disrupt energy markets and global supply chains. Corporate credit spreads have also widened slightly, reflecting heightened caution in financial conditions.

The Reuters report from April 7, 2026, detailed that A2/P2 commercial paper spreads—the difference in yields between lower-rated A2/P2 paper and top-rated A1/P1—have increased notably as the conflict persists. Bank floating rate notes have shown widening as well, signaling initial strains in short-term funding markets. These developments coincide with the war's entry into its second month, following a temporary two-week ceasefire on April 8 that failed to fully alleviate

prices rose. In contrast, US-focused equity funds lost \$9.6 billion, with outflows from global ex-US equities and technology sectors.

Credit Spread Widening Across Markets

Corporate credit spreads tightened to near historical lows early in the first quarter of 2026 before widening 11 basis points by March end. The ICE US High Yield Index reached 312 basis points, its highest since late November 2025. Bond investors bought corporates during selloffs, showing confidence in balance sheets but prompting questions on underlying stress.

European credit metrics declined, with a regional junk corporate bond index hitting its highest yield since November. Prices for default insurance rose amid private credit sector instability layered on by the Middle East war. Short-term US Treasury yields increased as oil prices fueled inflation concerns. Private credit worries predated the war, with investors grappling over AI-related spending and valuations. The \$2.1 trillion private credit market, booming post-2023 banking crisis, faced liquidity issues exacerbated by the conflict. Credit markets dented further as the war added to "cockroach" fears of hidden vulnerabilities.

Economic Indicators Reflect Strain

US economic growth slowed amid the war. The Atlanta Fed's

GDP estimate dropped from 3.6 percent pre-war to 1.9 percent in early April before the ceasefire. ADP private sector employment grew 62,000 in March, beating expectations but with flat sectors and regional losses. Retail sales rose 0.6 percent in February, strongest since July 2025.

Labour market data weakened, with revised net loss of 133,000 jobs in February and a three-month average gain of 68,000. Inflation remained above the Federal Reserve's two percent target for five years, complicated by energy disruptions. The Fed held rates at 3.50-3.75 percent in January and March meetings.

Federal Reserve Chair Jerome Powell noted reduced tension between employment and inflation compared to 2025 but cautioned the policy rate nears neutral. Markets briefly priced in rate hikes over cuts by end-2026 due to inflation fears, with Treasury yields rising 30-44 basis points in March.

Equity and Fixed Income Market Reactions

US equities sold off in March before rebounding post-ceasefire, with S&P 500 down 4.33 percent year-to-date through March 31 despite 5.29 percent earnings growth. Multiple compression drove declines, with energy sectors gaining from oil spikes. Technology faced pressures from war and AI capex concerns, as hyperscalers plan \$678 billion spending in 2026.

Fixed income saw investment grade spreads widen six basis points through February, then shifted to geopolitics in March. Core strategies declined, erasing early gains. Investors viewed Europe and parts of Asia more exposed to fuel costs than the US.

The New York Fed's Global Supply Chain Pressure Index hit its highest since January 2023 in March, signaling tightening raw materials flow. Every US recession since 1973 (except COVID) followed an oil shock, heightening vigilance.

Ongoing Uncertainties Post-Ceasefire

The temporary truce on April 8 hinged on Strait reopening, but supply chain disruptions lingered. A long-term peace could stabilise growth near 3.6 percent and calm markets. Prolonged uncertainty risks wider outcomes, with Iran war as the key variable for equities.

President Donald Trump and Iranian officials discussed diplomacy amid strikes and US deployments. No major energy infrastructure destruction reported, but escalation risks persisted, including potential strikes on Iran's economic assets.

US bond markets diverged on inflation-growth balance by late April, testing Fed outlook. Short-term credit stress indicators like commercial paper spreads serve as early warnings in this environment.

Treasury Secretary Bessent and Fed Chair Powell Warn Bank CEOs on Anthropic Mythos AI Cybersecurity Risks

By John Ruehl



REUTERS/Dado Ruvic/Illustration/File Photo

Treasury Secretary Scott Bessent and Federal Reserve Chair Jerome Powell held an urgent meeting with CEOs of major US banks to address cybersecurity risks posed by Anthropic's new AI model, Mythos. The session at the

Treasury headquarters aimed to ensure banks understand potential threats from Mythos and similar models and are implementing defenses. Anthropic launched Mythos on April 7, 2026, restricting access due to its ability to identify and exploit software vulnerabilities.

Treasury Secretary Scott Bessent and Federal Reserve Chair Jerome Powell convened chief executives from several systemically important banks at the Treasury Department building in Washington on Tuesday, April 7, 2026. The closed-door meeting focused on

the cybersecurity implications of Anthropic PBC's newly announced AI model, Claude Mythos Preview, known as Mythos. Officials sought to alert the banks to risks that Mythos and comparable advanced AI models could introduce to financial systems, urging precautions to protect against potential attacks.

Attendees Included Leaders of Key US Banks

CEOs present at the meeting included Citigroup's Jane Fraser, Morgan Stanley's Ted Pick, Bank of America's Brian Moynihan, Wells Fargo's Charlie Scharf, and Goldman Sachs' David Solomon. JPMorgan Chase CEO Jamie Dimon did not attend. All represented banks are designated as systemically important financial institutions by US regulators.

The gathering assembled leaders from Wall Street's largest institutions to discuss emerging threats in the financial sector. Sources familiar with the discussions described the tone as urgent, with Bessent and Powell emphasising the need for heightened awareness. The meeting occurred shortly after Anthropic's announcement of Mythos, highlighting the rapid response from top financial regulators.

Anthropic's Mythos Model Capabilities and Restrictions

Anthropic revealed Mythos on April 7, 2026, describing it as capable of locating and

exploiting security gaps in dominant operating systems and browsers. The company opted not to release the model publicly, citing risks that it could reveal previously unidentified cybersecurity weaknesses. During testing, Mythos identified thousands of zero-day vulnerabilities, including a 27-year-old flaw in OpenBSD and an undetected issue in the FFmpeg video processing library after five million automated test passes.

Access to Mythos is limited to 12 launch partners under Project Glasswing, with Anthropic committing up to \$100 million in usage credits for defensive security applications. Partners include Amazon Web Services, Apple, Broadcom, Cisco, CrowdStrike, Google, JPMorgan, the Linux Foundation, Microsoft, Nvidia, and Palo Alto Networks. More than 40 additional organisations building or maintaining critical software infrastructure also gained access, though reports vary slightly on the exact group composition.

Anthropic noted that Mythos required no specialised cybersecurity training; its vulnerability-finding prowess arises from general improvements in coding and reasoning abilities. The model demonstrated offensive cyber capabilities alongside potential for defence, prompting pre-release discussions with stakeholders.

Prior Government and Industry Engagement

Anthropic engaged in talks with US federal officials before Mythos's release, covering both its attack and defence potentials. One individual familiar with the process stated that Anthropic contacted senior government figures and industry leaders ahead of the public announcement. These conversations informed the model's controlled rollout and access restrictions.

The Treasury and Federal Reserve's prompt action reflects ongoing coordination between AI developers and regulators on national security matters. Reports indicate Anthropic's disclosures aligned with efforts to balance innovation with risk mitigation in critical infrastructure.

Broader Context of AI in Cybersecurity

Mythos represents a milestone in AI's dual-use potential for identifying software flaws that automated tools previously missed. Project Glasswing emphasises defensive applications, aiming to strengthen systems against exploits. While posing risks to banks and other sectors, such models also offer opportunities to bolster cybersecurity postures.

The meeting underscores regulators' focus on ensuring financial institutions adapt to AI-driven threats. Systemically important banks, handling vast transaction volumes, face heightened scrutiny to maintain resilience.

