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Staycation summer? Jet-fuel crunch reshapes the peak holiday season

Ludovic Subran
Chief Investment Officer and Chief Economist
ludovic.subran@allianz.com

Ano Kuhanathan
Head of Corporate Research
ano.kuhanathan@allianz-trade.com

Maria Latorre
Sector Advisor, B2B
maria.latorre@allianz-trade.com

In Summary

- **The Middle East crisis is squeezing airlines' jet-fuel supplies.** Unlike previous oil crises, the main bottleneck lies in refining capacity and product logistics. The Strait of Hormuz accounts for roughly 25% of global seaborne jet-fuel trade, making it a critical artery for aviation markets. As regional refinery operations have been disrupted, jet-fuel prices have doubled since the start of the conflict, while refining crack spreads have moved above USD 100/bbl. Fuel is the largest cost line (30–35%), meaning price shocks translate almost immediately into higher fares, capacity cuts or margin erosion.
- **Europe is among the most structurally exposed regions.** Europe produces only around 50% of its kerosene needs domestically, with the remainder met through imports. Gulf producers account for approximately 70% of imported volumes, affecting markets such as the UK, Germany, France and Italy, all of which run persistent deficits. Middle East kerosene flows to Northwest Europe fell -90% m/m in March, while April flows were effectively nil. Although US shipments surged +782% m/m, total combined inflows from the US and Middle East were still down -82% m/m in April, suggesting tightening physical availability into late spring and summer. More worryingly, even if Hormuz reopens soon, a full refinery ramp-up would likely take 3–6 months.
- **Airlines are reacting through fare increases (+5-15% for international routes) and tighter capacity management (2-5% cuts in Europe).** Across markets, carriers are attempting to preserve margins via pricing power. Beyond the fare hikes, specific fuel surcharges now range from USD20-60 on short/medium-haul routes and USD80–150 on long-haul tickets. If conditions worsen, further fare increases of 10–15% are likely. In Europe, announced capacity reductions remain selective, concentrated on lower-yield short-haul routes and secondary airports. Low-cost carriers are especially vulnerable because of thin margins, short-haul concentration and strong competition from high-speed rail alternatives.
- **Will it be the summer of staycations? Some substitution benefits are emerging in Southern Europe, but the upside is limited.** Equity markets have repriced airlines sharply while rewarding Western Mediterranean hospitality firms, with listed hotel stocks up +36% since the onset of the conflict. Booking trackers point to demand gains of +32% y/y for Spain and around +20% for Italy, Greece and Portugal. However, weakening sentiment in the US and Eurozone means many households may reduce total leisure spending rather than fully replace international trips with long domestic holidays.
- **Meanwhile, tourism in the Middle East faces a sharp reversal after strong post-pandemic growth.** Before the conflict, international arrivals were expected to increase by +13% y/y in 2026, after +51% in 2025 versus 2019, thanks to visa reforms and heavy tourism investment. If hostilities persist for another month, arrivals could instead decline by -35-40% y/y, implying approximately USD70-75bn in lost tourism receipts. Smaller tourism-dependent economies – i.e. Lebanon (where tourism accounts for 9.1% of GDP), Bahrain (6.2%), the UAE (6.2%) and Jordan (5.9%) – are most exposed to sudden declines in arrivals, foreign-exchange receipts and hospitality demand. Countries with weaker external balances may face stronger pressure on reserves and exchange rates. Beyond the Middle East, island tourism destinations where aviation is the primary gateway (Seychelles, Maldives and Mauritius) will also feel the pinch from disrupted connectivity through Middle Eastern air hubs.

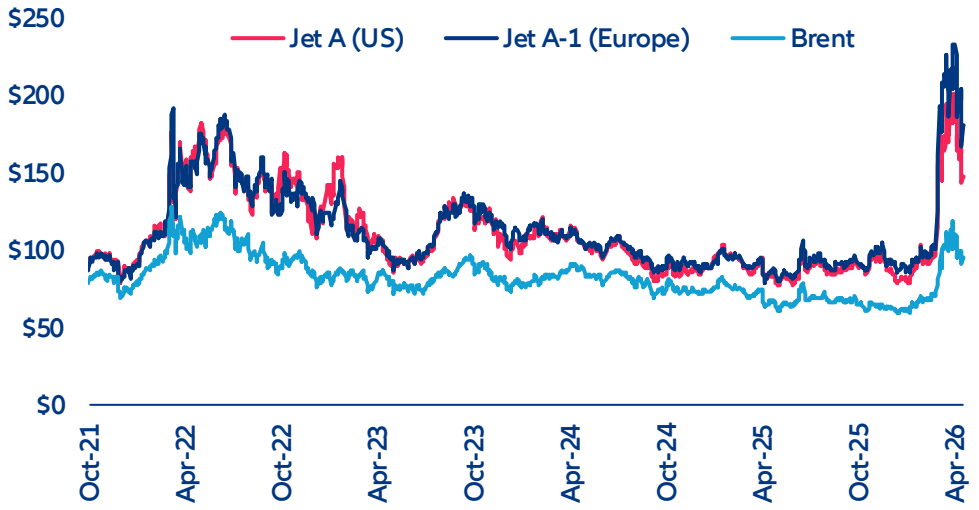
Turbulence ahead: Jet-fuel crunch threatens airline operations in peak season

