

**ENERGY &
COMMODITIES**

**EQUITY &
CURRENCY**

**SHIPPING &
TRADE**

WEEKLY INSIGHTS: GEOPOLITICS AND EQUITY



FOREX BRIEF · TRADE WATCH · GEO UPDATE · MARKETS ALERT

Authored By

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GEOPOLITICS: Iran strikes Kuwaiti oil tanker Al Salmi at Port of Dubai; Trump threatens to obliterate Iranian oil wells, power plants if Hormuz deal not reached "shortly"

OIL ALERT: Brent crude futures trading at ~\$108/barrel , with a 52-week high of \$119.50 , up nearly 49% in the past month

Geopolitics

Nuclear escalation

Energy & Commodities

Supply chain collapse

BRENT CRUDE

\$108/barrel

Inc 55% MoM

WTI Crude

~\$101/barrel

Inc 53% MoM

Gold

\$4,567/oz

Off highs

Urea (Retail Avg.)

\$677/ton

+11% vs last month

LEAD STORY · Fertilizer

The Crisis You Didn't Price In: Fertilizer Shock Goes Global

What looks like an oil disruption is quickly turning into something deeper. The real pressure is building in natural gas, which sits at the center of fertilizer production. As flows through the Gulf tighten, fertilizer prices have jumped sharply, putting a critical input for global food supply at risk.

This matters more than markets are pricing in. Farmers don't fully absorb higher costs, they adjust by cutting usage, which directly impacts yields. The effect shows up with a lag, but when it does, it feeds straight into food prices. In our view, this is no longer just an energy story. It is the early stage of a food inflation risk that is still being underestimated.

The Strait of Hormuz is a critical chokepoint for more than oil.

33%

of all fertilizer traded by sea globally passes through the Strait of Hormuz

20%

of all liquified natural gas exported globally passes through the Strait of Hormuz

SOURCE: UN CONFERENCE ON TRADE AND DEVELOPMENT

SOURCE: U.S. ENERGY INFORMATION ADMINISTRATION

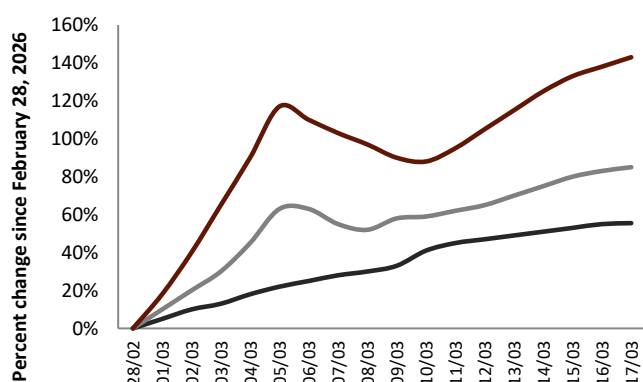
“ This is no longer just about oil flows. The pressure is already passing through to fertilizers and will eventually show up in food. Markets may be early in pricing energy, but still late in pricing what comes next.

Energy & Commodities

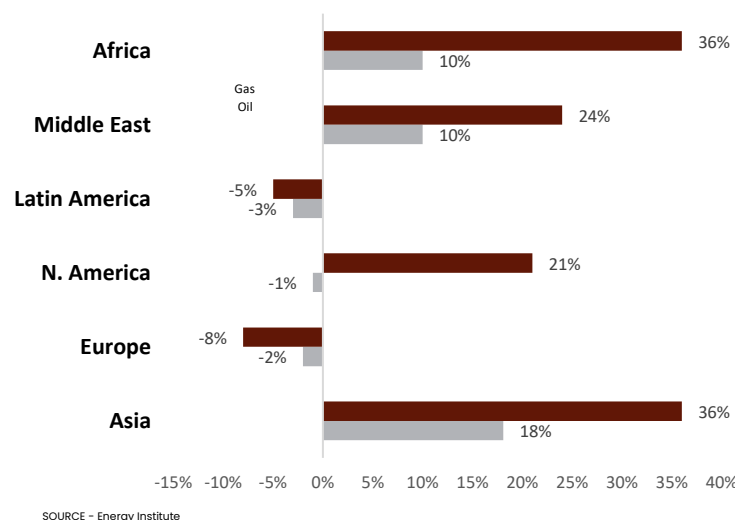
Natural Gas

Oil Was the Headline. Gas Is the Real Constraint.

