

QANTAS GROUP

Strategic Risk & Opportunity Briefing

Prepared for: Group CEO and Executive Leadership Team

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Executive Summary

The April 3, 2026 Radar scan identifies a global operating environment of exceptional and compounding severity. The US-Israel-Iran War, now in its fifth week, has generated a cascade of structural disruptions across energy, supply chain, financial markets, currency architecture, and geopolitical alignment that directly affects Qantas across multiple dimensions simultaneously.

This briefing distills 60 Tier 1 signals, 9 clusters, and 5 active situations from the Radar dataset into a Qantas-specific risk and opportunity map. The signals are not episodic — the Radar methodology classifies each as a structural change to system state, not a temporary disruption. The operating environment that existed before February 28, 2026 should be treated as permanently altered for planning purposes.

Active situation	Status	Qantas relevance
US-Israel-Iran War 2026	Dominant	Jet fuel cost, Gulf route viability, demand destruction
Global Food Security Pressure 2026	Critical	Catering cost, Australia fuel reserve pressure
Global Private Credit Stress 2026	Developing	Aircraft financing, capital markets access
US Trade Policy Legal Uncertainty 2026	Background	US route codeshares, bilateral agreements at risk July 2026

1. Jet Fuel — Immediate Structural Cost Shock

Fuel is Qantas's largest single cost line. The Radar dataset identifies multiple compounding signals that have permanently altered the cost and availability environment for aviation fuel.

1.1 The mid-April convergence (Cluster C1 — Temporal Alert: April 19, 2026)

This is the most time-critical finding in the dataset. Three independent systems reach their limits simultaneously in the April 12–19 window:

- Strategic petroleum reserves and exempted Russian/Iranian oil are exhausted simultaneously (CAT2-001). Supply loss doubles from 4.5 million to 9 million+ barrels per day.
- General License U — the US exemption permitting Iranian crude purchases — expires April 19 with no extension announced (CAT7-003).
- The global helium buffer from Ras Laffan expires at approximately 45 days (CAT6-004), which affects semiconductor manufacturing and has downstream implications for avionics supply chains.

The dataset characterises this as a convergence of systems that did not plan to arrive at the same moment — they converged because all are downstream of February 28. Post-April 19, the energy environment is structurally worse than it is today.

1.2 Physical bypass capacity exhausted

- The Saudi East-West pipeline has reached its 7 million barrel per day physical ceiling (CAT1-004). No further bypass relief is available from this route regardless of conflict developments.
- Dual chokepoint closure — Hormuz and Red Sea simultaneously — makes the Cape of Good Hope the only viable Asia-Europe route, adding 10–14 days transit time and approximately \$1 million fuel cost per vessel (CAT1-003). This drives structural inflationary pressure into every supply chain Qantas depends on.
- Ras Laffan LNG repairs will take up to five years (CAT2-002). This is a permanent reduction in global LNG capacity, not a temporary disruption, with long-run implications for energy price levels.

1.3 Australia's fuel reserve exposure

Australia holds only 26 days of diesel and 29 days of petrol (CAT2-004), with Asian suppliers already prioritising domestic needs. Qantas's Australian operations are exposed to domestic fuel supply constraints independent of any international hedging position. This is a sovereign-level vulnerability, not a market one.

1.4 Recommended actions — Fuel

- Immediately review hedging book against post-April 19 supply scenario. Current hedges were priced in a pre-convergence environment.
- Model fuel cost scenarios at \$150, \$180, and \$200+ per barrel for H2 2026 planning.
- Engage Australian Government on national fuel reserve adequacy — Qantas has a legitimate national interest stake in this policy gap.
- Audit Australian port and airport fuel storage capacity. Physical storage is a competitive advantage in a constrained supply environment.

2. Route Network — Gulf, Middle East, and Asia Exposure

2.1 Gulf route suspension — ongoing

Qantas suspended Dubai operations in the initial weeks of the conflict. The dataset does not suggest an early reopening timeline. The dominant situation characterisation — horizontal escalation across nine countries, no ceasefire, Hormuz effectively closed — indicates this is a medium-duration disruption measured in months, not weeks.

- 3,200 ships are currently idle inside the Persian Gulf, representing 4% of global ship tonnage (CAT1-006). When the closure lifts, scheduling collapse means recovery will be measured in months, not weeks. Qantas should not plan for rapid Gulf route resumption.
- Iran is granting selective Hormuz transit to yuan-aligned states only (CAT1-002). This creates a two-tier operational environment where competitors from China and India may resume Gulf connectivity before Western carriers.