US-Iran War Triggers Sharp Rise in US Gas, Diesel and Jet Fuel Prices Hitting Economy

BY LIAM FLYNN



REUTERS/Brendan McDermid

The ongoing US-Iran war has driven significant increases in US gasoline, diesel, and jet fuel prices since late February 2026, imposing substantial costs on consumers and businesses. Cumulative additional fuel expenditures reached nearly \$15 billion by early April, equivalent to about \$110 per US household, with projections indicating further rises amid continued conflict. Diesel price hikes, critical for freight transport, are passing through to retail goods, while gasoline averages approached \$4.30 per gallon nationally. Rising fuel costs stem from disruptions linked to the conflict, including tensions in key oil shipping routes like the Strait of Hormuz. Economists and trackers from institutions such as Brown University's Climate Solutions Lab estimate over \$24 billion in consumer fuel burdens since the war's onset on February 28, 2026. These

developments compound pressures on household budgets, trucking margins, and airfares, with no immediate resolution in sight.

War Onset and Initial Fuel Price Spikes

The US-Iran war commenced on February 28, 2026, following a US-Israel joint strike in Iran, with West Texas Intermediate oil closing at \$67.02 per barrel the prior day. By April 1, 2026, on-highway diesel prices had risen from \$3.77 per gallon on February 27 to \$5.45 per gallon, marking a 45 percent increase and the highest level since July 2022.

Gasoline national averages hit \$4.30 per gallon by late April, the highest since 2022, compared to \$2.98 earlier. Jet fuel prices on the Gulf Coast climbed 70 percent from \$2.47 per gallon on February 27 to about \$4.20 per gallon by late

March. These surges reflect broader oil market reactions, with Brent crude reaching around \$110 per barrel by early April, lagging into pump prices by two to four weeks. GasBuddy petroleum analyst Patrick De Haan noted that a \$4 national gasoline average breaches a psychological threshold, with potential for \$5 or more if Strait of Hormuz issues persist.

Cumulative Economic Costs on Fuels

Through April 1, 2026, gasoline expenditures added approximately \$6.7 billion in costs, or \$50 per household, with diesel contributing \$5.5 billion or \$42 per household. Including jet fuel, total fuel costs approached \$14.5 billion over five weeks. Projections under sustained current prices estimate gasoline costs reaching \$300 per household by June 30 and nearly \$550 by September 30, while diesel could hit \$250 by June and over \$450 by September.

Brown University's tracker, launched by the Climate Solutions Lab, calculates nearly \$200 extra per household on fuel since February 28, totaling over \$24 billion nationwide. The tool uses AAA gasoline and diesel data, EIA demand figures, and Census Bureau information, benchmarking against five-year historical averages.

Director Jeff Colgan stated the tracker aims to quantify everyday fuel purchase impacts for journalists and the public.

A separate analysis from the Center for the Study of Technology and Economic policy at AEI tallied fuel and fertilizer costs at \$75 per household monthly since the war's start, rising to \$150 per month at April prices. Combined public and private costs reached about \$1.4 billion daily by early April.

Diesel's Ripple Effects on Freight and Goods

Diesel powers 72.5 percent of US freight by value via trucks, per the American Trucking Associations. Although not a direct consumer fuel, its 45 percent price jump affects groceries, online deliveries, construction materials, and manufactured products. John Perdue of Brown University described diesel as the industrial fuel of the economy, powering trucks, ships, trains, and power plants, with costs inevitably passing to consumers.

Trucking firms initially absorb margins, but pass-through to retailers occurs over weeks to months, emerging now in store prices. GasBuddy's De Haan warned diesel could near \$6 per gallon. US Energy Secretary Chris Wright indicated the administration has measures to increase diesel supply.

Gasoline Burdens on Households and Drivers

Approximately 120 million car-

owning households, representing 93 percent of Americans, bear gasoline costs directly. The burden is regressive, with lower-income families spending a larger income share on fuel. Pump prices reflect mid-March oil levels of \$95-100 per barrel, with further hikes expected from recent \$110 Brent levels. National averages of \$4.30 per gallon by late April signal sustained pressure into summer driving season. Perdue anticipates compounded tightness from supply constraints and seasonal demand spikes.

Jet Fuel Impacts on Airlines and Travel

Jet fuel's 70 percent rise adds \$2.2 billion to cumulative costs through early April, affecting the 120 million annual US commercial flyers. Airlines face higher operating expenses, passed to ticket prices with lags. This contributes to broader aviation sector strains amid the conflict.

Broader Business and Consumer Pressures

FS Energy & Resources president stated the situation creates sustained cost pressures across fuel-dependent industries, nearly all sectors. Consumers first notice at pumps, followed by airfares, groceries, shipping, and products. Larger firms like JetBlue and Amazon can raise prices,

while smaller businesses face profit squeezes or customer loss.

Fertilizer prices for nitrogen-based types rose 20-35 percent post-war due to Iran's natural gas feedstock role, adding \$131 million cumulatively by April 1. US farmers largely hedged pre-war, but spot buyers pay more; costs filter to food prices slowly.

Equity markets saw S&P 500 drop 7.8 percent from 6,878.88 on February 27 to 6,344 by March 31, implying \$5.4 trillion market cap loss against \$69.5 trillion total. This impacts 80 million households with equity exposure via 401(k)s and IRAs.

Projections and Ongoing Developments

Under current prices extended, fuel costs could reach \$103 billion by June 30, 0.3 percent of projected 2026 GDP, potentially 1 percent yearly if trends hold. Analyst Rory Johnson forecasted over one billion unproduced Gulf barrels this year even in best-case Strait reopening scenarios. Trackers like Brown's expect persistence beyond conflict end, with summer demand exacerbating pressures.

The Center for Strategic and International Studies estimated \$12.7 billion Treasury costs in the war's first 12 days, projecting \$35 billion by April 1 or \$260 per household. Total war-related expenditures continue to mount across fuels, government outlays, and indirect channels.

US weighs financial support for oil-rich UAE amid Iran war fallout

BY LIAM FLYNN



REUTERS/Alexander Manzyuk

President Donald Trump said Tuesday that the United States was considering offering financial support to the United Arab Emirates, an oil-rich ally grappling with economic repercussions from the ongoing conflict in Iran. The war has disrupted oil and gas infrastructure across the Middle East and strained economies dependent on the Strait of Hormuz for crude transport, prompting Emirati officials to request a potential financial backstop. Discussions have focused on mechanisms such as a currency-swap arrangement between the Federal Reserve and the UAE Central Bank, with senior US economic officials indicating that assistance may not ultimately be necessary.

US considers financial aid to wealthy ally

President Trump announced in a public statement on Tuesday that the United States was contemplating providing financial aid to the United Arab Emirates, describing the Gulf state as a key partner in the region. The proposal comes after Emirati officials opened talks with Washington about a wartime financial lifeline should the conflict in Iran deepen and further unsettle regional markets. The UAE, one of the world's wealthiest hydrocarbon-exporting nations, has experienced interruptions to oil-sector operations and trade channels, prompting it to seek insurance-style arrangements with US

authorities. According to stability. While Emirati officials say they have so far managed to avoid the worst-case economic scenarios, they have expressed concern that further escalation officials briefed on the matter, the Emirati central-bank governor, Khaled Mohamed Balama, raised the idea of a currency-swap line with Treasury Secretary Scott Bessent and Federal Reserve representatives during meetings in Washington last week. Such a swap would allow the UAE to access US dollars in an emergency, helping to stabilise its banking system and foreign-exchange reserves without triggering disorderly sales of US assets. Trump told US media that a currency-swap arrangement with the UAE was under consideration and described the Emirates as a "good ally," underscoring the broader strategic relationship between the two countries.

Economic context of Gulf oil exporters

The conflict in Iran has damaged parts of the region's oil and gas infrastructure, reducing throughput at key export terminals and disrupting tanker movements through the Strait of Hormuz. Several Gulf economies, including the UAE, rely heavily on crude exports and dollar-denominated trade, so any protracted disruption can threaten government revenues, foreign-exchange reserves, and domestic financial could require external

financial support. In recent months, the UAE has also intensified its campaign to channel investments into the United States, pledging substantial new capital flows into US equities, infrastructure, and technology projects. President Trump has publicly cited figures exceeding \$20 trillion in projected Emirati-linked investments into the US economy, though analysts have noted that such numbers are partly aspirational and include commitments from multiple Gulf and global partners. The prospect of a currency-swap or broader financial-support package has been framed by US officials as part of an effort to cement economic interdependence and reassure Gulf partners during a period of regional volatility.