— Brent Crude Oil (%) — Europe Natural Gas TTF (%)
— Asia LNG Import Price (%)



The Iran war has hit global natural gas far harder than oil, with European and Asian gas benchmarks spiking much more than crude since the conflict began. Iranian strikes on Qatar's Ras Laffan complex have knocked out about 17% of the country's LNG export capacity,



Global gas demand has grown roughly twice as fast as oil demand over the past decade, according to the Energy Institute, driven by the build-out of pipelines and storage networks. And that growth trajectory had been widely expected to continue, especially in emerging economies shifting away from coal.



The resulting jump in gas costs has served as a warning to consumers of the risks of heavy import reliance and is likely to slow the addition of new gas-fired power capacity which results in the U.S. the world's top natural gas producer and exporter has increased its share of the planned pipeline

“ The world built its energy future on cheap gas. That assumption is now the vulnerability.”

FPI outflows surge to ₹1.1 lakh crore in March, marking the sharpest foreign selling since the COVID shock

Rising crude prices and a weakening rupee are amplifying imported inflation risks and widening external imbalances

EQUITY MARKETS

Stock Market & Indices

CURRENCY & FOREX

Exchange Rates &

NIFTY 50

▼ 11.0 %

22,331 pts · Mar 28 close

S&P 500

▼ 5.2 %

6,506 pts · Mar 28 close

USD/INR

95.21 ▲

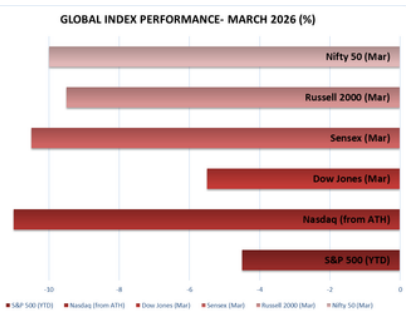
Record Low (INR)

BRENT CRUDE

\$116/bbl

↑ 60% MoM

KEY DATA



SOURCE: DATA SOURCE.
HTTPS://WWW.NSEINDIA.COM/REPORTS-INDICES-HISTORICAL-INDEX-DATA
HTTPS://IN.INVESTING.COM/INDICES/SENSEX-HISTORICAL-DATA

WATCH LIST

■ **Strait Of Hormuz**
Goldman Sachs: normalization by mid-April; delay → Brent crude oil > \$130.

■ **RBI MPC Decision**
OIS prices 50–100 bps hikes; outcomes asymmetric.

■ **Fed's Next CPI Print**
Upside kills cuts; downside sparks EM rally.

■ **DII & SIP Flows**
MF inflows anchor Indian equities.

KEY DATA

US GDP Q4 2025

0.7%

Nasdaq (from ATH)

-10.7%

USD/INR(Low)

95.21

Sensex (Mar MTD)

-11.1%

LEAD STORY · INDIAN MARKET STRESS & CAPITAL OUTFLOWS

Capital Is Leaving: India's Macro Stress Test Begins

March 2026 marks India's worst equity rout since COVID — a cascade from oil shock to currency pressure now tests the limits of RBI's policy space.

Sensex crashed 11.1% in March — the worst since COVID-20. FPIs pulled a record **₹1.12 lakh crore**, the rupee hit an all-time low of **95.21/USD**, and the 10-yr G-Sec yield surged 37 bps to 7.03%. BSE market cap eroded by **₹51.1 lakh crore** in a single month.

TRANSMISSION:

Oil Shock \$116

Import Bill↑

CAD ~2% GDP

Rupee↓

Imported Inflation↑

India imports **85–89% of crude**. Brent surging ~60% widens the CAD to ~2% of GDP (Goldman Sachs). A weaker rupee raises input costs across logistics and manufacturing. DIIs remain net buyers for the 4th consecutive quarter, but outflow velocity is outpacing domestic absorption.

CUT RATES

Supports growth but risks rupee fall & more imported inflation.



HIKE RATES

Anchors currency but chokes growth — GDP now forecast 5.9%.



SOURCE: DATA SOURCE.
HTTPS://WWW.NSEINDIA.COM/REPORTS-INDICES-HISTORICAL-INDEX-DATA
HTTPS://IN.INVESTING.COM/INDICES/SENSEX-HISTORICAL-DATA

”Cuts to our growth forecasts are more than 0.5pp in India — energy shock is the driver.”

Goldman Sachs, March 2026

GLOBAL MARKET

Exchange Rate

LEAD STORY · GLOBAL MARKETS & STAGFLATION

"When Nothing Works": Markets Reprice a Stagflation World

Slowing growth + re-accelerating inflation is dismantling the soft-landing thesis. This is not volatility — this is a regime shift.

