

What matters in this conflict isn't the headlines themselves; what matters is what actually moves markets : the Oil prices are now seen as only barometer of of the intensity of the context as it reflects the pulse of the world.

The absence of de-escalation signal keeps geopolitical risk elevated, supporting oil while weighing on sentiment. Well known talking points :Trump didn't say anything that he didn't say over the last several days.

-simply put , the longer the situation drags on, the more it deteriorates.

Oil spikes do not always cause recessions by themselves, but they often accelerate macro vulnerabilities that were already there. They expose fragility.

Central banks are poised to react, perhaps a little too much so.The risk would be to repeat the monetary policy errors already observed, where poorly calibrated rate hikes contributed to precipitating the economic slowdown.

ECB has only inflation mandate- Certainly influenced by the delayed start of 2022, Lagarde is in the starting blocks to raise rates, which will ofcourse not help reopen of Hormuz.EUR/USD sogginess to persist, perhaps increase when Europe returns.

Chinese stance towards the conflict continues to be cautious detachment with hints of strategic opportunism .House Select Committee on China found sanctioned oil accounted for onefifth of China's total oil imports.

Forecasts that prices will rise by "at least" 9% by the end of 2026, almost tripling a forecast of 3.2% made before Conflict.This 9% forecast assumes that Hormuz will reopen to cargo traffic within the next two to three weeks.The key takeaway for GBP is that Bailey comes across as a reluctant hiker -history suggests a forced BoE hike' 2022 the most recent - does not help. Sub 1.3200 back on the table.

France & Japan signed agreements to outlast turmoil - US could notice the word "strategic autonomy" - Japanese buyers secure U.S. cargoes priced off Brent, even at steep premiums, marking a clear break from Dubai-linked system. Yen negative.

Key levels to watch 160.47 high Mar 30 and 157.51 low Mar 19.

History shows that when you seek stability with policy measures , you hardly achieve it. Monday range of 93.50- 95.00 could turn out to be the core zone going forward.