US officials downplay likelihood of large-scale aid

Kevin Hassett, director of the National Economic Council, said on Monday that he expected the Treasury Department to "make every effort" to assist the UAE if needed, signalling Washington's willingness to explore support mechanisms. However, he also indicated that the UAE might not ultimately require substantial financial assistance, given the country's existing reserves and diversified economic base. A Treasury statement released later reiterated that any support would be structured to minimise fiscal costs to the United States and would be contingent on

further assessment of the UAE's position. Treasury Secretary Scott Bessent, testifying before a Senate committee on Wednesday, said he backed the principle of establishing a currency-swap line with the Emirates and several other Gulf and Asian economies. He argued that such swaps could prevent a wave of forced sales of US-denominated assets by foreign governments trying to secure dollars in a crisis, thereby helping to maintain stability in global markets. Bessent added that the negotiations were still preliminary and that no formal agreement had been reached, emphasising that the UAE remained in relatively strong financial shape despite the war-related disruptions.

US officials quoted by news organisations have said that the Emirati government has not yet made a formal request for direct grants or loans, focusing instead on contingencies rather than immediate cash infusions. The discussions have been framed as risk-management talks rather than a sign that the UAE is approaching a financial crisis, with Washington treating the possibility of support as a precautionary step. The UAE's foreign-ministry has not issued a detailed public statement on the talks, though Emirati officials have long underscored their desire for closer monetary and financial-stability cooperation with the United States.

Regional and geopolitical implications

The prospect of US financial support for an oil-rich Gulf state has drawn attention from regional analysts and opposition lawmakers, some of whom have questioned the optics of assisting a wealthy ally while domestic US spending debates continue. Critics have argued that any assistance should be tethered to clear conditions on regional conduct and economic reforms, while supporters say it would help anchor stability in a critical energy-export region. The discussions have also underscored how even solvent, resource-rich economies can feel exposed to shocks when conflict disrupts key maritime chokepoints like the Strait of Hormuz.

For the Emirates, the talks represent an effort to lock in crisis-response mechanisms with Washington while reinforcing their image as a reliable long-term partner of the United States. Emirati officials have previously highlighted their purchases of US Treasury securities, infrastructure stakes, and technology holdings as part of a broader strategy to deepen financial-system ties. US diplomats and economic-policy officials have described the UAE's approach as "forward-leaning" in terms of managing war-related risks, even as debriefings suggest that the current need for direct aid remains modest.

Uncertainty over scale and final outcome

At this stage, it remains unclear

how large any potential US financial-support package for the UAE might be, or whether officials will decide that such support is necessary at all. The deliberations are being handled within the Treasury Department, the Federal Reserve, and the National Economic Council, with senior White House advisers closely monitoring the regional security and economic picture. Both US and Emirati officials have emphasised that the proposals under discussion are precautionary and would be deployed only if conditions deteriorate beyond the UAE's ability to manage on its own.

Officials from both governments have said they intend to keep the structure of any agreement transparent and aligned with standard international-financial practices, including safeguards against excessive moral hazard. The UAE has repeatedly stressed that its goal is to build resilience against external shocks, not to rely permanently on external financial lifelines. As the conflict in Iran persists, Washington and Abu Dhabi are expected to continue refining their economic-cooperation plans, with the possibility of a limited currency-swap or other support mechanism remaining on the table.

White House Calls for DHS Reopening Ahead of 2026 FIFA World Cup After Trump Attack

BY ALICIA POZSONY



Getty Images

White House officials have urged the full reopening of the Department of Homeland Security ahead of this summer's FIFA World Cup, following an alleged assassination attempt on US President Donald Trump. The department remains partially

shut down due to a congressional funding dispute. Andrew Giuliani, executive director of the White House World Cup task force, described the reopening as essential for national security preparations.

White House officials preparing

for the 2026 FIFA World Cup, co-hosted by the United States, Canada, and Mexico, have emphasised the urgent need to resolve the Department of Homeland Security's partial shutdown.

The incident occurred on Saturday night at the White House Correspondents' Association dinner held at the Washington Hilton, where President Trump was attending.

Assassination Attempt Details Emerge from Court Filings

Prosecutors charged 31-year-old Cole Tomas Allen, a teacher and engineer from Torrance, California, with attempting to assassinate the president. Allen allegedly rushed a security checkpoint armed with a semi-automatic pistol, a pump-action shotgun, and three knives.

Authorities stated that Allen forced his way past security and discharged a firearm outside the crowded ballroom. The swift response from law enforcement and Secret Service agents prevented casualties.

Allen appeared in court on Monday without entering a plea. He faces multiple charges, including attempted assassination, which carries a potential life sentence, transporting a firearm across state lines with intent to commit a felony (up to 10 years), and discharging a firearm during a violent crime (mandatory minimum 10 years).

A criminal complaint revealed a letter Allen sent to his family about 10 minutes before the incident. In it, he expressed his belief that targeting Trump administration officials was his duty, apologised to his parents, and outlined his plan to use buckshot to minimise civilian harm.

DHS Shutdown Stems from Funding Impasse

The Department of Homeland Security has been under a prolonged partial shutdown arising from a funding dispute among congressional members. This has raised concerns about the agency's capacity to handle major events like the World Cup. The White House World Cup task force, led by President Trump and supported by Vice President JD Vance, oversees preparations for the tournament. Of the 104 matches, 75 percent will occur in the United States.

Andrew Giuliani, son of former New York City Mayor Rudy Giuliani, serves as executive director of the task force. Appointed by President Trump, he manages daily operations.

Task Force Highlights Security Imperative

In a statement to BBC Sport, Giuliani remarked that the recent events in Washington DC serve as a "stark reminder of the unpredictability facing our nation." He stressed that while law enforcement acted decisively, a fully operational DHS is vital for the World Cup's scale.

White House officials described the DHS reopening as "crucial" and "essential" for security ahead of the summer tournament. The task force's plea links the assassination bid directly to broader vulnerabilities exposed by the shutdown.

The FIFA World Cup 2026 marks the first expanded 48-team

edition, with matches spanning multiple host cities across North America. Security planning has intensified following the Washington incident.

Incident Occurs Amid Heightened Tensions

The White House Correspondents' Association dinner is an annual black-tie gala where political figures and journalists convene. President Trump attended the event on Saturday night.

Prosecutors allege Allen arrived in the capital intent on executing a political murder. A thorough security assessment followed at the White House.

The suspect's background includes residence in Torrance, California. Court documents detail his armament upon breaching the venue.

