



Spring menswear special

Wall St fears ever rising oil price

- Few signs of speedy resolution to war
- Supply crunch sends crude past \$100

JAMIE SMYTH AND MYLES MCCORBERG — NEW YORK
Wall Street has warned that oil prices will ratchet sharply higher if the US war in Iran and protracted shutdown of the Strait of Hormuz choke off exports from the Middle East for months.
Traders and analysts said yesterday there was little sign of a speedy resolution to the conflict, which has sent Brent crude above \$100 a barrel. The supply crunch would leave the market short of transport fuels, they added, as the crisis cascades into the wider economy.
"By the end of next week we expect

oil price impacts," said Helima Croft of BPC, adding that the conflict could last "well into the spring".

The warnings come as the war enters its third week, with President Donald Trump saying that the US has "unlimited ammunition" and could keep fighting against Iran "for ever".

Goldman Sachs estimates that flows through the Strait of Hormuz have dropped to just 0.6m barrels per day, down from normal levels above 12m — close to total US petrol production.

Iran has launched strikes on energy infrastructure across the Gulf, in effect shutting the narrow waterway through which a fifth of oil and liquefied gas supply normally flows. European countries are seeking to open talks with Tehran to restart flows through the strait.

"Shutting the Strait of Hormuz is supposed to be the oil apocalypse," said Jim Krane at Rice University's Baker Institute. "It could just get so much worse."

Trump's administration has proposed naval escorts for tankers traversing the strait, as well as removing sanctions on Russian oil and joining 67 countries in a record release of crude from reserves. But Iran's new supreme leader Mojtaba Khaneini has issued a defiant message, declaring he will keep the strait closed.

Brent crude has surged above 40 per cent since the conflict erupted. Prices of everything from jet fuel to diesel have soared in Asia, Europe and North America. US petrol prices hit \$3.65 a gallon yesterday after 13 straight days of gains.

In the UK, diesel has risen 15.5p a litre and petrol 7.5p since the war broke out. Chancellor Rachel Reeves met petrol retailers and gas suppliers yesterday to discuss the disrupted supplies issues.

Dubai's distress Financial centre hit in drone attack



Smoke billows from a building in central Dubai, where the city's financial district is located, after being hit by an Iranian drone yesterday morning. Tehran has fired more than 1,500 drones and about 300 missiles across the Gulf towards the United Arab Emirates, most of which have been intercepted. Six people have died and 150 injured during the attacks on the UAE.

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crude supply cuts to approach 12m barrels per day," said Natscha Kaneva, an analyst at JPMorgan. "The market is facing an acute shortage of products — diesel, jet fuel, LPG and naphtha — that cannot be consumed simply because they are not available."

RBC Capital markets said it expected oil prices to exceed the \$128 high hit weeks after Russia's full invasion of Ukraine in 2022 and top the 2008 record high of about \$147. Tehran has warned the world to prepare for \$200 oil.

"We are revising our estimated run time for the Iran war and the concurrent



MFS meltdown stirs doubt on underwriting standards

Market Financial Solutions, a small player in the world of property-backed bridging loans, failed last month amid claims of fraud and double-pledging of collateral. Investors had shunned the business, describing it as a "refinancing merry-go-round". Yet Wall Street banks handed over hundreds of millions to groups owned by Parash Raja, who now sits at the heart of the collapse, with creditors claiming a shortfall of £1.3bn.
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China's BYD races to catch BMW and Porsche with 5-minute 'flash charging'

KANA INAGAKI — LONDON
EDWARD WHITE — SHANGHAI

China's BYD is launching a luxury electric car in Europe next month that will charge in just five minutes with a range of 800km, challenging Porsche and BMW in their home market.

BYD, which overtook Tesla as the world's largest EV maker last year, first demonstrated its "flash charging" technology, which enables an electric vehicle to be charged almost as quickly as filling a car with petrol, a year ago.

The Z9GT model, part of the Denza brand, can be 70 per cent charged in five minutes and fully in 12 minutes. With a battery that lasts up to 800km, the car will be on sale in Europe next month and the UK in the summer. Pricing is yet to be disclosed.

Stella Li, BYD's international chief,

said the Z9GT model marked a milestone as it began the global rollout of flash charging.

The Chinese carmaker has aggressively expanded in the UK and Europe with affordable EVs and plug-in hybrids as sales in its home market have come under pressure from a government crackdown on pricing competition.

Targeting the likes of Porsche, BMW and Mercedes-Benz marks the expansion of its offerings to the high-end market. BYD started the Denza joint venture with Mercedes-Benz in 2010 and took full control in 2024.

