Financial Market Overview: Middle East Crisis

Matthieu Arseneau and Alexandra Ducharme
NBC Economics and Strategy

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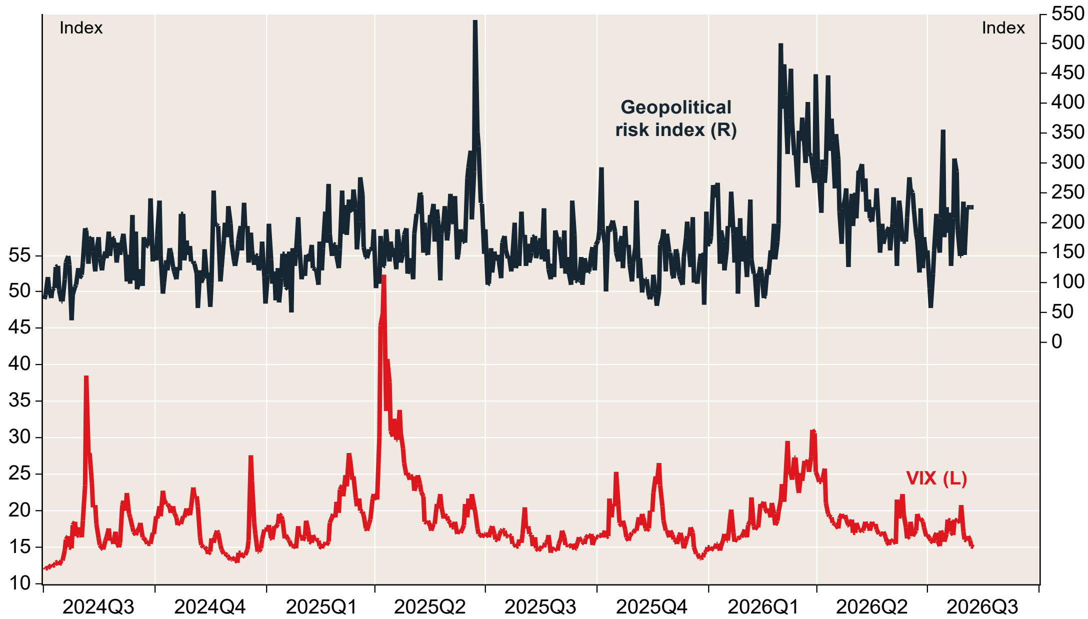
Middle East Crisis

By Matthieu Arseneau and Alexandra Ducharme

Beyond its human toll, the conflict in Iran is unsettling global financial markets. This weekly report provides an overview of the latest relevant data and market developments.

1. World: The geopolitical situation and stock market volatility

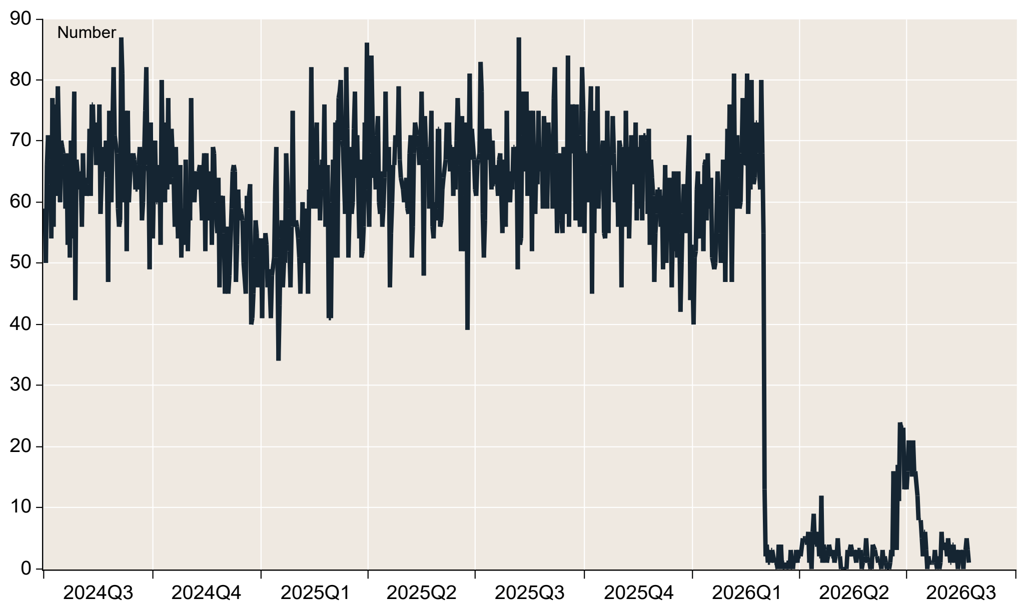
Geopolitical risk index (Caldara Iacoviello) and VIX index (S&P 500 expected volatility)