A supply shock beyond crude: the central role of refining constraints. The current crisis differs materially from previous oil price shocks in that it is not limited to crude supply disruptions. While the ongoing closure and uncertainty surrounding the Strait of Hormuz has constrained global crude flows, the more persistent bottleneck lies in refining capacity, for which the Middle East represents a huge market share (see Figure 1). Jet-fuel availability actually depends on complex refining processes and disruptions across Middle Eastern facilities have created a lag between the normalization of crude supply and the restoration of refined product output. The Strait of Hormuz accounts for around 25% of the global seaborne volume of transported jet fuel. However, its outsized importance stems less from sheer volume than from its role as a core export hub supplying structurally import-dependent markets, particularly in Asia and Europe, where domestic refining capacity is insufficient to meet aviation demand. This imbalance is further exacerbated by export restrictions from key refining hubs such as China and South Korea, as well as limited spare capacity in alternative regions. As a result, jet-fuel prices have doubled since the beginning of the conflict, driven not only by crude benchmarks such as Brent crude oil, but increasingly by elevated refining margins (see Figure 2), with the crack spread surpassing the USD 100/brl threshold. With jet fuel typically accounting for approximately 30–35% of airlines total operating costs under normal conditions (making it the single largest cost item across much of the industry), airlines are now bracing for a challenging summer, increasingly forced to balance pricing power, capacity discipline and margin protection.

Figure 1: Oil refineries across the world, operational vs permanent closure, bubble size = capacity

Sources: Bloomberg, Allianz Research

Figure 2: Jet fuel and Brent crude oil prices (USD/bbl)



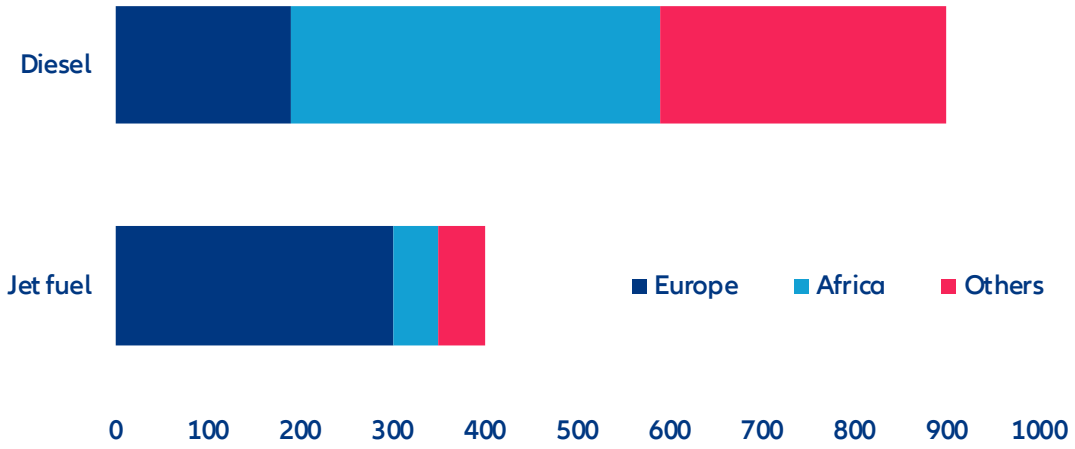
Sources: Bloomberg, Allianz Research

The decoupling of crude-oil and jet-fuel prices makes traditional fuel-hedging mechanisms significantly less effective. In parallel, regional hedging approaches are diverging. Most hedging programs are linked to crude oil benchmarks rather than the refined jet fuel that airlines actually consume. As a result, their effectiveness is reduced in periods of unusually wide crack spreads. More broadly, hedging practices vary significantly across regions. US airlines largely moved away from systematic fuel hedging about a decade ago, following adverse experiences in previous cycles. Large carriers instead rely on pricing flexibility and capacity management to absorb fuel-cost volatility. By contrast, European airlines have historically maintained more extensive hedging programs, often covering a significant share of fuel needs over a 12- to 24-month horizon. While this provides greater short-term cost visibility, some European carriers have recently signaled a reduction or cessation of hedging activity, reflecting a deteriorated risk–reward profile and a growing preference for market exposure combined with more dynamic fare adjustments. Asian airlines generally adopt an intermediate approach, typically layering hedges six to 12 months ahead, though strategies vary considerably by carrier and jurisdiction.

How much longer the Strait of Hormuz will remain closed is still uncertain. But once opened, the ramp-up of crude production and refinery activities across the region is expected to take about three to six months. We estimate that about half of crude production is currently curtailed in the Middle East, most of it via precautionary and stock-management measures rather than physical damage to fields. However, the shape of the recovery will depend on how long the Strait remains closed. Under our baseline scenario, a deal allowing for a progressive normalization of energy trade should happen in May, with a downside scenario being a closure of the Strait for more than three months. In either one, Gulf production is likely to mostly recover within a few months once the Strait safely reopens. The publicly reported physical damage to oil fields remains limited, in contrast to LNG assets. Saudi Arabia and the UAE together hold an estimated 2 Mbpd of spare capacity, enough to meaningfully stabilize markets in the first weeks. Kuwait production could take 3-4 months to return to full output even if the war ended today – a reminder that a "fast ramp up" applies to Saudi/UAE spare capacity, not to the wells that have been forced into precautionary curtailment. We should also underline that the longer the closure, the slower the production ramp up. We estimate a 70% recovery of lost production three months after Hormuz reopens, reaching close to 90% after six months. This could leave a long tail of structural underproduction that keeps the downstream product supply tighter than markets are pricing. However, downstream infrastructure such as refineries can come back online much quicker, in a matter of days.