BYD's sales in the UK and Europe more than tripled last year to nearly 190,000 vehicles, according to trade body Aca. As of January, it had a 1.7 per cent market share in the EU and 2.4 per cent of the UK market last month.

BYD said it would start installing hun-

dreds of "flash stations" in Europe this year.

It already has more than 4,200 sites in China and aims to have 20,000 worldwide by the end of the year.

The move echoes Tesla's last Supercharger stations that helped promote the brand while maintaining customer loyalty. They provide Tesla vehicles with up to 200 miles (321km) of range in 15 minutes.

EV sales surged last year to account for 17.4 per cent of EU sales, up from 13.6 per cent in 2024. Battery-powered models on the continent overtook petrol for the first time in December and sales have continued to increase this year.

However, penetration levels have differed significantly across the continent, with many parts of eastern Europe still lacking in charging infrastructure, leading some drivers to suffer range anxiety.

World Markets

STOCK MARKETS	Mar 13	Prev	Change
S&P 500	6036.67	6072.62	-0.55
Nikkei Composite	27143.81	27211.98	-0.25
Dow Jones Ind	40031.60	40077.06	-0.12
Euro Stoxx 50	5716.61	5748.09	-0.55
FTSE 100	2329.71	2396.06	-0.42
FTSE 250	3020.16	3039.15	-0.43
FTSE All-Share	5626.22	5722.12	-0.42
ZAC 40	7811.53	7884.44	-0.93
Hong Kong	23841.28	23888.05	-0.20
Nikkei	32815.61	32842.96	-1.13
Hang Seng	24602.40	25718.78	-0.38
MSCI World	4326.50	4414.00	-0.95
MSCI EM	1464.70	1495.00	-2.25
MSCI ACWI	1807.80	1819.25	-1.95

CURRENCIES	Pair	Mar 13	Prev	Change
EUR	1.566	1.568	0.28	-0.002
GBP	1.342	1.331	0.24	+0.011
USD	0.984	0.980	0.12	+0.004
HKD	100.000	99.999	0.00	+0.001
JPY	151.240	151.230	0.00	+0.010
INR	82.000	82.000	0.00	+0.000

GOVERNMENT BONDS	Yield (%)	Mar 13	Prev	Change
US 2Y	4.24	4.24	0.00	0.00
US 5Y	4.27	4.20	0.07	0.07
US 10Y	4.31	4.27	0.04	0.04
US 30Y	4.63	4.38	0.25	0.25
UK 2Y	4.25	4.21	0.04	0.04
UK 5Y	3.51	3.47	0.04	0.04
UK 10Y	3.45	3.42	0.03	0.03
UK 30Y	2.72	2.78	-0.06	-0.06
EU 2Y	3.46	3.47	-0.01	-0.01
EU 5Y	2.80	2.80	0.00	0.00
EU 10Y	2.87	2.85	0.02	0.02
EU 30Y	3.32	3.31	0.01	0.01

Prices are listed for additional data provided by ICF, www.icf.com

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Travel

The superyacht market is rich with convoluted ownership histories. Fortunes rise and fall and, for the still buoyant, there is always the lure of something bigger. Take former Google chief executive Eric Schmidt. Until recently he owned Legend, a 77-metre ice-breaking expedition yacht with an unlikely heritage (we'll come to that). Early last year he sold it for \$40m, which is how I find myself on a billionaire's boat in the notably ice-free Seychelles.

I find Schmidt's hand-me-down (he has commissioned a 107-metre replacement) anchored off Mahé. It's the biggest of the Seychelles' 115 coral-fringed islands that are scattered in the Indian Ocean, 1,000 miles east of Kenya. The yacht's sleek grey hull shimmers in the equatorial sun as her crew lines up on the aft swim deck to receive guests.