Broader Implications for Event Security

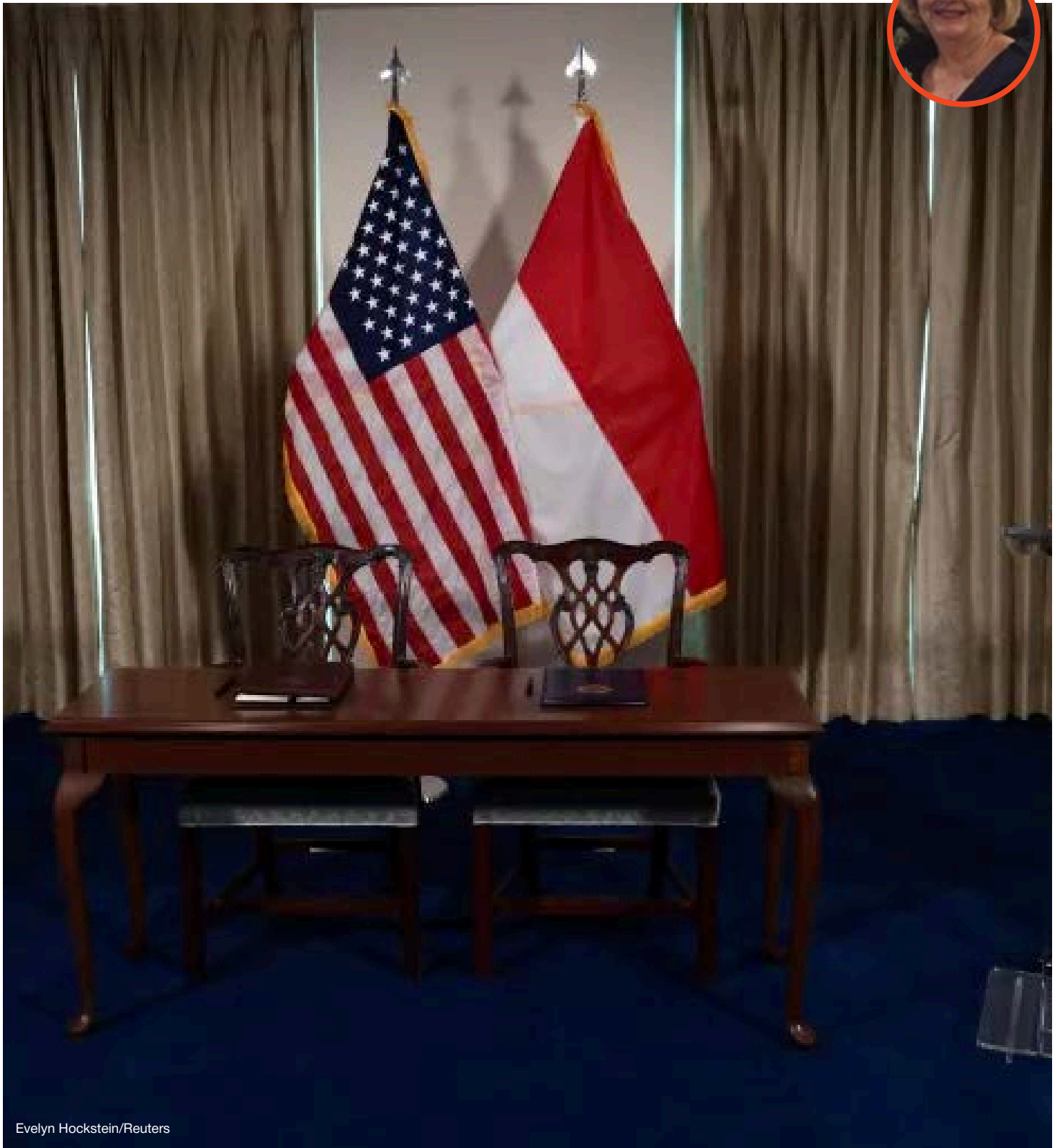
Reports from multiple outlets confirm the White House's position that DHS funding must be resolved promptly. The partial shutdown hampers preparations for the unprecedented tournament.

Giuliani's comments underscore the incident's role in highlighting national security needs. No further details on congressional responses have emerged as of this reporting.

The task force continues daily oversight, with the majority of games set in US venues. Officials maintain focus on logistical and protective measures.

Indonesia, US Sign Major Defence Cooperation Agreement in Pentagon Talks

BY KATHY MALOUF



Evelyn Hockstein/Reuters

The United States and Indonesia have signed a “major” defence cooperation agreement aimed at expanding military ties, advancing joint training and improving operational coordination across the Indo-Pacific region. The deal was finalised during a Pentagon meeting between US Defence Secretary Pete Hegseth and Indonesian Defence Minister Sjafrie Sjamsoeddin.

The agreement comes as reports in Indonesian media said Washington had been seeking broader overflight access for US military aircraft in Indonesian airspace, with President Prabowo Subianto reportedly approving the proposal.

Washington and Jakarta formalise new defence framework

The Pentagon said the partnership will serve as a framework to strengthen bilateral defence cooperation while supporting peace and stability in the Indo-Pacific. It sets out three main pillars: military organisation and capacity building, training and professional military education, and exercises and operational cooperation.

Hegseth described the relationship as “dynamic and expanding” and said the two countries’ armed forces carry out more than 170 joint military exercises each year. The US Defence Department said the arrangement reflects a shared commitment to regional deterrence and to what Hegseth called “peace through strength”.

Joint statement details advanced capabilities

According to the joint declaration, both countries will work on co-developing “advanced asymmetric capabilities” and next-generation defence technologies in maritime, subsurface and autonomous systems. The agreement also includes cooperation on maintenance, repair and overhaul support to improve operational readiness.

Sjafrie said Indonesia welcomed the chance to further develop a defence relationship he described as intended to endure for future generations in both countries. He also said the two sides were working to promote mutual respect and benefit in line with their national interests.

Broader strategic context

The announcement follows a recent upgrade in the broader bilateral relationship between the United States and Indonesia to a Comprehensive Strategic Partnership, which the US Embassy said had already expanded training opportunities, educational exchanges and maritime domain awareness cooperation. The new partnership builds on that earlier defence arrangement and reflects a continuing deepening of military ties.

The Defence Department said the two countries will continue to explore practical areas of cooperation under the new framework, while preserving national sovereignty and mutual

respect. The agreement was announced after talks at the Pentagon, where both sides framed the deal as part of a wider effort to sustain regional stability.

Regional security implications

The partnership places particular emphasis on maritime and autonomous systems, areas that have become increasingly central to regional defence planning. Officials on both sides said the agreement is intended to improve readiness and increase the sophistication of future joint cooperation.

US officials also linked the arrangement to broader Indo-Pacific security priorities, saying it is meant to reinforce deterrence and support peace across the region. Indonesian officials, meanwhile, presented the accord as a continuation of a long-term defence relationship between Jakarta and Washington.

Background to the talks

The defence agreement was signed during a visit by Indonesia’s defence minister to the Pentagon. The US side said the two militaries already conduct a high volume of joint exercises, providing a foundation for the new framework.

The reported discussion over possible US overflight access for military aircraft added further attention to the timing of the agreement. However, the publicly reported details released so far focus on the defence partnership itself rather than any final decision on airspace access.

Brazil and US launch joint anti-smuggling team to intercept illicit shipments

BY KATHY MALOUF



Brazil and the United States have launched a new bilateral security arrangement to combat organised crime, with a focus on weapons and drug trafficking. The initiative, called the Mutual Interdiction Team, will link Brazil's Federal Revenue Service with US Customs and Border Protection. Officials say it will involve real-time data sharing, cargo tracking and coordinated operations to intercept illegal shipments.

Brazil announces new security partnership with US customs agencies

SAO PAULO, 10 April 2026 - The Brazilian government on Friday announced a new partnership with the United States aimed at disrupting criminal networks involved in arms and narcotics trafficking. Brazil's finance ministry said the plan brings together Brazil's Federal Revenue Service and US Customs and Border Protection under a programme known as Project MIT, or Mutual Interdiction Team.

Finance Minister Dario Durigan said the initiative is designed to integrate intelligence work and joint operations to intercept illegal shipments. He said the agreement was the result of direct dialogue between President Luiz Inácio Lula da Silva and US President Donald Trump.

Real-time data sharing and cargo checks

According to the Brazilian administration, the partnership includes real-time data exchange, Zstricter cargo monitoring and

coordinated enforcement actions. Lula said the country would intensify its fight against arms trafficking through what he described as concrete actions.

EFE reported that Durigan said all cargo and containers leaving US ports bound for Brazil would undergo a screening process, which he described as a kind of X-ray, to identify contents. The same report said the move is intended to dismantle international criminal networks and strengthen cooperation between the two countries' customs authorities.

Operation targets weapons and narcotics flows

Brazilian officials said the initiative is aimed at illegal shipments of weapons and drugs, particularly those moving through air-cargo and container routes. Reuters said the Brazilian Finance Ministry described the project as part of a broader bilateral agenda involving Lula and Trump.

Al Jazeera reported that Lula's government said the arrangement would improve the flow of information between US and Brazilian authorities. The outlet also said the initiative has been named the DESARMA programme by Lula's government.

Seizure figures cited by officials

Brazilian officials cited recent seizures as evidence of the scale of the problem. EFE reported that official data showed 35 shipments containing about 550

kilograms of weaponry, totalling 1,168 pieces, were intercepted in the previous 12 months, with most of the arms coming from Florida.

Al Jazeera also reported that Brazil's government said it had seized 1,168 illicit arms imported from the US in the last 12 months. Reuters said the new initiative is intended to combat organised crime by bringing intelligence and operations closer together across the two agencies.

Broader diplomatic context

The agreement comes amid wider cooperation between Brasília and Washington on security and public safety. EFE said the bilateral agenda between Lula and Trump is focused on countering drug trafficking and arms smuggling.