The looming jet-fuel shortage will mainly affect import-dependent aviation hubs with tight refining capacity and heavy exposure to Middle Eastern supply flows. Asia-Pacific, Africa and Europe remain structurally dependent on oil and oil-derivative products from the Middle East, albeit for different reasons. On the one hand, Asia-Pacific has significant refining capacity but limited domestic crude supply, and with demand growth (particularly in China and India) continuing to outpace supply, dependence on Gulf crude remains high, with roughly 40–50% of APAC crude imports coming from the Middle East. For Africa and Europe the dynamic is different. Africa exports crude (notably from Nigeria and Angola) but lacks refining capacity, leaving it reliant on imported middle distillates (such as jet fuel and diesel) from suppliers such as Saudi Arabia and the UAE (see Figure 3). In Europe, reliance is largely driven by substitution effects. Since the Russian invasion of Ukraine, Middle Eastern flows have increasingly replaced lost Russian supply, particularly in refined products such as jet fuel. While Europe still refines around 50% of its jet fuel domestically, this share has been gradually declining amid a long-term downscaling regional trend driven by refinery closures and capacity rationalization. The remaining 50% is met through imports, with Gulf suppliers playing a central role (around 70%), particularly Kuwait as one of the largest single exporters, while the UK remains among the most import-dependent markets due to its structural refining deficit.

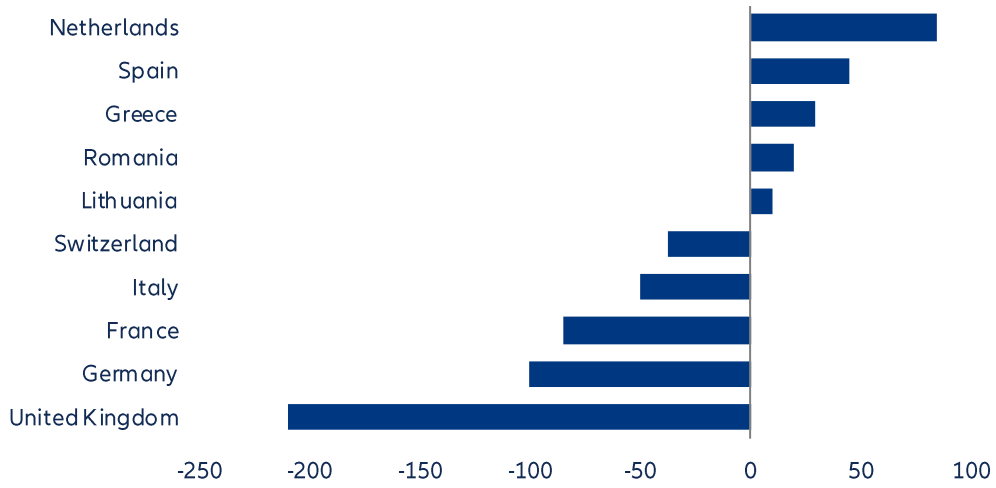
Figure 3: Destination region of refined oil products transiting via the Strait of Hormuz, thousand barrels per day



Sources: BloombergNEF, Allianz Research

Europe's kerosene market is structurally vulnerable, with most major economies running persistent deficits. The UK, Germany, France and Italy show the largest shortfalls (Figure 4), underscoring their reliance on external supply to meet aviation demand. Even traditionally well-refined economies like the Netherlands and Spain were only modestly in surplus last year, while several smaller markets remain balanced or slightly positive, indicating limited regional capacity to offset the gap. This imbalance effectively positions Europe as a net structural importer of kerosene. As a result, European aviation activity is indirectly exposed not only to global oil price dynamics but also to geopolitical and logistical risks along key supply routes, reinforcing the region's dependence on external refining hubs for a fuel that is essential to long-haul connectivity.

Figure 4: Kerosene balances in 2025, by country in Europe, in thousand barrels per day

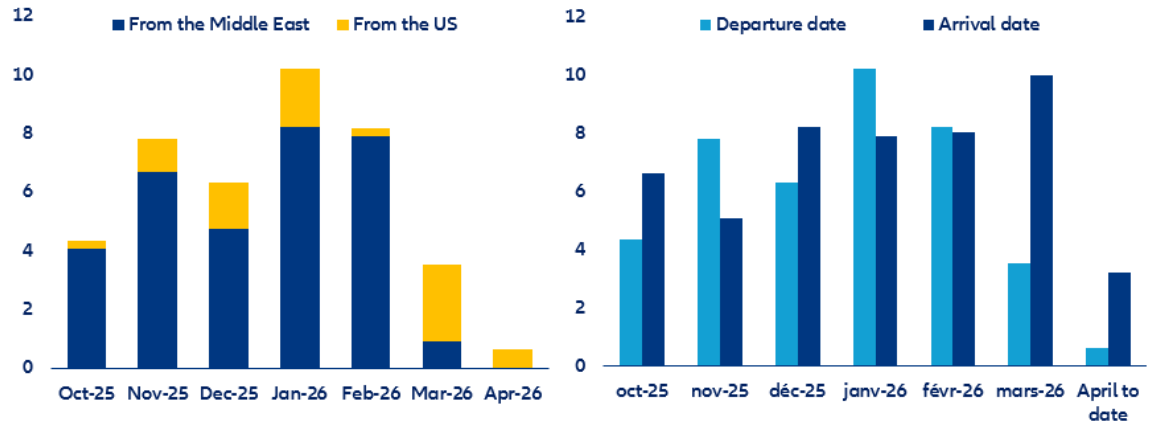


Sources: BloombergNEF, Allianz Research. Note: Negative numbers indicate supply shortfall, meaning consumption outweighs domestic refinery output of kerosene.