NBC Economics and Strategy (data via Bloomberg)

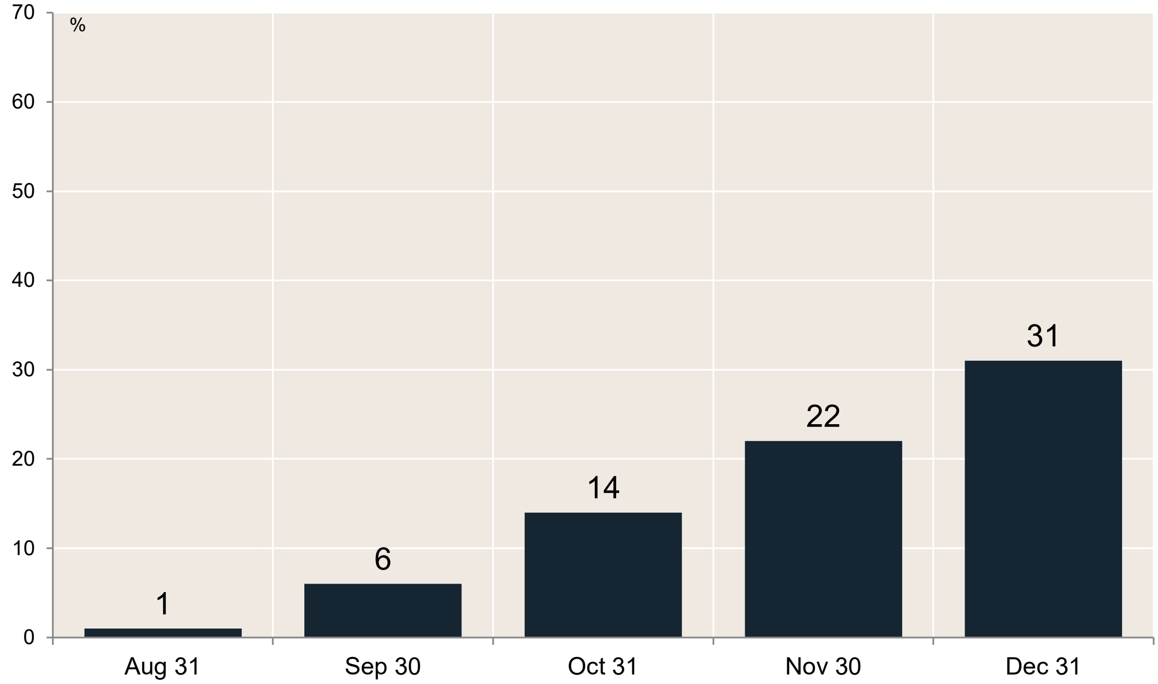
2. World: Maritime traffic in the Strait of Hormuz

