

The Middle East Conflict: Key insights

We're continuing to support client decision-making during the Middle East conflict with comprehensive but concise analysis and daily online briefings. All of our key analysis on the crisis can be found [here](#). Below are some highlights from our coverage on Wednesday, 11th March.

A record release of oil supply coordinated by the International Energy Agency will provide temporary relief to a starved market but prices are likely to rise back above \$100/barrel so long as [the Strait of Hormuz remains closed](#).

That assessment is based on [our macro and market scenarios](#) for modelling pathways in this conflict. Martin Wolf, the Chief Economics Commentator of the Financial Times, featured these scenarios in his latest column, published [today](#).

The prospect of the [Fed](#) or [Bank of England](#) actually raising rates in this conflict would only come into view under our more severe scenario, which sees the fighting escalating and oil rising to \$150/barrel.

We're holding daily online Drop-In briefings so clients can get answers directly from the economist team and Thursday's session [previews the Bank of England's March meeting](#). You can also watch today's session about [exposures in Latin America](#).

While the Middle East conflict is dominating headlines and markets, clients are also asking about [risks from private credit funds](#). Our view is that these risks are sizeable but manageable from a macro-stability perspective, especially as the Federal Reserve and other central banks are well positioned to cushion any shock.

Contact

Email sales@capitaleconomics.com

Visit www.capitaleconomics.com

Disclaimer

While every effort has been made to ensure that the data quoted and used for the research behind this document is reliable, there is no guarantee that it is correct, and Capital Economics Limited and its subsidiaries can accept no liability whatsoever in respect of any errors or omissions. This document is a piece of economic research and is not intended to constitute investment advice, nor to solicit dealing in securities or investments.

Distribution

Subscribers are free to make copies of our publications for their own use, and for the use of members of the subscribing team at their business location. No other form of copying or distribution of our publications is permitted without our explicit permission. This includes but is not limited to internal distribution to non-subscribing employees or teams.