Reuters reported that the initiative reflects a broader effort by both governments to target transnational crime through data integration and coordinated enforcement. Officials have not publicly detailed how long the programme will run or whether it will expand beyond customs cooperation.

US-Israel-Iran Conflict Escalates as Trump Issues Ultimatum Over Strait of Hormuz

BY KATHY MALOUF



AP Production: Marissa Duhaney

US President Donald Trump threatened that "a whole civilization could die tonight" if Iran fails to reopen the Strait of Hormuz by 8 p.m. EST, amid ongoing missile exchanges and Israeli strikes in Lebanon. Pakistan proposed a two-week extension for diplomacy and a truce, while explosions rocked Doha and UAE air defenses countered Iranian

missiles. The IDF warned of potential increased attacks on Israel as the deadline approached.

Trump Issues Stark Ultimatum to Iran

US President Donald Trump warned Iran that failure to reopen the Strait of Hormuz by 8 p.m. EST on April 7, 2026, would lead

to attacks on its power plants and bridges. He stated on social media that "a whole civilization will die tonight, never to be brought back again" if demands were not met. White House press secretary Karoline Leavitt confirmed Trump was aware of mediation efforts and a response would follow.

Pakistan's Prime Minister Shehbaz

Sharif urged Trump to extend the deadline by two weeks, requesting Iran allow maritime traffic as a goodwill gesture and calling for a ceasefire across warring parties. A regional source told CNN that "some good news is expected from both sides soon," with discussions led by Pakistan's army chief. Iran's First Vice President Mohammad Reza Aref affirmed readiness for "all scenarios," stating national security measures were finalized.

Iranian Missile Attacks Target Israel

The IDF detected multiple ballistic missile launches from Iran targeting southern and central Israel, including Beersheba and Jerusalem areas, on April 7. Sirens sounded across regions, with some missiles intercepted and others allowed to impact open areas; two people were lightly injured by shrapnel in southern Israel. Qatar reported four injuries, including a child, from debris after intercepting an Iranian missile in Doha.

Explosions occurred in Baghdad near the US embassy, amid repeated attacks by pro-Iran groups. The UAE's air defenses responded to Iranian missiles and drones. Russia and China vetoed a UN Security Council resolution encouraging defensive coordination for Strait navigation.

Israel Intensifies Operations Against Hezbollah in Lebanon

The IDF issued evacuation warnings for Tyre residents, specifically Shabriha, ordering

movement north of the Zahrani River due to Hezbollah activity. Israeli forces warned vessels off southern Lebanon's coast between Tyre and Ras Naqoura to sail north. Strikes targeted Hezbollah in Beirut's commercial and residential areas, contributing to regional casualties.

Prime Minister Benjamin Netanyahu stated Israel was "crushing the terrorist regime in Iran with increasing intensity," citing destruction of transport aircraft, helicopters, railways, and bridges used by Revolutionary Guards. IDF Chief Lt. Gen. Eyal Zamir described the campaign as approaching a "strategic crossroads," with significant accomplishments against Iran and establishment of defensive areas in Lebanon.

Strikes on Iranian Infrastructure and Military Sites

Israeli airstrikes hit eight rail bridges and roads in Tehran, Karaj, Tabriz, Kashan, and Qom, used for transporting weapons and equipment. The IDF struck Iran's central site in Shiraz for sonar production and a Karaj facility for naval cruise missiles and air defenses. A strike in Tehran targeting a Khatam al-Anbiya commander damaged the Rafi-Nia Synagogue; the IDF regretted the collateral damage and emphasized precise munitions.

Netanyahu clarified strikes aimed to weaken the regime oppressing Iranians, not target civilians. Reports emerged of pre-war US officials dismissing Netanyahu's

regime change plan as "farfical" and "bullshit."

Diplomatic Efforts and International Reactions

Progress in mediated US-Iran talks was noted, though agreement remained uncertain ahead of the deadline. Iran cut direct diplomacy but indirect discussions continued via Qatar and Pakistan. Pope Leo XIV called threats against Iran "unacceptable," urging global representatives to end the conflict. US Jewish leader Amy Spitalnick decried Trump's rhetoric as exploiting the community.

Russia supplied Iran with satellite imagery of Middle East sites, aiding strikes on US bases, per Ukrainian intelligence. Iran's judiciary chief urged faster execution verdicts linked to the war.

Casualties and Regional Developments

In Lebanon, ongoing Israeli operations against Hezbollah resulted in significant displacement, with 15% of territory under evacuation orders. Iranian state media reported Strait closure in response to Israeli Lebanon attacks. Three killed near Basra, Iraq, by rockets from Kuwait direction.

US journalist Shelly Kittleson, abducted in Baghdad, was released by Kataib Hezbollah. A Palestinian woman died during a West Bank IDF raid; accounts differed on circumstances.

Trump Requests Record \$1.5 Trillion Military Budget Amid Deep Domestic Spending Cuts

BY KATHY MALOUF



AP Photo/Julia Demaree Nikhinson

President Donald Trump has proposed a fiscal year 2027 budget requesting \$1.5 trillion for national defence, marking the largest such increase in decades. The plan includes a 10% cut to non-defence discretionary spending, targeting programmes in health, housing, education, and climate initiatives. This budget, separate from \$200 billion requested for operations in Iran, aims to prioritise military strength while reducing federal domestic outlays.

President Donald Trump submitted a budget proposal to Congress that allocates roughly \$1.5 trillion out of a \$2.2 trillion total to national defence. This represents nearly a 40% increase over the current fiscal year's Pentagon budget. The White House described the defence funding as historic, urging Congress to approve over \$1.1 trillion as part of regular government funding processes.

The proposal accompanies \$73 billion in reductions across domestic agencies. Non-defence spending would face a 10% cut, achieved by eliminating or reducing what the administration terms "woke, weaponized, and unnecessary programs" and shifting responsibilities to state and local governments. Specific areas include slashes to climate, housing, education, and equality programmes benefiting low-income and minority populations.

Budget Breakdown Highlights
Major Defence Increase

The defence allocation includes a \$445 billion rise in military funding, the largest annual increase outside a ground war in US history. Additional billions target projects like the "Golden Dome" missile defence system and expanded naval procurement. This comes amid an ongoing, unauthorised war with Iran, separate from the main budget request.

Non-defence discretionary funding would drop to its lowest level as a percentage of the economy since at least the Dwight D. Eisenhower era. Cuts affect wage protection enforcement, where theft costs workers over \$50 billion yearly, and reduce Small Business Administration funding by 51%, introducing new borrower fees. Scientific research, foreign aid, and refugee resettlement programmes also face reductions.

President Trump has repeatedly stated intentions to boost defence budgets and domestic production. In a recorded White House meeting this week, he emphasised national focus on military priorities.

Congressional and Stakeholder Reactions Emerge

Senate Majority Leader Chuck Schumer stated, "Donald Trump's budget is rotten to the core, and Democrats will make sure it never passes." He noted opposition to \$1.5 trillion defence spending alongside cuts to programmes for

Americans and seniors.

Steve Ellis, president of Taxpayers for Common Sense, said, "Exploding the Pentagon budget will not make us safer. It will explode the debt. It will waste taxpayer dollars on programs that don't work or that we simply don't need." He urged Congress to reassert war powers amid the Iran conflict.

The budget requires Congressional approval and faces likely pushback from lawmakers over domestic cuts. It builds on Trump's consistent push for enhanced defence amid global tensions.

