The Middle East conflict: Key insights - 10th March, 2026

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In a survey of the global macro consequences of this war that was originally published by Chatham House, Group Chief Economist Neil Shearing showed why, provided the surge in energy prices proves fleeting, the world economy may absorb the shock with less disruption than many fear.

Our three core scenarios for how this conflict could play out for the global economy was followed up with scenarios for their financial market implications. They range from a prompt recovery as risk appetite quickly comes back to the 10-year Treasury yield spiking to 5% and the S&P 500 dropping to 6,000.

China is at less direct risk from the energy shock compared to many other countries, especially those in Europe and other parts of Asia. And an environment of higher global energy prices is one in which Chinese exporters will capture even greater market share.

We're running daily online briefings through this crisis to ensure clients get their questions answered quickly and directly. Today's briefing was about risks to the Gulf economies, while on Wednesday the team will be talking through Latin America's exposures.

If the Iran conflict is brief, the impact on euro-zone commercial property should be limited, but a prolonged war could weaken demand and push property yields higher.