2.2 Asia connectivity — Taiwan and South Korean risk

- Taiwan imports 97% of its energy and is flagged as the most exposed LNG importer globally (CAT6-003). Extended conflict creates demand destruction risk and potential operational disruption for Taiwan routes.

- South Korean chipmakers have approximately six months of helium inventory before manufacturing constraints begin (CAT6-001). A broader South Korean economic slowdown would affect Korea route demand from approximately October 2026.

2.3 Europe — political instability and demand risk

- Seven of the world's ten highest civil unrest risk economies are in Europe, including Germany, France, Spain, Italy, and the UK (CAT8-006). Energy shock compounding pre-existing political fragility creates demand destruction risk for Qantas's European long-haul operations.
- European gas storage is at only 30% following the harsh 2025–2026 winter (CAT10-005). A second energy shock this year would accelerate European economic contraction.

2.4 Opportunity — route repositioning

- Carriers with greater Gulf and Middle East route exposure face larger structural disruption. Qantas's existing Cape Town and African connectivity provide alternative long-haul options that competitors may not be able to replicate quickly.
- Premium leisure routes to less affected regions — domestic Australia, New Zealand, Pacific — may see demand uplift as Gulf and European options contract. Revenue management should model this scenario.
- The AI OVERWATCH Act (CAT6-005), if passed, would treat advanced chip exports as weapons sales. This has long-run implications for technology partnerships and should be monitored for regulatory arbitrage opportunities in Asia-Pacific aviation technology procurement.

3. Financial Environment — Capital, Currency, and Credit

3.1 Capital markets — safe havens have inverted

The dataset records a structural breakdown in financial system behaviour that directly affects Qantas's treasury and financing operations:

- Traditional safe havens are failing simultaneously — gold down 10%, Treasury yields rising not falling, dollar only a modest gainer (CAT4-004). The financial system is not following historical crisis patterns. Every hedging and treasury strategy built on historical correlations requires reassessment.
- The 60/40 portfolio is failing — stocks and bonds are falling simultaneously (CAT9-001). This affects institutional investors who hold Qantas equity and may reduce appetite for capital raises in the current environment.
- Corporate earnings estimates have not yet been revised down despite energy costs feeding through to margins (CAT9-002). A second repricing event is coming when Q1 earnings season arrives. Qantas should communicate its hedging position and cost outlook proactively to avoid being caught in a broad earnings revision cycle.

3.2 Private credit stress — aircraft financing watch

- The \$18 trillion private credit market has never been tested at its current size, and withdrawal limits are already being introduced (CAT3-002). Aircraft financing has increasingly relied on private credit structures over the past decade. Qantas Treasury should audit its financing counterparty exposure.
- The Bank of England FPC has warned that the Middle East could crystallise sovereign debt, risky assets, and private credit vulnerabilities simultaneously (CAT3-001). If this crystallisation occurs, refinancing windows could close rapidly and without warning.
- The Fed is in policy paralysis — cutting risks inflation, holding risks recession (CAT3-005). This removes the central bank backstop that has historically stabilised financial stress events. There is no cavalry coming.

3.3 Currency architecture — the petroyuan development

The most structurally significant long-run financial signal in the dataset is Cluster C3 — the petroyuan operational mechanism. Iran is accepting yuan for Hormuz transit, with two vessels already settled and a Chinese maritime intermediary operational (CAT4-001). Saudi Arabia joined the mBridge Chinese CBDC project before the war (CAT4-005).

The dataset characterises this as the most consequential currency signal in the workbook. For Qantas, the implications are indirect but real: if oil trade progressively shifts from dollar to yuan settlement, the structural support for US Treasury demand weakens, yields rise, and the dollar's reserve currency premium erodes. This has long-run implications for the cost of USD-denominated aircraft financing and fuel contracts.

- Review the currency composition of fuel purchase contracts. AUD/USD exposure may require reassessment against a scenario where dollar primacy erodes gradually over the 2026–2030 planning horizon.
- Monitor mBridge adoption by Gulf states. If Saudi Arabia moves fuel settlement to yuan at scale, Qantas's hedging instruments for fuel cost may need to be restructured.

3.4 Recommended actions — Financial

- Convene an emergency treasury review before April 19. The post-convergence financial environment will be structurally different.
- Audit private credit counterparty exposure across aircraft financing portfolio.
- Brief Board on the simultaneous failure of traditional hedging correlations. Existing risk management frameworks were not built for this environment.
- Ensure Qantas has sufficient undrawn liquidity facilities to survive a 6-month scenario of elevated fuel costs and reduced demand.

