

Markets at times do not seek logic amid chaos and this is one such moment now- Optimism around a potential near-term off-ramp gives rise to hopes of an apparent two-sided de-escalation.

Whereas the narratives remain fluid, underlying market conditions reflect continued disruption, with oil price dependent on whether physical flows through Hormuz could normalise. In simple terms, markets will go where Hormuz takes them to.

So Trump might end his war, but the rest of the world may pay the price. What is clear is that economic, political and geopolitical consequences will last for at least several years. Energy crisis triggered by the war will persist regardless of how conflict evolves from here.

Global oil prices in March cemented their largest monthly gain on record. Average US fuel prices have exceeded \$4 a gallon for the first time in four years, piling pressure on the President. The inflation impact of the energy shock continues to outweigh the growth hit, and Fed and rest of the global responses are therefore likely to tilt hawkish.

US equity rally of yesterday is too good to put money on - perfectly emblematic of whiplash environment- quarter end fund rebalancing by institutional investors and impending long Easter holiday and related time decay implications.

Europe's vulnerability to the oil shock is primarily through inflation pressures. Goodbye to the ECB's good place. After a long period of stable inflation, EZ inflation has shot up - hike likely at 30 April meeting. As usual 1.1400- 1.1600 range developing

China's exposure to Iran war reflects in industrial activity - China PMI slows to 50.8 as cost pressures hit two-year high
Supplier delivery times lengthened to the greatest extent since Dec 2022, reflecting disruptions linked to volatile input prices,

Higher council tax £ 109 makes up more than half of the £214.10 average annual increase in combined household bills from "Awful April". New measures to ease cost of living come in force wef today .GBPUSD 1.3200- 1.3270.

Standoff with China has been already weighing on the Japanese economy since last six months and the embassy break in complicates it further .Japanese importers behind move from 158.45 to 159.00., which should hold ahead of long weekend