Meanwhile, the US is becoming a key marginal supplier to Europe's jet-fuel market. Kerosene flows from the Middle East to Northwest Europe declined by -90% m/m in March while no shipments departed in April. Conversely, shipments from the US skyrocketed last month (+782% m/m), reflecting a sharp but likely temporary reorientation of regional supply flows. In the short term, replacing Middle Eastern jet fuel with supply from the US enhances Europe's resilience, but this shift carries structural costs: longer transatlantic routes and increased transport expenses and emissions. Moreover, US crude yields less jet fuel per barrel – tightening refining economics – and dependence is not eliminated but redirected, concentrating risk in transatlantic supply chains (and increasing President Trump's bargaining power), while heightening exposure to price volatility, making the arrangement a stabilizing stopgap rather than a durable solution.

More worryingly, even after accounting for increased inflows from the US, total kerosene imports into Northwest Europe continue to decline. When combining supplies from both the US and the Middle East, shipments so far in April are down by -82% m/m (see Figure 5-A), pointing to a material tightening of physical availability and raising the likelihood of an outright supply shortfall by late May if the trend persists. Two mitigating factors provide only temporary relief: first, Europe still produces roughly half of its kerosene demand domestically, anchored by its refining base and second, jet-fuel cargoes dispatched in April (albeit small) will continue to arrive with a lag into May, smoothing the abrupt impact. However, these buffers are finite, and with inventories already under pressure and logistics stretched, they primarily delay rather than eliminate the risk of fuel disruption.

Figure 5: A) Kerosene flows to Northwest Europe per departure month and by origin; B) Total kerosene flows from the Middle East and the US together to Northwest Europe (departure vs arrival month). In millions of barrels

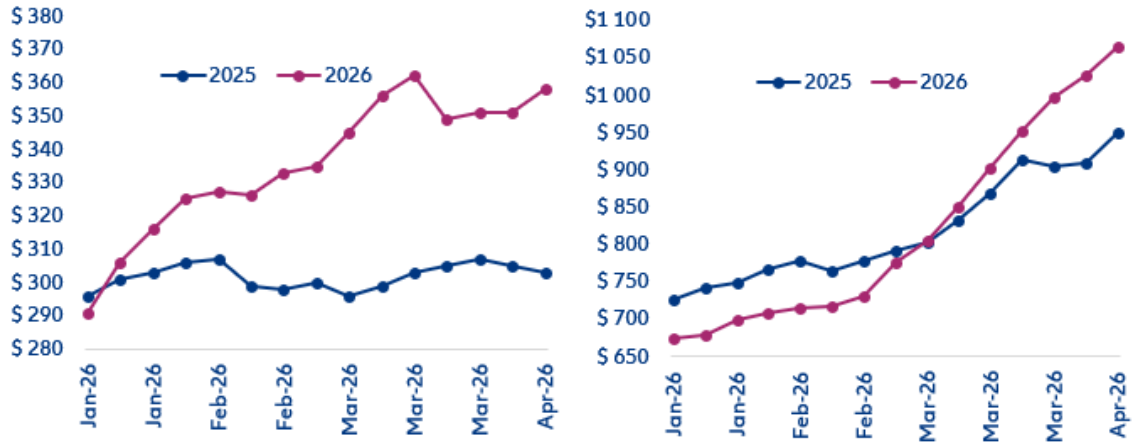


Sources: Refinitiv Workspace, Allianz Research

Pricing power and capacity discipline are the first line of defense

To cope with the situation, airlines are increasingly converging on a common set of strategies centered on revenue enhancement. Airfares are among the most immediate pressure valves. Asia-Pacific carriers were the first to move decisively, announcing fare increases within days of the fuel-price spike, signaling early that higher jet-fuel costs would be passed through to passengers, either via direct fare hikes or the reintroduction of fuel surcharges. In magnitude, increases so far have generally landed in the high single-digit to mid-teens range (+5-15%) on international routes, with some long-haul segments seeing steeper adjustments depending on fuel intensity and route disruption. In the US, airlines adjusted prices later but more incrementally, delivering a +23% increase in domestic segments over the quarter and +60% on international flights (see Figure 6).

Figure 6: Average airfares in the US, in USD; A) domestic flights; B) international flights



Sources: KAYAK, Allianz Research

Beyond airfares, airlines are pulling additional revenue levers – expanding ancillary charges through higher baggage fees and explicit fuel surcharges – while, in parallel, capacity discipline is becoming the norm, particularly across Europe. Checked baggage fees have increased by USD5-10 per bag per segment, while ancillary revenues from preferred seating and extra-legroom options are up 10-20% (typically USD20-80 per segment, depending on route and demand). In parallel, several carriers – particularly in Europe and Asia – have reintroduced explicit fuel surcharges ranging from USD20-60 on short/medium-haul routes and USD80-150 on long-haul tickets. Should the jet-fuel shortage get worse, airlines could implement further fare increases in the range of +10–15%, with the upper end more likely on long-haul and fuel-intensive routes, complemented by higher fuel surcharges. To the detriment of travelers, airfares are unlikely to fully revert to pre-shock levels, regardless of the duration of the ongoing fuel disruption. Once higher fare levels are accepted by the market, they tend to persist and are rarely fully rolled back, even if underlying cost pressures subsequently ease. As a result, part of the recent fare increases is likely to remain embedded, supporting a persistently higher pricing floor across key routes.