Number of tanker ships transiting through the straight of Hormuz



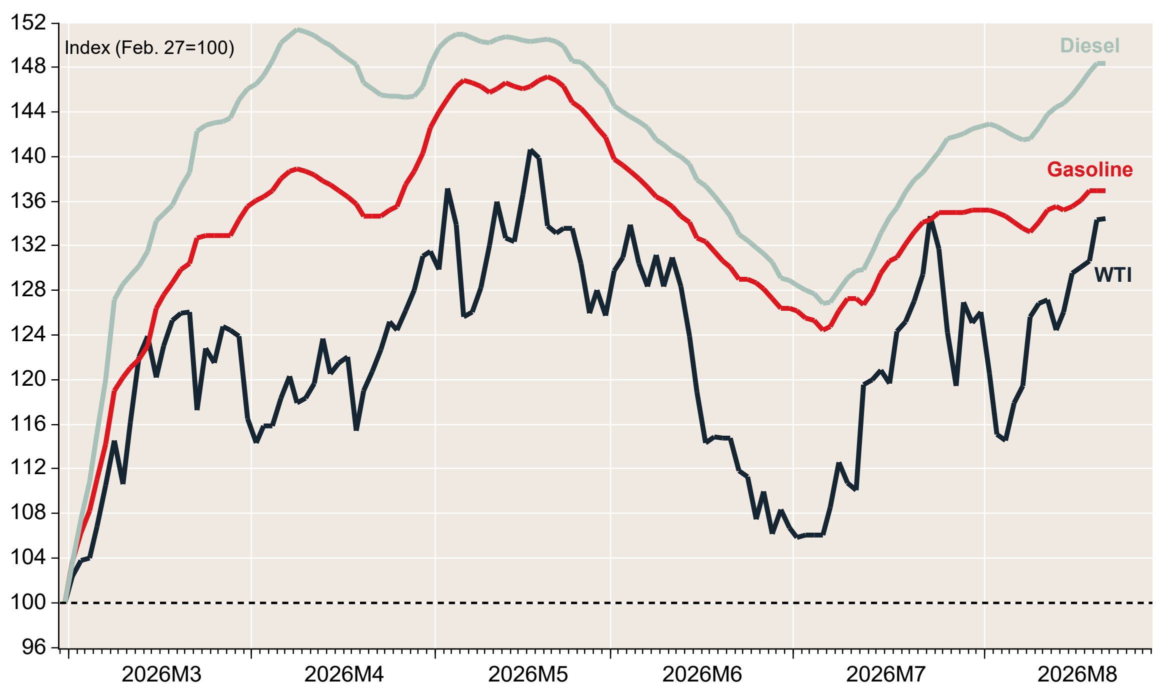
NBC Economics and Strategy (data via Bloomberg)

3. World: Probability of a normalization in the Strait of Hormuz
Polymarket probability of traffic through Hormuz returning to normal as of August 21



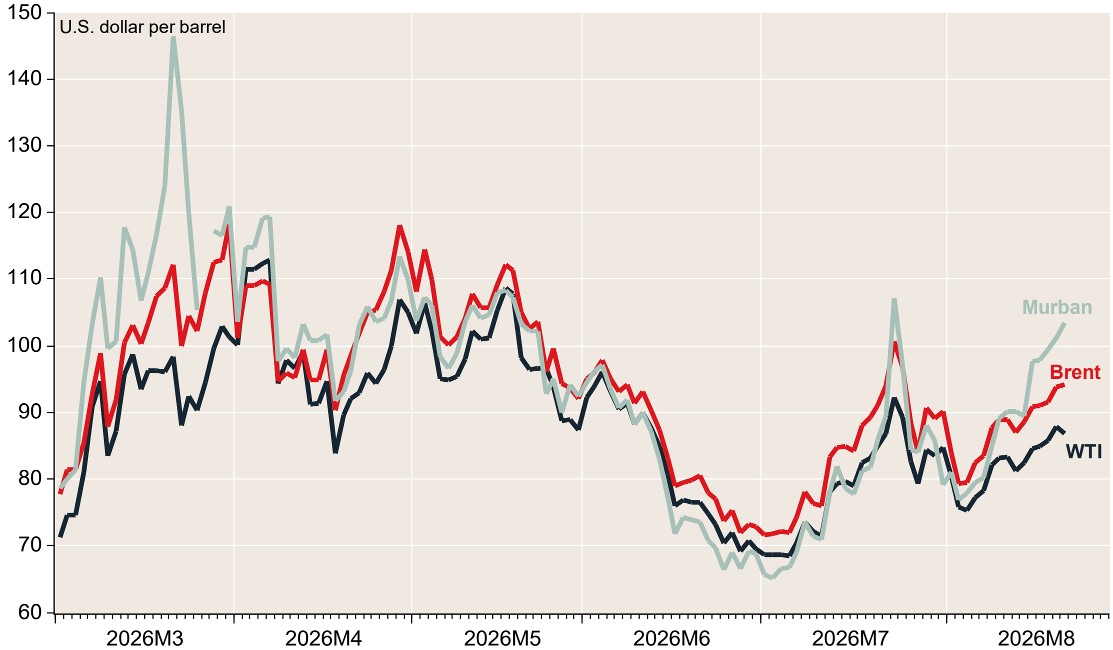
NBC Economics and Strategy (data via Polymarket)