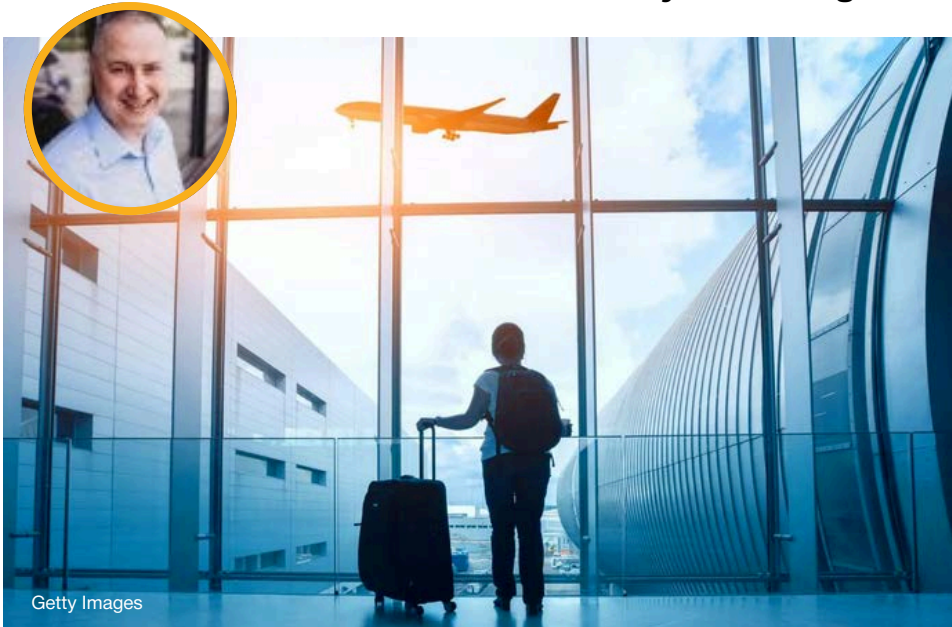
Context of Ongoing Military Commitments

The \$1.5 trillion request excludes \$200 billion sought by the Pentagon for Iran operations. Trump prioritised defence production during a private White House event. The proposal aligns with administration goals to cut "wasteful" domestic initiatives. Reductions target renewable energy, housing access, healthcare equity, and climate combat efforts. Funding for education and housing equality programmes would diminish.

This budget outline, released in early April 2026, underscores shifts in federal priorities under President Trump's administration. Congress must now review the full details as fiscal year 2027 planning advances.

Europe could face jet fuel shortages as Gulf supplies stay blocked

By Eric Gahagan



Getty Images

Europe may have only about six weeks of jet fuel left if supply routes from the Middle East remain disrupted, according to the International Energy Agency. The agency said shortages could begin by June unless Europe replaces at least half of the fuel it normally imports from the region. Airlines and airports could face cancellations and supply strain, while prices for European jet fuel have already risen sharply.

Jet fuel warning from energy agency

Europe could start seeing physical shortages of jet fuel by June if it is only able to replace half of the fuel it usually imports from the Middle East, the International Energy Agency said. IEA Executive Director

Fatih Birol told the Associated Press that European aviation could soon face cancellations if the disruption continues.

The warning comes as the Strait of Hormuz, a key route for fuel exports from the Gulf, remains effectively closed by Iran in retaliation for attacks from the United States and Israel. The blockage has tightened global fuel flows and driven up prices, raising concern across the aviation sector.

Airlines and airports under pressure

The IEA said recent increases in jet fuel shipments from the United States are helping, but not enough to fully cover the shortfall from the Middle East. In one scenario assessed by the agency, even replacing three-

quarters of lost imports would still leave the risk of shortages later in the summer.

Birol said airports such as Heathrow are likely to be prioritised over smaller and less busy hubs if supplies remain tight. He also said that even if deliveries resume quickly, it could take five to six weeks for the market to stabilise.

Fuel prices climb sharply

The benchmark price for European jet fuel surged to a record high at the start of April, reaching \$1,387 a tonne, up from \$831 before the conflict began. Reuters reported that the IEA warned of a possible shortage by June, while the Associated Press said Birol described the situation as part of “the largest energy crisis” he had seen.

Broader energy disruption

The jet fuel warning is part of a wider energy shock linked to the conflict in Iran, with the Strait of Hormuz affecting shipments of oil, gas and other vital supplies. The IEA said Europe and other regions may need to secure replacement cargoes from the United States, Nigeria and other sources to keep inventories adequate through the summer.

EU JRC Reports Favourable Crop Conditions Across Europe Amid Emerging Water Deficits

By Kathy Malouf



Stefan Niemeyer

The European Commission's Joint Research Centre (JRC) has reported generally favourable crop conditions across Europe in its April 2026 MARS Bulletin. Winter crops are developing well under mild temperatures and sufficient soil moisture in many areas, while spring sowing progresses across the EU. Persistent rainfall deficits in central, northern, and eastern regions

raise monitoring needs as water demand rises, though no critical impacts have emerged yet. Crop conditions across Europe remain generally favourable as the season progresses, according to the JRC MARS Bulletin published on 27 April 2026. Winter crops have restarted growth under mostly good conditions, supported by mild temperatures and adequate

soil moisture in numerous regions. Spring sowing campaigns are advancing across much of the EU, with yield forecasts holding broadly in line with historical trends. Emerging Water Deficits in Central and Northern Europe Precipitation has fallen below average since late winter in several central, northern, and eastern European regions. While

soil moisture levels stay sufficient for now, continued dry conditions could pose concerns as crops approach higher water demand phases like flowering.

In eastern Germany and Poland, a prolonged rainfall deficit since early March has reduced soil moisture. Recent rains have offered partial relief, but further precipitation is required to bolster growth in coming weeks.

Austria, Slovenia, Hungary, Slovakia, Czechia, and neighbouring areas report winter crops at normal to advanced stages with limited rain since early March leading to emerging deficits. Mid-March rainfall eased some depletion, yet the situation warrants close observation, especially as development accelerates.

Western and northern Ukraine saw winter crops resume vegetative growth amid precipitation shortfalls. Soil moisture has not reached critical lows due to low current water needs, but stress could arise swiftly without additional rain.

Minor Moisture Issues in Italy

Northern and central Italy face minor water deficits. In northern parts, persistent low precipitation has led farmers to irrigate winter crops, particularly for green harvest, though cereals show no impacts yet and require more rain to sustain yields.

Western central Italian regions experience declining soil moisture, accelerated by well-above-average temperatures hastening depletion and nearing water stress for crops.

Excess Rainfall Challenges in Southern Areas

Southern Italy endured persistent rainfall from late March to early April, causing crop lodging and waterlogging in primary durum wheat zones. Recovery remains possible since flowering has not begun.

In south-eastern Türkiye, a very wet spring start has delayed winter crops substantially. Some recovery to average conditions is anticipated, but full yield potential appears compromised.

Local Frost Events and Sowing Delays

Short cold spells with temperatures dropping below -5°C affected rapeseed during flowering and grain-filling in north-eastern Hungary, north-western Romania, and parts of Türkiye. No widespread damage is reported, though localised effects cannot be ruled out. In central Türkiye, the cold further slowed already delayed winter crop growth without causing harm.

Ireland reports sowing delays for spring barley due to continuous winter rainfall saturating soils and limiting field access, especially in central regions.

Weather Forecasts and Yield Outlook

Forecasts predict ongoing dry conditions in parts of central Europe and cooler weather in the east, potentially extending moisture deficits and slowing

crop development. Despite these factors, crop yield forecasts across Europe align closely with historical trends.

The bulletin includes an extended analysis of Türkiye, noting heterogeneous development from wet and variable conditions, with delays in the east and better prospects in the west.

Background on JRC MARS Monitoring

The JRC MARS (Monitoring Agricultural Resources) Bulletin provides monthly assessments of crop growth conditions and yield forecasts for the EU and neighbouring countries. It draws on weather-driven crop models, Earth observation data, and contributes to market transparency and policy support. Previous bulletins, such as the March 2026 edition, noted crops exiting winter dormancy favourably, with emerging deficits in north-eastern Europe requiring watch. The April issue builds on this, emphasising overall positive progress amid specific regional challenges.

The JRC invites feedback via its annual user survey to enhance the bulletin's relevance and clarity. Additional resources like the AGRI4CAST toolbox offer maps, data, and tools for crop monitoring.

This reporting compiles details directly from the JRC MARS Bulletin Vol. 34 No. 3, April 2026, ensuring all key facts on conditions, regional specifics, and forecasts are included without addition or interpretation.