Nasdaq entered correction (–10.7% from ATH). US Q4 GDP revised to 0.7% annualised from 4% the prior quarter. Core PCE held at 3.1%. The Strait of Hormuz closure sent Brent toward \$120, triggering \$52B+ in EM outflows globally.

Why it matters: Traditional safe havens failed simultaneously — Consumer Staples led the S&P selloff on input cost pressure; bonds offered no shelter as yields rose. The Fed cannot cut (PCE well above target) and cannot hike without a credit crunch (\$1.35T in corporate debt matures in 2026). Policy paralysis is the defining feature of stagflation.

EM OUTFLOW MECHANISM:

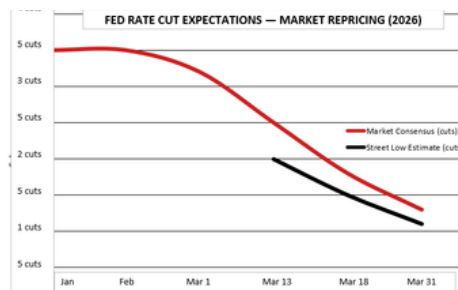
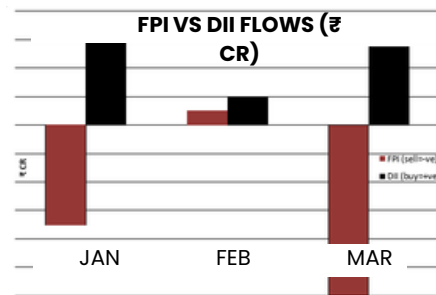
US Yields Elevated

→ Dollar Strengthens

→ EM Currencies Weaken

→ Capital Exits EMs

When stocks, bonds, and defensives fall together — markets aren't experiencing volatility. They are pricing a new regime. The 60/40 portfolio's worst enemy has arrived



”When inflation is high, central banks must tighten policy — even if it slows economic growth.”

Federal Reserve

SHIPPING: Geopolitical tensions drive freight costs higher, disrupting global shipping stability.

TRADE: Trade routes shift into strategic assets, reshaping global economic power dynamics.

Freight Rate Increase

+230%

Shanghai -Rotterdam,

Increase In time

10-20

Due to Reroute Via Cape

Nations Co signing

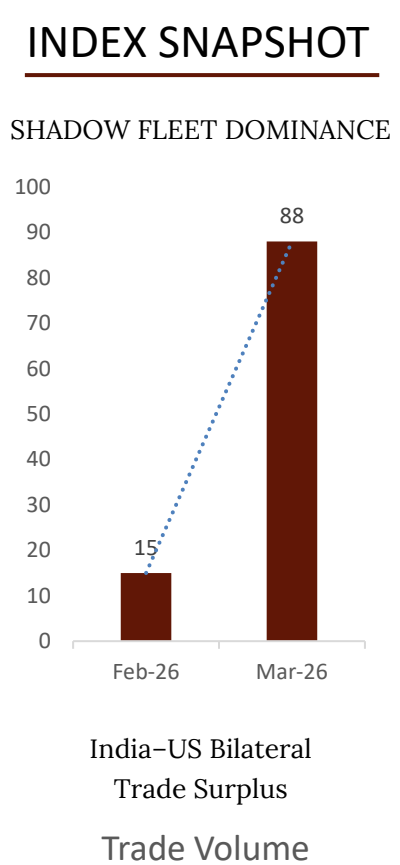
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For Joint Maritime Security