4. Supply Chain — Parts, Technology, and Catering

4.1 Semiconductor and technology supply

- Helium is essential for semiconductor manufacturing. The global helium buffer is approximately 45 days and force majeure letters are already being issued (CAT6-004). This affects avionics and technology supply chains — not immediately critical but a 90-day watch item.
- Israel and Jordan account for approximately two thirds of global bromine production, essential for semiconductors, and both are in the active conflict zone (CAT6-002). This is a second, separate semiconductor material risk.
- South Korean chipmakers Samsung and SK Hynix have approximately six months of helium inventory (CAT6-001). By approximately October 2026, global chip manufacturing faces real operational constraints. This creates a medium-term risk for avionics components procurement.

4.2 Catering and food supply

- One third of globally traded fertiliser transits Hormuz (Cluster C2 characterisation). China is simultaneously restricting its own fertiliser exports (CAT10-002). The planting season window closes through April — food impacts are being locked in regardless of when the conflict ends.
- Gulf consumer food prices are up 40–120% (CAT8-004). This will feed into global food system inflation that affects Qantas catering cost structures over the coming 12–18 months.
- Sulphur disruption is compounding the nitrogen shortage — the full fertiliser system is failing, not just one component (CAT10-003). This is a multi-season food cost inflation signal.

4.3 Rare earth and materials

- China controls 90% of rare earth magnets and is requiring government approval even for trace amounts (CAT5-002, CAT7-002). This affects not just aircraft manufacturing but the entire technology supply chain. Any Qantas infrastructure upgrade plan that requires advanced electronics should be reviewed for rare earth dependency.

5. Demand Environment

5.1 Business travel — corporate earnings revision risk

Corporate earnings estimates have not yet been revised down despite energy costs feeding through to margins (CAT9-002). When revisions arrive in Q1 earnings season, equity markets face a second repricing. This will affect corporate travel budgets, particularly for premium international travel. Qantas's premium cabin revenue should be modelled against a 15–25% corporate demand reduction scenario for H2 2026.

5.2 Leisure demand — divergent regional picture

- European political instability (CAT8-006) and energy-driven recession risk create headwinds for outbound European tourism to Australia. Inbound European visitation forecasts should be revised down.
- Domestic Australian and Trans-Tasman leisure demand may be resilient or even elevated as Australians substitute Gulf and European holidays for closer destinations. Revenue management should actively model this substitution effect.
- Gulf state populations face acute food and water security pressure (CAT8-004, CAT8-005). Outbound leisure travel from the UAE and Saudi Arabia will contract significantly.

5.3 The November 2026 political deadline

The dataset identifies November 2026 US midterm elections as a hard political deadline for the Iran conflict (CAT8-002). Pump prices above \$4 and diesel at \$5.45 make the war a domestic liability. There is pressure on the Trump administration to declare victory and exit before November regardless of military objectives. If this political dynamic produces a rapid de-escalation by Q3 2026, demand conditions could recover faster than a pure military-logic analysis would suggest. This is the primary upside scenario in the dataset.

6. Risk Register Summary

Risk	Severity	Timeframe	Dataset signals	Priority action
Jet fuel cost spike post-April 19	Critical	Immediate	CAT2-001, CAT7-003	Remodel hedging book before April 19
Australia domestic fuel reserve exhaustion	Critical	0–60 days	CAT2-004	Engage government; audit airport storage
Gulf route suspension — extended	High	3–6 months	CAT1-001, CAT1-006	Do not plan for early resumption
Private credit / aircraft finance stress	High	Ongoing	CAT3-002, CAT3-001	Audit financing counterparty exposure
Semiconductor supply — avionics	High	By Oct 2026	CAT6-001, CAT6-004	Accelerate parts procurement now

Risk	Severity	Timeframe	Dataset signals	Priority action
European demand destruction	High	H2 2026	CAT8-006, CAT10-005	Revise inbound European forecasts
Catering cost inflation — food system	High	12–18 months	CAT10-001, CAT10-002	Review catering contracts; lock in pricing
Currency architecture shift (petroyuan)	Medium	2026–2030	CAT4-001, CAT4-005	Review USD fuel contract exposure
US trade policy cliff — July 2026	Medium	July 2026	CAT7-001, CAT7-005	Monitor codeshare and bilateral impacts
Corporate demand revision	Medium	Q2 2026	CAT9-002	Proactive earnings communication

7. Strategic Opportunities

The Radar dataset is a risk dataset — but structural disruption always creates competitive opportunity for operators who move faster than consensus. The following are specific opportunities identified from the signal map:

7.1 Competitor displacement in Asia-Pacific

Middle Eastern carriers — Emirates, Etihad, Qatar Airways — are among the most severely affected by the Hormuz closure. Their hub-and-spoke model depends on Gulf transit. Their connectivity advantage to European and Asian markets is structurally impaired for the duration of the conflict.