4. U.S.: Perspective on refined energy product prices
Price of gasoline, diesel and WTI indexed to February 27



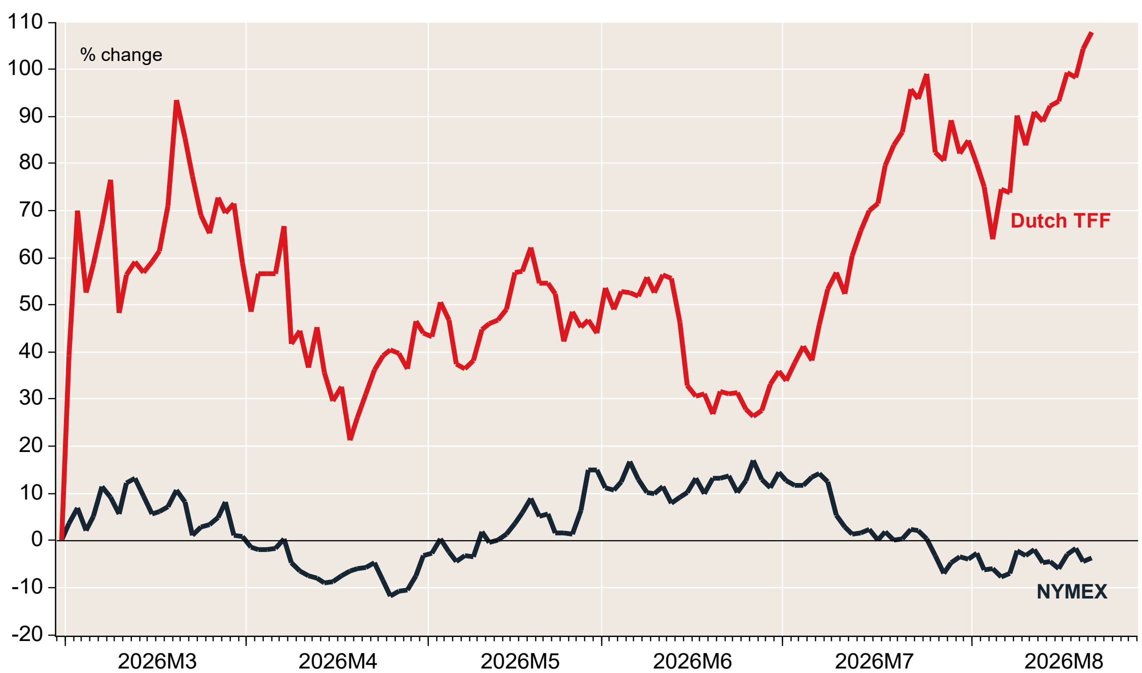
NBC Economics and Strategy (data via Bloomberg)

5. World: Perspective on oil prices
Price of a barrel of oil (USD), different benchmarks, since February 27th, 2026



NBC Economics and Strategy (data via Bloomberg)