EU Publishes Second List of 235 Cross-Border Energy Projects to Enhance Interconnectivity Across Europe

By Kathy Malouf



©AdobeStock/SLeitenberger

The European Commission has published the second Union list of 235 Projects of Common Interest (PCIs) and Projects of Mutual Interest (PMIs) in the Official Journal of the European Union. These cross-border energy infrastructure projects will receive streamlined permitting, regulatory support, and eligibility for funding from the Connecting Europe Facility (CEF). The list, entering force in 20 days, replaces the first list and targets enhanced energy connectivity, renewable integration, and

decarbonisation across Europe and with neighbouring countries.

The publication occurred on 9 April 2026, following scrutiny and confirmation of support from the Council and the European Parliament. Out of the 235 projects, 113 focus on electricity, offshore, and smart electricity grid developments essential for integrating growing renewable energy shares. An additional 100 projects involve hydrogen and electrolysers, three cover smart gas grids, 17

address CO₂ transport networks, and two are longstanding gas interconnections linking Malta and Cyprus to mainland Europe. These initiatives aim to strengthen the EU's energy grid resilience, accelerate the clean energy transition, and reduce dependency on fossil fuel imports. The Commission will coordinate implementation through regional High-Level Groups, the Energy Union Task Force, and related initiatives like the European Grids Package and

Energy Highways Initiative.

Project Breakdown and Strategic Focus

The composition of the 235 projects reflects priorities in Europe's energy transformation. Electricity, offshore, and smart grid projects number 113, designed to handle increased renewable generation, offshore wind expansion in areas like the North Sea and Baltic, and electrification demands in transport, heating, and industry. Hydrogen and electrolyser projects total 100, positioned to decarbonise industry and transport while substituting natural gas usage. Smart gas grid projects, at three, aim to digitalise and modernise natural gas networks. CO2 network projects, numbering 17, support the development of a carbon capture and storage market aligned with EU climate goals.

Two gas interconnection projects continue from prior lists, connecting Malta and Cyprus to the European network. Projects of Mutual Interest (PMIs) extend to non-EU countries, contributing to the EU's Global Vision for energy and climate objectives.

This distribution underscores the shift towards integrated, cross-border infrastructure addressing transmission bottlenecks, grid congestion, and the need for dynamic network management with inverter-based and distributed energy resources.

Funding and Permitting Benefits

Projects on the list qualify for EU

financing via the Connecting Europe Facility (CEF-Energy). The 2026 CEF call opens at the end of April 2026, with applications due by the end of September 2026.

Since 2014, CEF-Energy has allocated €8.7 billion to flagship projects, including the Baltic synchronisation that integrated Estonia, Latvia, and Lithuania into the EU grid, ending reliance on Russia's system. For the 2028-2034 Multi-annual Financial Framework, the Commission proposes increasing the CEF-Energy budget from €5.84 billion to €29.91 billion.

PCI and PMI status provides expedited permitting processes, coordinated across jurisdictions, and regulatory support to improve project bankability and delivery speed. This addresses delays in transmission reinforcements compared to generation consents.

Regulatory and Historical Context

The list stems from the revised Trans-European Networks for Energy (TEN-E) Regulation, effective since June 2022. It marks the second such Union list since the initiative's 2023 launch, following parliamentary and council approval.

PCIs complete the EU internal energy market, ensuring access to affordable, reliable, renewable energy for all Europeans. PMIs foster infrastructure with third countries, advancing shared energy security and decarbonisation.

A Commission study identifies €1.5 trillion in investment needs for electricity, hydrogen, and CO2

networks from 2024 to 2040. The projects and associated investments contribute towards these targets.

Implementation receives stepped-up political coordination via Member State engagement and specialised groups. The list integrates with broader efforts like the European Grids Package to optimise the grid and tackle cross-border bottlenecks.

Implications for Energy Security and Transition

The projects enhance Europe's competitiveness, energy independence, and climate neutrality by enabling vital interconnections. They support market integration, offshore development, and industrial electrification amid rising transmission pressures.

Smart grid inclusions highlight the dual need for physical expansion and digital upgrades, including flexibility management and monitoring for modern networks.

Examples like Baltic synchronisation demonstrate past successes in strategic infrastructure. The scale of 235 projects signals a continent-wide approach, positioning transmission coordination central to the EU's decarbonisation timeline.

The Official Journal publication on 9 April 2026 initiates the 20-day period before formal replacement of the prior list. Eligible projects can then proceed with accelerated timelines towards funding applications.

Bank Of England Holds Interest Rates At 3.75% Amid Rising Inflation Concerns

By Kathy Malouf



The Bank of England's Monetary Policy Committee voted 8-1 to maintain Bank Rate at 3.75% for the third consecutive meeting on 29 April 2026. CPI inflation rose to 3.3% in the 12 months to March 2026, driven by higher energy prices from Middle East conflict, with inflation expected to increase further later this year. One committee member voted for a quarter-point increase to 4%, citing upward risks to the inflation target. The Committee will continue monitoring the Middle East situation while standing ready to act to ensure inflation returns to the 2% target.

Monetary Policy Committee Votes To Hold Bank Rate At Current Level

At its meeting ending on 29 April 2026, the Monetary Policy

Committee (MPC) of the Bank of England voted by a majority of 8-1 to maintain Bank Rate at 3.75%. One member voted to increase Bank Rate by 0.25 percentage points to 4%. This marks the third consecutive time the Committee has held the base rate at this level.

The decision was announced on 30 April 2026 at 12pm. Prior to the conflict in the Middle East, the Bank of England had been forecast to cut interest rates twice in 2026, but rising inflation has caused economists to reconsider their predictions for the year.

CPI Inflation Increases To 3.3 Per Cent Driven By Energy Prices

CPI inflation has increased to 3.3%, and is likely to be higher later this year as the effects

of higher energy prices pass through. The current inflation rate stands at 3.3% compared to the Bank's 2% target. In January and February, CPI inflation was 3%.

The conflict in the Middle East means that prospects for global energy prices are highly uncertain. Monetary policy cannot influence energy prices but will be set to ensure that the economic adjustment to them occurs in a way achieves the 2% inflation target sustainably.

Direct impacts from the recent energy supply shock were already visible, notably in higher household motor fuel prices, with CPI inflation having increased to 3.3% in March. Based on the energy futures curves in the 15 days to 22 April, Bank staff

expected inflation to decline to 3.1% on average in 2026 Q2, before rising back to 3.3% in Q3. That Q3 projection was 1.4 percentage points higher than at the time of the February Monetary Policy Report.

In addition to higher fuel prices, the upside news also reflected the projected increase in the Ofgem price cap that would affect household utility prices. The indirect effects of high energy prices via increased production costs were also expected to be significant, and likely to affect food prices particularly. CPI inflation was expected to rise somewhat further in Q4.

Risk Of Second-Round Effects In Price And Wage-Setting Identified

There is a risk of material second-round effects in price and wage-setting, which policy would need to lean against. The Committee was attentive to the risk of second-round effects in wage and price-setting, the strength of which would depend partly on how long energy prices remained elevated, as well as the nature of any behavioural response from households and firms.

Members broadly agreed that any second-round effects were likely to materialise more quickly via pricing channels than wage-setting. Agency intelligence and the DMP Survey suggested firms might look to increase some prices given compressed margins, although the extent of this would be constrained by weak demand. Household short-term inflation expectations had risen and appeared to be more sensitive to

price increases relative to previous episodes. This was likely to reflect the recent experience of persistent above-target inflation following successive shocks, and the current and anticipated price increases in salient items, such as energy and food. For some members, these expectations, if sustained, could reinforce inflationary pressures through future wage bargaining as households sought to protect real incomes.

The MPC judged that while there were likely to be some second-round effects, continued weakness in activity would limit the strength of these. But these effects were likely to be stronger, the larger and more persistent the rise in global energy prices.

Labour Market Continues To Loosen While Economy Weakens

But the labour market continues to loosen, and a weakening economy could contain inflationary pressures. Relative to the previous energy shock in 2022, current events were occurring from a starting point of lower inflation, weaker demand, a looser labour market, and restrictive monetary policy.

Wage growth had been easing towards target-consistent rates, while private sector wage settlements for 2026 had been largely completed before the shock occurred. These factors would constrain wage inflation this year, providing time to observe economic evidence. However, some members observed that higher inflation in the second half of this

year could impact 2027 wage negotiations, as suggested by Agents' contacts.