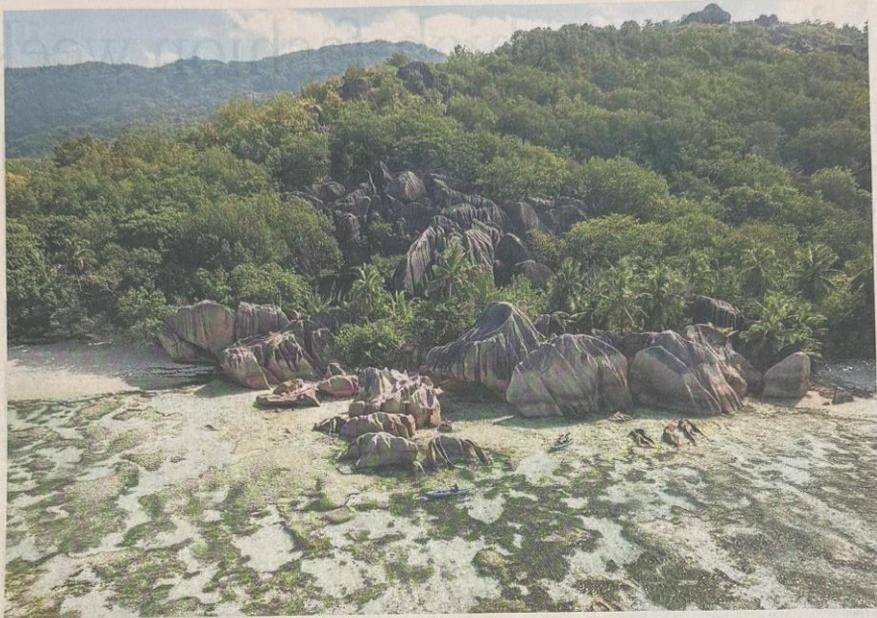


Legend is now called Aqua Lares, the largest yacht in a fleet grown over the past 19 years by Francesco Galli Zugaro, the Italian-American founder of Aqua Expeditions. The "boutique cruising" outfit has three river boats on the Mekong and Peruvian Amazon, and two superyachts in the Galápagos and East Indonesia. I'm on the new yacht's inaugural voyage, a five-night cruise of the Seychelles' inner islands.

Hanging out on a superyacht traditionally requires buying or hiring one or knowing an owner. But Aqua Lares's 15 guest cabins (served by more than 50 crew) can be booked individually, meaning prices start at about £6,700 per person for a five-night itinerary. "Not everyone has half a million dollars to drop on a charter," Galli Zugaro, 52, says as we have lunch. My dessert, a quenelle of guava sorbet perched on a pannacotta, wobbles gently as we approach an uninhabited island to snorkel among hawksbill turtles. "But will people spend \$20,000 for a cabin on a private yacht like this? That's pretty unique."

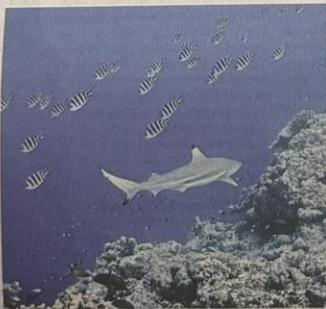
Whichever way you slice it, it's a chunk of money, but Aqua has tapped a buoyant market of what it calls "affluent explorers" — more than 40,000 of them so far — who seek adventure while living the superyacht dream. "Their interests are all over the place," says Galli Zugaro, who, with a fine line in Panama hats and a Rolex Sky-Dweller on his wrist, embodies his target market. "Today it's Mongolia, tomorrow it's Rome, then it's Alaska or skiing in Japan."

Aqua Lares will alternate between the Indian Ocean and the Norwegian Arctic, an unusual combination that requires an explorer-class yacht, including a reinforced hull to break ice and a huge range (more than 7,500 nautical miles without refuelling in this case). The inaugural sailing includes some of Aqua's most loyal guests —



A glimpse of life with the superyacht set

Seychelles | The Aqua Lares once belonged to the boss of Google but a new owner is making it (slightly) more accessible. By *Simon Osborne*



Clockwise from main: kayaking to the beach of Anse Source d'Argent on La Digue island; reef sharks among the coral; the 77-metre yacht Aqua Lares

couples and solo travellers mostly scattered around retirement age.

Days are busy, taking on a comforting pattern in what Aqua bills as a floating safari. Early breakfasts come before guided scuba or snorkel sessions either side of lunch. Land excursions include walks among the ancient palm forests of Praslin island, or the giant tortoises of Cousin island, where I watch a white tern feed a baby sardine to her chick, its nest balanced in a Casuarina tree. Later, it's up to the aft helicopter deck for sundowners before dinner.

After my lunch with Galli Zugaro, we jump into Zodiac rigid inflatables to get closer to Ave Maria, a craggy granite islet topped with palms that is known for its vibrant coral canyons. I lose track of time as I sway in the gentle swell, watching turtles soar among the reefs like shellac blimps. There go some schooling bannerfish, their white dorsal fins extending into filaments that quiver behind them like gymnasts' ribbons. I swim among silvery-blue trevallies, whose resting grumpy faces I find strangely relatable as they eye up our party of hapless landlubbers. As a reef shark stalks the deep, I marvel at the corals that variously resemble satellite dishes and giant brains.