At the same time, airlines are reinforcing pricing power through capacity discipline, particularly on lower-yield short-haul routes. This adjustment has been most pronounced among European carriers, where network trimming is increasingly used as a margin-protection lever. Structurally, airfares are driven by a relatively fixed cost composition: 60–75% operating costs, 20–40% taxes and airport/navigation fees and 0–10% profit margins, underscoring the industry's limited flexibility. European airlines in particular stand out for paying the highest airport charges globally, which make short-haul trips especially less profitable due to taxes and air navigation fees. Against this backdrop, several airlines in the region have begun rolling back planned capacity expansions for 2026, signaling a shift from growth to network rationalization and yield protection. With airport taxes largely fixed and difficult to pass through dynamically, carriers are increasingly reallocating capacity toward long-haul routes, where unit revenues are higher and fuel costs can be better absorbed, while reducing exposure to structurally weaker short-haul segments.

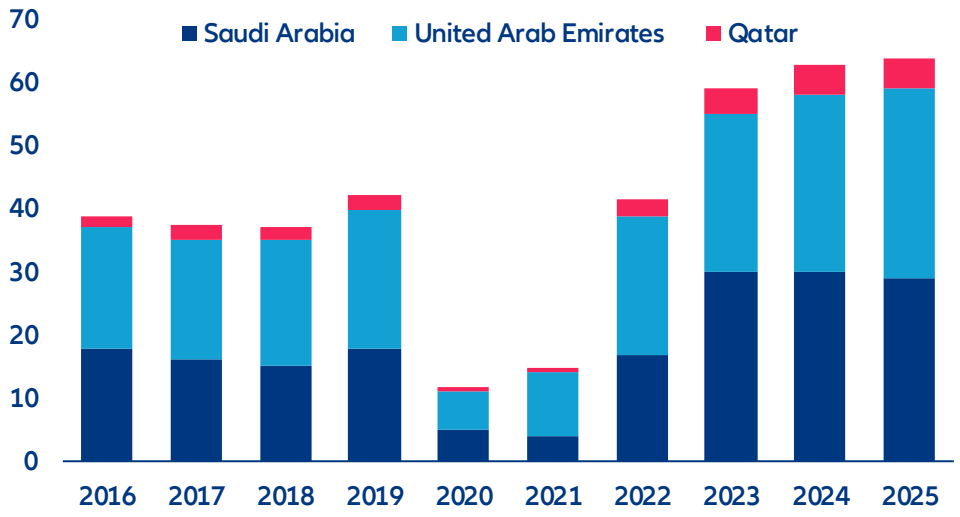
Despite visible route cuts, announced capacity reductions in Europe represent only 2–5% of total sector capacity, reflecting targeted network optimization rather than a systemic contraction. So far, the announced capacity adjustments in Europe remain relatively contained in aggregate terms, but are more meaningful at the margin. Overall, they represent roughly 2–5% of total sector capacity, reflecting targeted reductions rather than a broad-based contraction. The cuts are concentrated in lower-yield short-haul routes and secondary airports, where load factors are weaker and pricing power is limited. This pattern is particularly visible among low-cost carriers (LCC), which are actively reallocating aircraft toward higher-margin leisure routes and core city pairs. In contrast, long-haul and high-demand corridors remain largely unaffected in terms of capacity.

Low-cost carriers (LCCs) are indeed the most exposed segment in Europe: structurally thin margins and a short-haul-heavy network amplify vulnerability, facing substitution risk from rail operators. The low-cost carrier model in Europe is built on high-volume, short-haul, point-to-point operations; standardized fleets and maximized aircraft utilization, delivering typically 5–10% EBIT margins. This structure depends heavily on cost discipline, making fuel a disproportionately large share of total operating costs and a key source of margin volatility. As a reference, a 10% increase in jet-fuel prices typically reduces airline EBIT margins by roughly 0.3–0.8pp (depending on hedging coverage and the pricing power of each player). As a result, a doubling of jet-fuel prices would imply an EBIT margin compression of approximately 3–8pps at the sector level over a 12-month horizon. Indeed, some of the casualties announced so far in the sector have been low-cost carriers that were already under financial stress prior to the jet-fuel price spike and have so far relied on government support. Positively, evidence shows that in this particular sector, fuel-driven stress does not necessarily lead to failure, but rather to government-backed stabilization. Nevertheless, the customer base in this segment is highly price-sensitive, with fares often in the EUR40–100 range, limiting the ability to pass through higher costs without materially impacting demand. LCCs account for roughly 45% of intra-European flights and over 50% of short-haul capacity on many routes, where competition is most intense and pricing power is structurally constrained. Exposure is even more acute in markets such as Spain, Italy, France and Germany, where dense low-cost penetration overlaps with extensive high-speed rail corridors, increasing substitution risk on short distances.