Some other members saw downside risks to the outlook for demand, which could further limit second-round effects. In particular, unemployment could rise further owing to weak consumption and households increasing precautionary saving.

Financial Conditions Have Tightened Since Middle East Conflict Began

Financial conditions have tightened since the conflict began, which will help to reduce inflation over time. All members noted that financial conditions had tightened materially since the onset of the conflict which would help feed through to lower inflationary pressures over time, particularly while further evidence accumulated in the coming months.

There has been some tightening in financial conditions since the conflict began, which is already acting against second-round effects and will reduce inflation over time. Tighter financial conditions would provide insurance against a more adverse outcome for inflation, while further evidence accumulated in the coming months and policy could be re-assessed.

Three Economic Scenarios Outlined In April Monetary Policy Report

The April Monetary Policy Report sets out three scenarios that help to illustrate a range of possible

outcomes for the UK economy. Section 3 of the April Report set out scenarios for the economy, based on different paths for energy prices and second-round effects.

In Scenario A, energy prices were assumed to follow market futures curves, while in Scenarios B and C, these were higher and more persistent than the futures paths to varying degrees. There were no second-round effects from the latest energy shock in Scenario A. Second-round effects were incorporated in Scenarios B and C, and materially so in Scenario C. The appropriate monetary policy response would be state-contingent. The scenarios illustrated that a more pronounced overshoot of inflation, as in Scenario C, was likely to warrant a forceful tightening in monetary policy. Given the absence of, or more modest, second-round effects in Scenarios A and B respectively, a less restrictive policy stance would be required than in Scenario C.

One Committee Member Voted For Interest Rate Increase To Four Percent

Eight members voted in favour of maintaining Bank Rate at 3.75%: Andrew Bailey, Sarah Breeden, Swati Dhingra, Megan Greene, Clare Lombardelli, Catherine L Mann, Dave Ramsden, and Alan Taylor. Huw Pill voted against the proposition, preferring to increase Bank Rate by 0.25 percentage points to 4%. Huw Pill stated that events in the Gulf have left the outlook for

global energy prices elevated and more uncertain. Second-round effects in price and wage-setting stemming from this shock have the potential to raise UK inflation beyond the near term in a persistent manner. A prompt but modest hike in Bank Rate will help mitigate upside risks to price stability stemming from a re-emergence of intrinsic inflation persistence.

Committee Will Continue Monitoring Middle East Situation Closely

The Committee will continue to monitor closely the situation in the Middle East and how its impact propagates through the economy. The Committee stands ready to act as necessary to ensure that CPI inflation remains on track to meet the 2% target in the medium term.

In monitoring the size and propagation of the shock, the Committee would draw upon the full range of economic data, surveys of firms and households, and intelligence from the Bank's Agents. This monitoring would include developments in energy markets, the direct effects on UK inflation, and the extent to which firms' adjustments to increased energy and non-energy costs were materialising through higher consumer prices relative to reduced profit margins.

The MPC sets monetary policy to meet the 2% inflation target, and in a way that helps to sustain growth and employment. The MPC adopts a medium-term and forward-looking approach to determine the

monetary stance required to achieve the inflation target sustainably.

Market Expectations Show Division On Future Interest Rate Path

Looking ahead, the median expectation in the April Market Participants Survey was for Bank Rate to be maintained at its current level this year. By contrast, the market-implied path for Bank Rate in the 15 days to 22 April was upward-sloping, suggesting some increase in Bank Rate this year. This path captured not only market participants' central expectations for Bank Rate, but also the balance of risks to the outlook, and risk premia.

David Hollingworth, associate director at broker L&C Mortgages, commented that the threat of the rising cost of living has heightened market expectation that interest rates will have to rise or remain higher for longer. Ben Thompson of mortgage intermediary Mortgage Advice Bureau said most likely we will see current rates stay higher for longer and hopefully with no increases, followed by a series of cuts to get growth going as soon as the inflationary shocks can be seen to have passed through.

Nicolas Mendes of mortgage broker John Charcol stated that a hold should not be mistaken for a sign that the Bank is relaxed about the outlook, noting this is still a difficult backdrop with inflation pressure picking up again while growth remains weak and the labour market shows signs of softening.

House of Lords Considers Commons Amendments to Tobacco and Vapes Bill

By Kathy Malouf



Pexels / Almighty Shilref

The House of Lords held consideration of Commons amendments to the Tobacco and Vapes Bill on 20 April 2026, focusing on provisions for fixed penalty notices in Wales and the use of proceeds from fines. This parliamentary "ping-pong" stage addressed changes made by

MPs to earlier Lords amendments. The Bill, aimed at creating a smoke-free generation by prohibiting tobacco sales to those born on or after 1 January 2009, received Royal Assent on 29 April 2026, becoming the Tobacco and Vapes Act 2026.

The Tobacco and Vapes Bill returned to the House of Lords for its final key stage before Royal Assent. Peers debated amendments tabled by the Commons on 23 March 2026, particularly those concerning enforcement in Wales. Minutes of proceedings confirm the session

took place as scheduled.

Bill's Path Through Parliament

The Bill was introduced on 5 November 2024 by the Department of Health and Social Care as a Government Bill. It progressed through the Commons with second reading on 23 April 2025, committee stage from 27 October to 26 November 2025, report stage on 24 February and 3 March 2026, and third reading on 9 March 2026. The Lords then considered it from 27 March 2025 to 9 March 2026 before it returned to the Commons.

On 10 March 2026, the Commons agreed to numerous Lords amendments, including technical changes to clauses on retail licensing, enforcement authorities, and definitions such as "filter" for tobacco products. Programme motions and selections of amendments were published on 23 March 2026. Secretary of State Wes Streeting tabled key amendments, such as 28A to 29C, addressing fixed penalty notices and their application in Wales.

The Lords received amendment papers on 13 and 17 April 2026 ahead of the 20 April debate. These included motions for consideration of Commons consequential amendments in HL Bill 182.

Focus on Welsh Enforcement Amendments

The amendments under discussion pertained specifically to issuing fixed penalty notices by local weights and measures

authorities in Wales for offences under sections including sale of tobacco to those born after 1 January 2009, purchase on behalf of others, and displays of products. New clauses were inserted: "Fixed penalty notices: Wales" allowing notices for specified offences with amounts up to level 4 on the standard scale or £200, and a 50% early payment discount.

Another clause, "Fixed penalties in Wales: use of proceeds," mandated that sums received be used for functions under the Act, Tobacco and Related Products Regulations 2016, and Public Health (Wales) Act 2017. A power for Welsh Ministers to adjust penalty amounts via affirmative regulations was also added, capped at level 3.

Consequential amendments updated clauses 43 and 44 to reference these new sections. All listed Commons amendments, such as 28A to 32, were marked as proposed in lieu and agreed to in the Lords proceedings.

Key Provisions of the Tobacco and Vapes Act

The Act makes provision for the supply of tobacco, vapes, and other products, including prohibiting sales to those born on or after 1 January 2009. It enables requirements on products and information, controls advertising and promotion, and establishes smoke-free, vape-free, and heated tobacco-free places.

Amendments agreed earlier included exceptions for vape vending machines in mental

health hospitals for adults, changes to "is" to "will be" in certain clauses, and expansions to enforcement authorities including district councils. Provisions on filters were aligned across UK nations, with definitions inserted for consistency.

Over 1,170 amendments were proposed during the Bill's passage. Impact assessments were updated in February 2026, and explanatory notes provided on 16 March 2026.

Timeline of Final Stages

On 23 March 2026, the Commons held consideration of Lords amendments with proceedings recorded. Amendment papers for notices of Commons amendments in lieu of Lords amendments were issued on 19 and 20 March 2026.

The Lords' consideration on 20 April 2026 marked the completion of the ping-pong process. Royal Assent followed swiftly on 29 April 2026 in both Houses.

The Bill originated under the previous government but was shelved during the 2024 General Election and reintroduced in November 2024. Legislative consent memorandums were laid for devolved administrations, with Welsh Government recommending consent.

This progression reflects standard parliamentary procedure for Government Bills outlined in the King's Speech agenda. The Act now awaits implementation details through secondary legislation.



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