Damien Alphonse is one of three local marine guides among the ship's crew. He's a shark specialist and works in conservation when he isn't swimming with tourists. "It's the little things that really catch my attention now," he tells me back on Aqua Lares, where guests are sipping chilled hibiscus tea in the aft swimming pool. His favourite species is the Pikachu Nudibranch, a tiny yellow slug that resembles the Pokémon character. "They're so hard to see but when you do it's like another world."

Alphonse, who is 29 and grew up on Mahé, says everyone in the close-knit tourism industry here has been talking about Aqua Lares. The yacht arrives at a

time of wider growth in the country's luxury tourism market. New resorts include an outpost for LVMH-owned Cheval Blanc, which opened on Mahé in late 2024. More controversially, a Qatari investment company has begun building a resort on Assumption Island, the gateway to the Aldabra atoll, testing the limits of the government's more sustainable low-volume, high-spend strategy.

"We depend on tourism for job opportunities, but there are pros and cons to these developments," says Alphonse, who has previously worked on a superyacht owned by a Middle Eastern royal family ("demanding" is all he will say of the experience).

As shipyards race to fulfil orders for billionaires, Aqua's offer of a pay-by-the-cabin slice of that lifestyle has turned heads

Across the world's oceans, appetite is rising for waterborne luxury. As shipyards race to fulfil orders for billionaires in a boom kick-started by Covid, Aqua's offer of a pay-by-the-cabin slice of that lifestyle has turned heads. Last year, Ponant Explorations Group, which is part of the French Pinault family's Artémis empire (Gucci, Balenciaga et al), bought a majority stake in the company. Galli Zugaro, who previously had investment from private equity and his Scottish father-in-law, continues to run the show alongside his wife Birgit, Aqua's design director.

Aqua Lares has a particularly unlikely past. She was completed in the Netherlands in 1974 as Gigante, an ice-breaking support vessel for the Soviet fishing fleet. Thousands of ships once trawled the world's oceans to feed the red empire. Gigante may have had a secondary use —



later renovation revealed more radio equipment than would be strictly necessary for catching sturgeon.

Surplus to Soviet requirements after the collapse of the union, the rusting ship caught the attention of René Herzog, a wealthy Swiss former racing driver and mariner. He commissioned the first major refit in the 1990s, creating a pioneer in the now thriving class of luxury explorers. After further changes of ownership and updates, including a remodelled stern to incorporate the swimming pool and helipad as well as a below-deck spa, the ship became Legend.

If Brezhnev's ghost haunts a yacht that now sails in such elite waters, where caviar occasionally appears at the breakfast buffet, he might appreciate the dusting off of Soviet architectural drawings of the original vessel that the crew unearthed near the engine room. Several now hang in frames, sharing wood-panelled wall space with antique prints of marine scenes from Manhattan's Argosy Book Store. "We want our ships to feel like they have a history," Birgit tells me.

Galli Zugaro is intrigued to know what Schmidt will make of his old boat; the billionaire has booked out Aqua Lares himself (she can also be chartered for just over \$424,000 for the five-day trip, up to almost \$1.2m for a 14-day itinerary). "I'd like to think he's going to appreciate what we've done," he says.

Rise with the sun every morning for long swims in the glassy Indian Ocean. One day I find Galli Zugaro already front-crawling towards Grande Soeur, a small island that is our next snorkelling destination. After swimming more than half a mile, he chats with the island's guardian at his small house, set among lawns maintained by giant tortoises. Galli Zugaro wanted to find out when tourists boats typically arrive, so that we could be in and out before them. "I also wanted to recce a surprise," he says.

After breakfast, we take the Zodiacs to Grande Soeur. Before we start snorkelling, Galli Zugaro leads us across the lawns to an opening in some palm trees. I step through to discover a small beach of such tropical perfection — coral sands, granitic cliffs, swaying palms — that I let out an involuntary chuckle. With childish haste, I hang my T-shirt and hat from one of the red parasols that an advance party from Aqua Lares has planted in the sand, run down to the surf and dived in.

DETAILS

Simon Osborne was a guest of Aqua Expeditions (aquaexpeditions.com), which offers cruises on Aqua Lares in the Seychelles starting from £6,700 per person for a five-night voyage, rising to £14,500 per person for the largest of three sprawling owners' suites. It also offers 14-day voyages to the Seychelles' outer islands and Aldabra atoll, and between June and September sails itineraries in Norway, Svalbard and Scotland's Hebridean islands.