Gulf hit severely and spillover to Asia and Africa

A different reality for Middle East tourism: the summer season is already being derailed. Beyond coping with jet-fuel scarcity, airlines in the Middle East also have to deal with big revenue losses and operational constrains due to the closure of almost all of the region's airspace. The conflict hit in the midst of a tourism boom: The UAE, Saudi Arabia and Qatar experienced a strong post-pandemic rebound (Figure 7), with the number of international visitors growing by +51% in 2025 vs 2019, thanks to simplified visa regimes and aggressive investment in aviation and tourism infrastructure across the region, while post-pandemic luxury tourism also turned the region into a high-growth destination. Before the start of the conflict, the region was set to witness a double digit increase in the number of international visitor arrivals (+13% y/y) this year. Now, it is likely to see a decline of -35-40% y/y if the conflict extends for another month, representing a loss of around USD70-75bn in tourism receipts over the year (Figure 8).

Figure 7: International tourist arrivals per year, million people



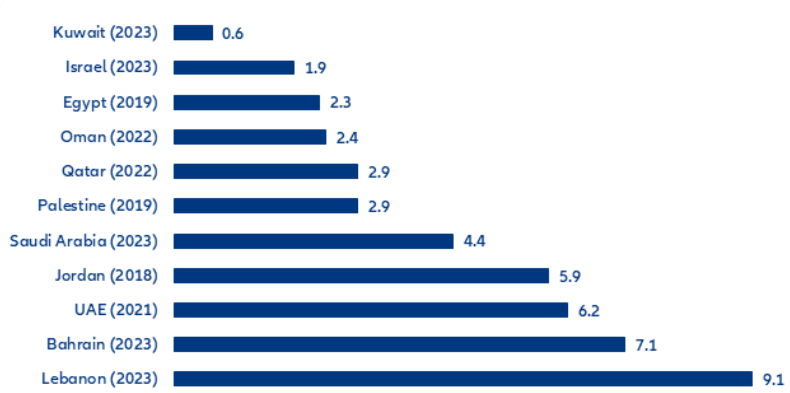
Source: UN Tourism, Allianz Research

Figure 8: Middle East tourism data

Source: UN Tourism, Oxford Economics, Allianz Research

Tourism-dependent economies are most at risk. The greatest direct vulnerability lies in economies where travel and visitor spending make up a meaningful share of national output. Lebanon, with tourism equivalent to 9.1% of GDP, is the most exposed (see Figure 9). Any prolonged decline in arrivals would likely intensify existing macroeconomic stress, reduce foreign-currency inflows and further weaken already fragile domestic demand. Bahrain (7.1%) and the UAE (6.2%) would also face material losses, particularly through reduced leisure travel, lower hotel occupancy and softer aviation and retail activity. In the UAE the effect would be partly cushioned by economic diversification, but tourism-linked sectors would still experience a noticeable slowdown. Jordan (5.9%) is similarly sensitive, as perceptions of regional instability often affect inbound travel regardless of whether the country is directly involved. This highlights a common feature of tourism shocks: reputational spillovers frequently matter as much as physical disruption. Saudi Arabia (4.4%) would likely see more moderate effects because of its larger domestic economy and expanding religious tourism base, though discretionary travel could soften. Qatar (2.9%) and Oman (2.4%) face lower direct exposure, but airlines, hospitality and transit traffic remain vulnerable. At the lower end, Egypt, Israel, and Kuwait appear less dependent on tourism as a share of GDP. However, even where direct exposure is smaller, foreign-exchange earnings can still be important. Countries with weaker current-account positions or limited reserve buffers may feel the impact quickly through exchange-rate pressure, tighter financing conditions and slower growth. In practice, this means smaller tourism-dependent economies are likely to absorb the sharpest immediate pain, while larger diversified economies would experience more manageable but still meaningful secondary effects.

Figure 9: Tourism direct share in GDP for Middle East countries (%)



Note: latest available year in parenthesis
Source: UN Tourism, Allianz Research

Overall, direct exposure to the conflict zone represents only 10% of global airline capacity. However, the Middle East is a critical global aviation hub, so any disruption has disproportionate spillover effects, impacting long-haul connectivity and tourism flows to regions that are largely dependent on air travel. With airports such as Dubai International Airport (DXB), Hamad International Airport and Abu Dhabi International Airport handling tens of millions of transit passengers annually and serving as critical connecting nodes between Europe and Asia, the ongoing airspace closure is also causing operational challenges for airlines, while impeding the connection to specific routes. DXB alone regularly ranks as the world's busiest international airport, with nearly 90mn passengers transported in 2025, underscoring the region's role as a structural bridge in global air traffic flows. As a result, any disruption in the region's airports has disproportionate ripple effects across long-haul global connectivity, particularly on Europe–Asia routes that rely heavily on Gulf-based transit hubs, and which have been growing significantly in the past year (Figure 10).