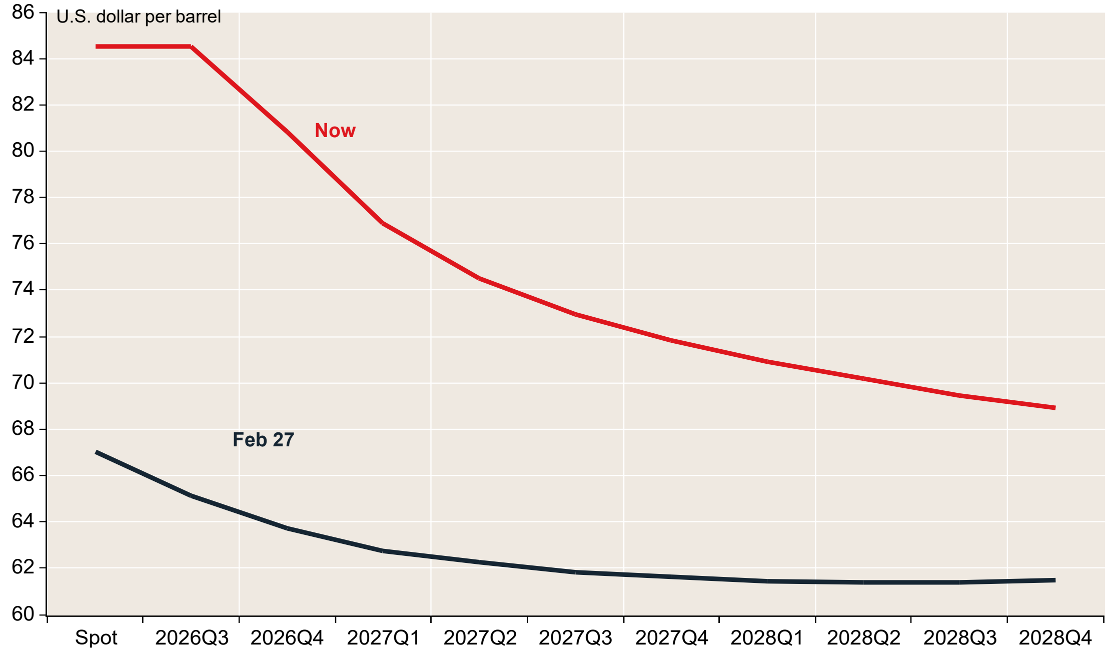
6. World: Perspective on natural gas prices
% change in natural price since February 27th 2026



NBC Economics and Strategy (data via Bloomberg)

7. World: Forward curve for oil prices

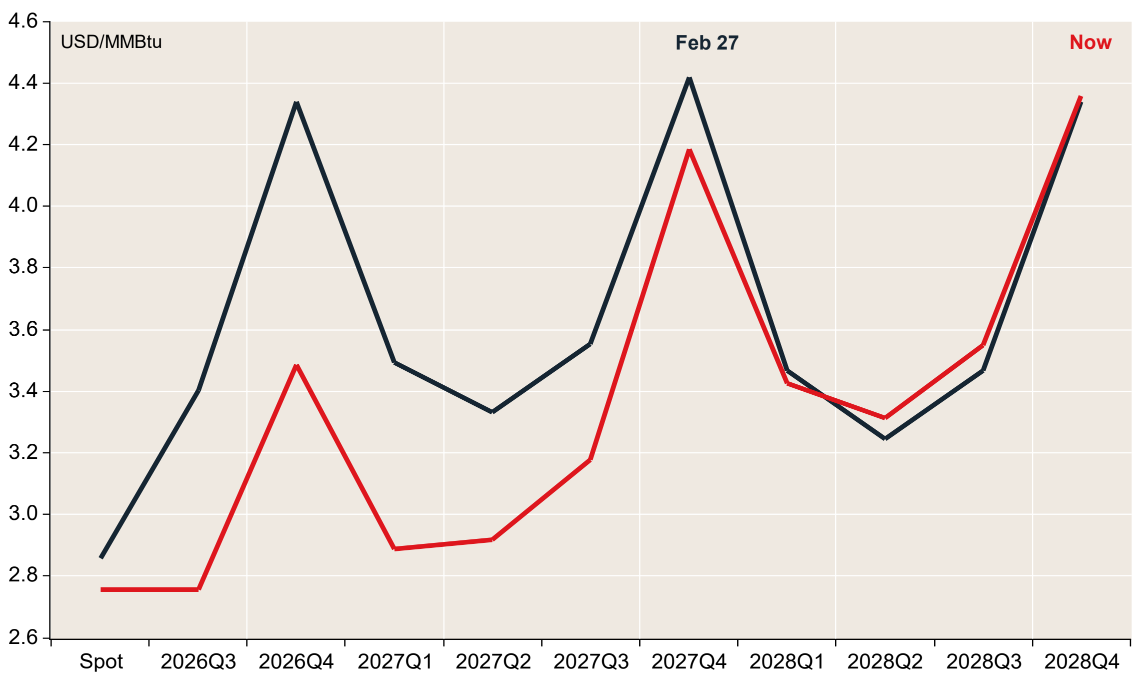
Expected price of a barrel of oil (USD) over the next quarters, pre-war and now