- Qantas's direct long-haul capability (Perth-London, the Sunrise project) becomes structurally more valuable as competitor connectivity degrades. Accelerate Project Sunrise commercial preparations.
- Partnerships with Asian carriers less exposed to the Gulf (Japan Airlines, Korean Air) should be deepened while competitor alliance partners are constrained.

7.2 Domestic and Trans-Tasman premium capture

- Premium domestic leisure demand is likely to be resilient as Australians who would have traveled to Europe or the Gulf redirect to domestic and Trans-Tasman destinations. Deploy capacity and yield management proactively.
- Qantas Club and loyalty programme value propositions increase in a disrupted environment. Accelerate loyalty acquisition campaigns targeting travellers displaced from Gulf carrier frequent flyer programmes.

7.3 M&A and strategic positioning

Global M&A surged to \$1.2 trillion in Q1 2026, with energy and defence sectors driving strategic resilience positioning (CAT9-004). The corporate instinct is to lock in strategic assets during disruption. Qantas should review whether there are infrastructure assets — maintenance facilities, fuel storage, ground handling — that could be acquired at a valuation discount from operators more severely affected by the current environment.

7.4 The November exit scenario

If the Trump administration moves toward conflict de-escalation in Q3 2026 ahead of November midterms, Qantas needs to be positioned to restore capacity faster than competitors. Pre-position crew training, fleet readiness, and slot applications for Gulf routes so that when the Strait reopens, Qantas is first back rather than last.

8. Critical Watch Dates

Date	Event	Qantas implication
April 19, 2026	Energy convergence — reserves exhausted, General License U expires	Fuel cost environment deteriorates materially. Hedging review must be complete before this date.
April 30, 2026	Northern hemisphere planting season closes — food impact locked in	Catering cost inflation becomes irreversible for next harvest cycle. Lock in long-term catering contracts before this date.
July 1–24, 2026	USMCA review, Section 122 tariff expiry, WTO civil aircraft dispute	WTO civil aircraft dispute directly affects aviation trade policy. Monitor for tariff implications on aircraft and parts imports.
Oct 2026	South Korean chipmaker helium inventory exhausted	Global chip manufacturing constrained — avionics and technology parts procurement window closes. Accelerate orders now.
Nov 2026	US midterm elections — political pressure for conflict exit	Primary upside scenario. Pre-position for rapid Gulf route reinstatement. If de-escalation begins Q3, Qantas should be first mover.

9. Immediate Actions Required — Before April 19

The following actions should be completed before the April 19 energy convergence date. After that date, several options will be unavailable or significantly more expensive.

1. Fuel hedging review. Remodel the hedging book against a post-April 19 scenario where supply loss doubles. Brief CFO and Board Risk Committee.
2. Private credit counterparty audit. Identify all aircraft financing structures with private credit exposure. Quantify refinancing risk if withdrawal limits spread.
3. Avionics and technology parts procurement. Accelerate orders for any components with semiconductor dependencies before October 2026 manufacturing constraints materialise.
4. Catering contract review. Engage catering suppliers before April 30 planting season close. Lock in pricing where possible before food cost inflation becomes irreversible.
5. Government engagement. Brief the Australian Government on national fuel reserve inadequacy and Qantas's specific exposure. Frame as a national resilience issue, not a corporate one.
6. November exit scenario preparation. Begin pre-positioning for Gulf route reinstatement — crew qualification, fleet readiness, slot applications — so Qantas is operationally ready to move within 30 days of de-escalation.

This briefing is derived exclusively from the Radar Workbook April 3, 2026 scan dataset (60 Tier 1 signals, 9 clusters, 5 active situations). All signal references are traceable to specific record IDs in the source file. Analytical inferences connecting dataset signals to Qantas-specific operational context represent the author's reasoning and are clearly distinguished from direct dataset content throughout.