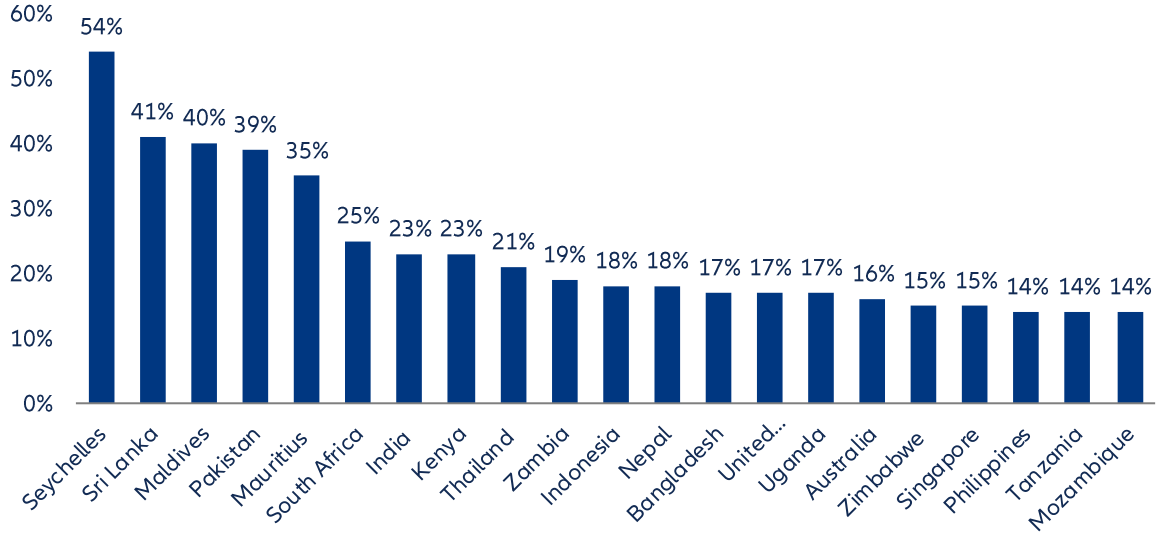
Figure 10: Average daily departure and arrival flights, Europe vs the rest of the world

Region	Average daily flights	% previous year	% 2019
Intra-Europe	23,305	+3%	-1%
Europe ↔ Middle East	1,508	+11%	+6%
Europe ↔ North-Africa	1,375	+11%	+34%
Europe ↔ North Atlantic	1,369	+3%	+15%
Europe ↔ Asia/Pacific	969	+13%	+22%
Europe ↔ Other Europe	370	+2%	-64%
Europe ↔ Southern Africa	321	+5%	+3%
Europe ↔ Mid-Atlantic	176	-1%	+1%
Europe ↔ South-Atlantic	206	+7%	+11%
Non Intra-Europe	6,293	+8%	+2%

Sources: Eurocontrol, Allianz Research

Several key tourism destinations – such as the Seychelles, Maldives, Mauritius, Thailand, Indonesia, Australia, Singapore and the Philippines – are highly dependent on long-haul air connectivity routed through Middle Eastern hubs. The top three regional carriers play a pivotal role in linking these markets to Europe and the Americas, often providing the most efficient or even only viable one-stop connections. As a result, any disruption or capacity tightening in the Middle East aviation system has a disproportionate impact on these destinations, some which rely heavily on tourism income. The consequence is a form of structural vulnerability: tourism demand in these economies is highly elastic to air-connectivity conditions, meaning that even marginal increases in fuel costs or route rationalization can directly affect visitor flows. This dynamic is particularly relevant for island economies such as the Maldives, Seychelles and Mauritius, where aviation is not just a transport mode but the primary gateway for tourism demand (Figure 11).

Figure 11: Share (%) of international inbound passenger traffic carried by top three gulf airlines, by destination.

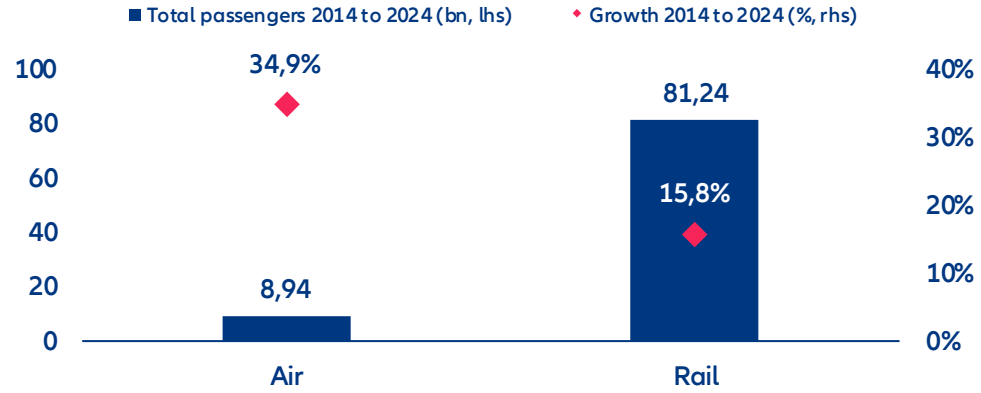


Sources: Various sources, Allianz Research

Expect some substitution in developed markets but confidence caps the upside

The European summer holidays are not fully at risk. Indeed, rail transport in Europe carries substantially more passengers annually than aviation, making it the dominant mode of mass mobility across the region. While air travel carries hundreds of millions of passengers per year, rail systems collectively handle volumes in the billions, particularly through dense short- and medium-distance networks (Figure 12). The evolution of rail demand in Europe over the past decade reinforces the potential for modal shift as a key solution for travelers. Between 2014 and 2024, railways transported 81.2bn passengers, compared with 8.9bn transported by air companies over the same period (10 times less). The rail network's high frequency, extensive geographic coverage and strong city-center connectivity allow it to absorb a meaningful share of displaced demand. In this context, rail does not merely complement aviation – it acts as a structural backstop for intra-European mobility, helping to sustain tourism flows even amid fluctuations in airline capacity. But ultimately, the question many households will face is not which mode of transport to choose, but rather how much they are willing to allocate to leisure spending this summer, given the prevailing economic conditions.