Trade Transits

\$1T+

Via Red Sea Corridor

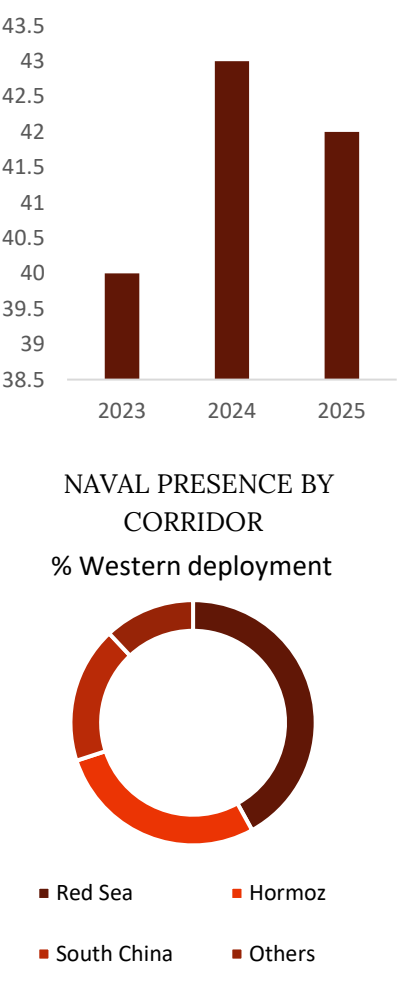
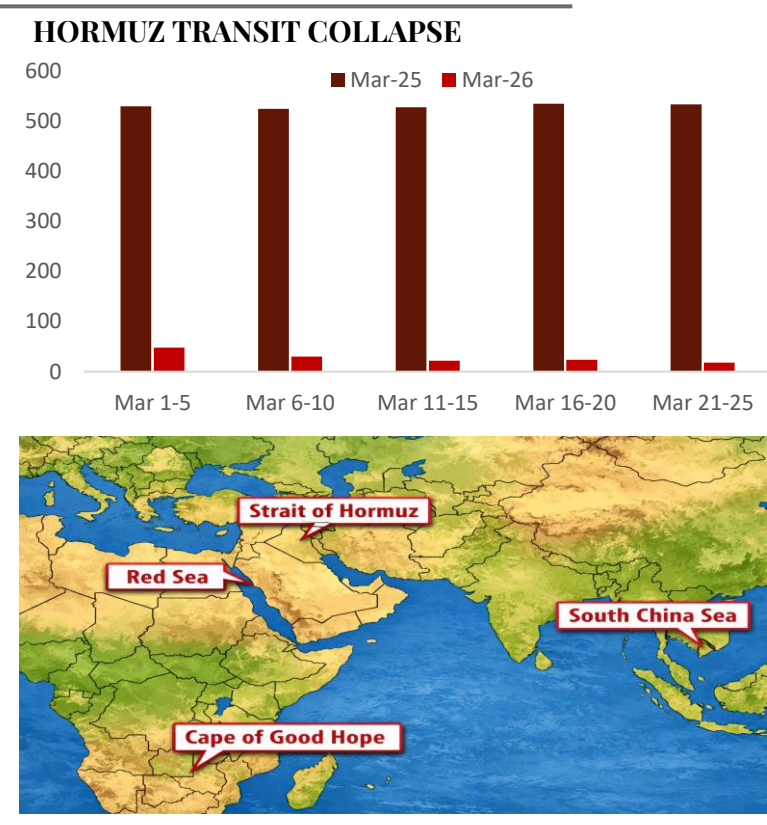


LEAD STORY · SHIPPING

Trade Is No Longer Neutral: The Rise of Controlled Corridors

Global chokepoints are shifting from open corridors to politically controlled gateways, reshaping trade, costs, and power.

Global trade's foundational assumption of neutral, rules-based maritime access is breaking down. Chokepoints like the Red Sea and Strait of Hormuz are increasingly governed by geopolitical leverage rather than international law, making access conditional on military presence and political alignment. What appear as episodic disruptions are in fact a structural shift: the weaponization of trade infrastructure. The immediate costs are visible: rerouting, insurance premiums, delays. The deeper consequence is not. Nations and firms are now embedding geopolitics into supply chain architecture itself, reconfiguring dependencies, capital flows, and trade alliances for a world where reliability is no longer neutral.



TRADE FLOWS & LOGISTICS

Strategic Patience Over Trade Urgency

India isn't walking away from the deal table it's simply refused to sit down on Washington's schedule. In a world where tariff rules can be rewritten overnight, strategic patience isn't weakness. It's the only rational play.

India's decision to pause its interim trade deal with the United States reflects a deeper evolution in how middle powers engage with global economic frameworks. What appears as a negotiation delay is, in reality, a calculated assertion of strategic autonomy. By stepping back after the Section 301 probe ironically targeting sectors scaled up partly to meet US demand India signals that trade alignment will not come at the cost of policy vulnerability. Simultaneously advancing agreements with partners like the UK and EU, New Delhi is diversifying its economic dependencies, reducing single-counterparty leverage.

The use of legal uncertainty in the US as a justification further highlights a maturing playbook: delay without disruption, resist without confrontation. In this emerging order, trade agreements are no longer transactional they are instruments of geopolitical positioning, and India is increasingly playing that game with

