The Middle East conflict: Key insights - 13th March, 2026

13th March 2026

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 this crisis can be found here. Below are some highlights from our coverage on Friday, 13th March.

Macro & market scenarios

Our scenarios – covered by the Financial Times, Wall Street Journal, among others – outline three potential conflict pathways and their global macro and market implications.
Modelling the scale of the energy market disruption
Scenarios for the Iran war & the macro impact
Market implications of three scenarios for the conflict

How markets are holding up

The nightmare scenario for energy markets has been reflected in historic volatility and significant uncertainty about the price outlook. Reopening the Strait of Hormuz is key. In contrast, financial markets have been relatively calm.
Russian sanctions relief and IEA releases can't compensate for a closed Strait of Hormuz
Our measure shows a ~20% chance of $100 oil in three months, but uncertainty is huge
Big tech has outperformed since the war began; our base case is a short war and continued AI enthusiasm favouring these sectors.
The war has lifted market volatility, but core money markets remain stable; private credit shows strain but little systemic risk.

A busy week in central banking

Central banks will (mostly) stand pat at this coming week's meetings, though their communications around the energy shock will be telling. We're holding Drop-Ins on the Bank of Japan and on the Fed, ECB and Bank of England.
Fed on hold as it waits for more clarity
ECB to stress readiness to respond to energy shock
Bank of Japan will hike rates again in April
Bank of England: Delayed cuts, cancelled cuts or interest rate hikes?
The RBA will deliver back-to-back hikes in March and May

How economies will fare

How economies emerge from this crisis will largely depend on whether they are net energy exporters or importers – unless they are directly involved in the conflict.
The US could weather a world of $100 oil, but the Fed would have to respond
China can withstand the crisis better than its status as the world's top oil importer implies

The UK economy is already coming under stagflationary pressure
The Gulf economies will see negative growth this year under all three of our scenarios
Asia is most exposed to the energy shock; governments that can’t cushion it will have to let prices rise.
And in other news...
Private credit risks are material but manageable for the US
We're holding a briefing on Tuesday about China’s new Five-Year Plan
Australia's mining sector is enjoying its last hurrah.