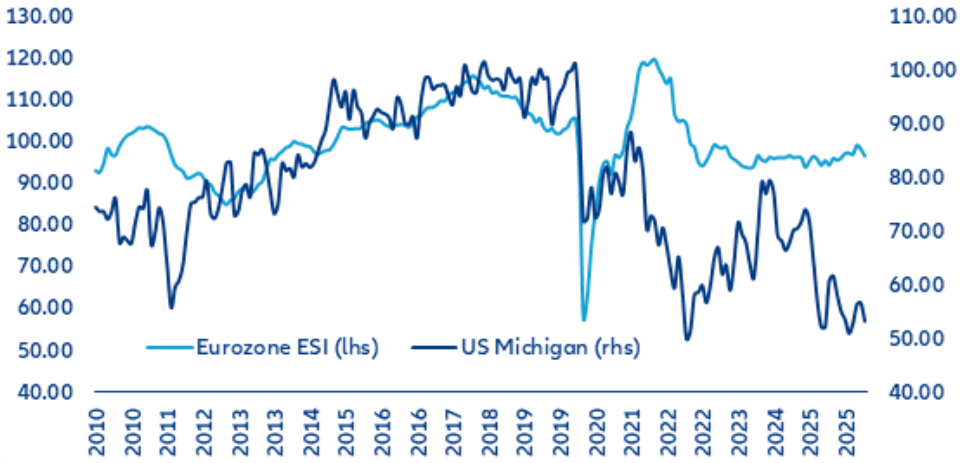
Figure 12: Evolution of demand in air transport and railways in Europe (2014 – 2024)



Source: Eurostat, Allianz Research

The substitution upside is bounded by consumer confidence, which has collapsed alongside the war in Iran. Low consumer confidence in the US and the Eurozone reduces the likelihood that households will fully substitute cancelled long-haul or Middle East travel with additional spending on domestic or nearby holidays. In theory, geopolitical disruption should redirect demand toward safer and closer destinations, benefiting local tourism markets. In practice, that mechanism weakens when households are already cautious about their finances. In the US, the University of Michigan consumer sentiment index fell to 53.0 in March from 56.4 in January, signaling deteriorating household confidence (see Figure 13). In the Eurozone, the Economic Sentiment Indicator declined to 96.6 in March from 99.2 in January, likewise pointing to softer consumer and business expectations. When confidence indicators fall to these levels, consumers tend to interpret uncertainty as a signal to preserve cash, postpone discretionary purchases and avoid committing to non-essential travel. Rather than replacing a cancelled overseas trip with a domestic break, many households simply travel less, shorten trips, downgrade accommodation or delay plans altogether. Tourism is a highly income-elastic category of spending, meaning it reacts quickly to shifts in sentiment, employment expectations and perceptions of future disposable income. Concerns over inflation, borrowing costs, slower growth and softer labor markets therefore weigh disproportionately on holiday demand. Even where some substitution occurs, domestic travel usually generates lower per-capita spending than long-haul international holidays involving flights, premium hotels and longer stays.

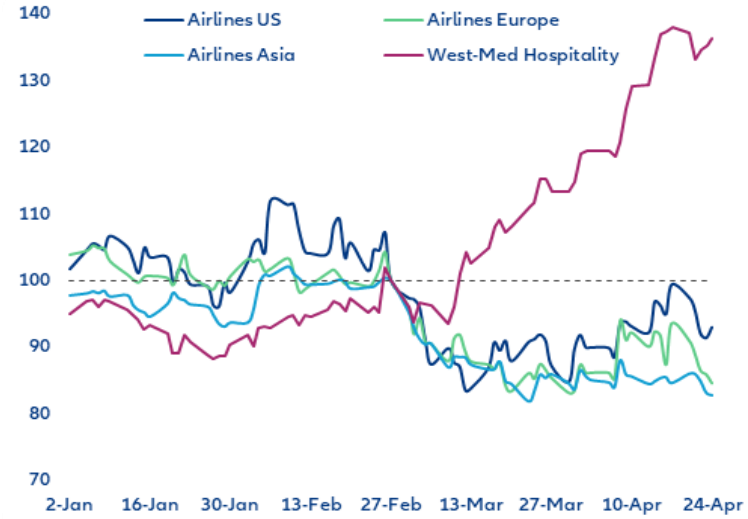
Figure 13: Economic sentiment indicator (ESI) and Consumer Sentiment indices



Source: Eurostat, Allianz Research

Equity markets are betting on West-Med hospitality with stock prices up more than 35% since the onset of the war in Iran. Regional airline baskets have repriced quite sharply (see Figure 14). Asian airlines have corrected the most (-18% since the war), with investors judging that bypass-routing and higher fares cannot offset the fuel cost. US airlines stand at -7%, with most US carriers running unhedged and fully exposed to spot fuel. The lower price decline is also related to pricing strategies as US fares can adjust faster. European airlines sit at -15% as investors see them squeezed between higher fuel cost and carbon costs. The substitution thesis is benefiting West-Med listed hotel firms, which are up +36% since 28 February (i.e. Spanish, Italian and Greek hospitality), in line with surging flight bookings to these destinations: Industry trackers cite +32% y/y for Spain and +20% for Italy, Greece and Portugal.

Figure 14: Selected equity indicators (Feb. 27 = 100)



Note: each index aggregates large, listed company by market cap
Source: Eurostat, Allianz Research

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