NBC Economics and Strategy (data via Bloomberg)

8. World: Forward curve for natural gas prices

Expected price of natural gas (USD) over the next quarters, pre-war and now



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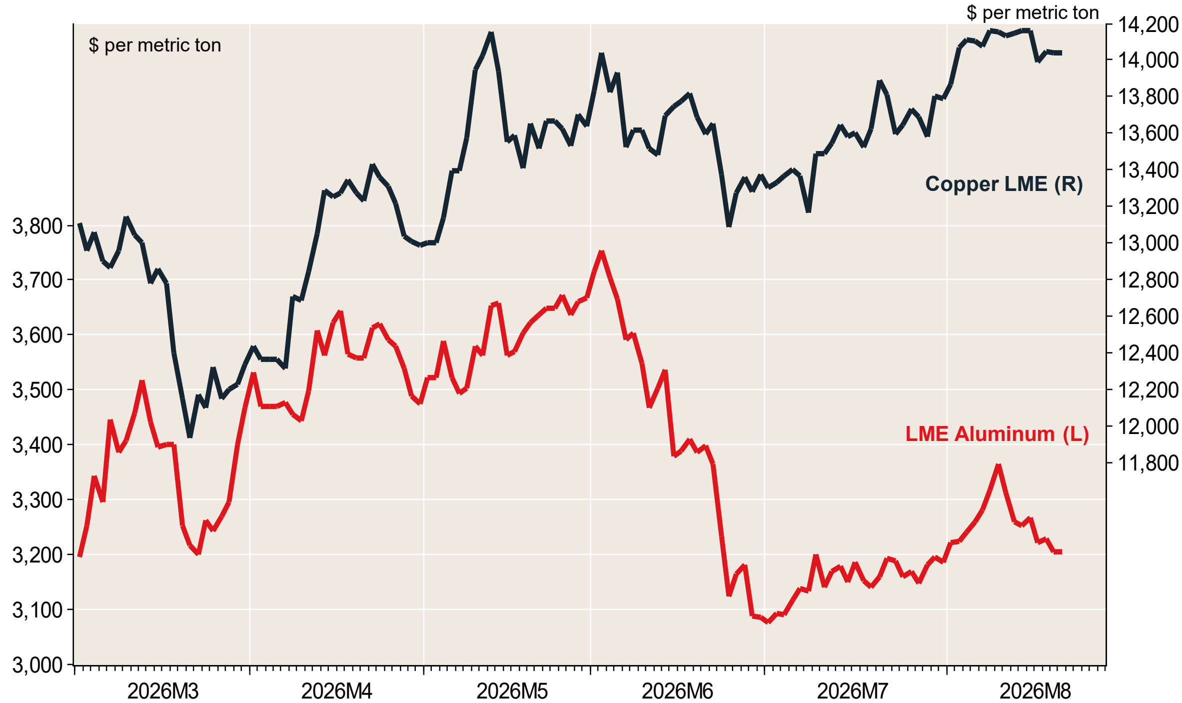
9. World: Perspective on metal prices

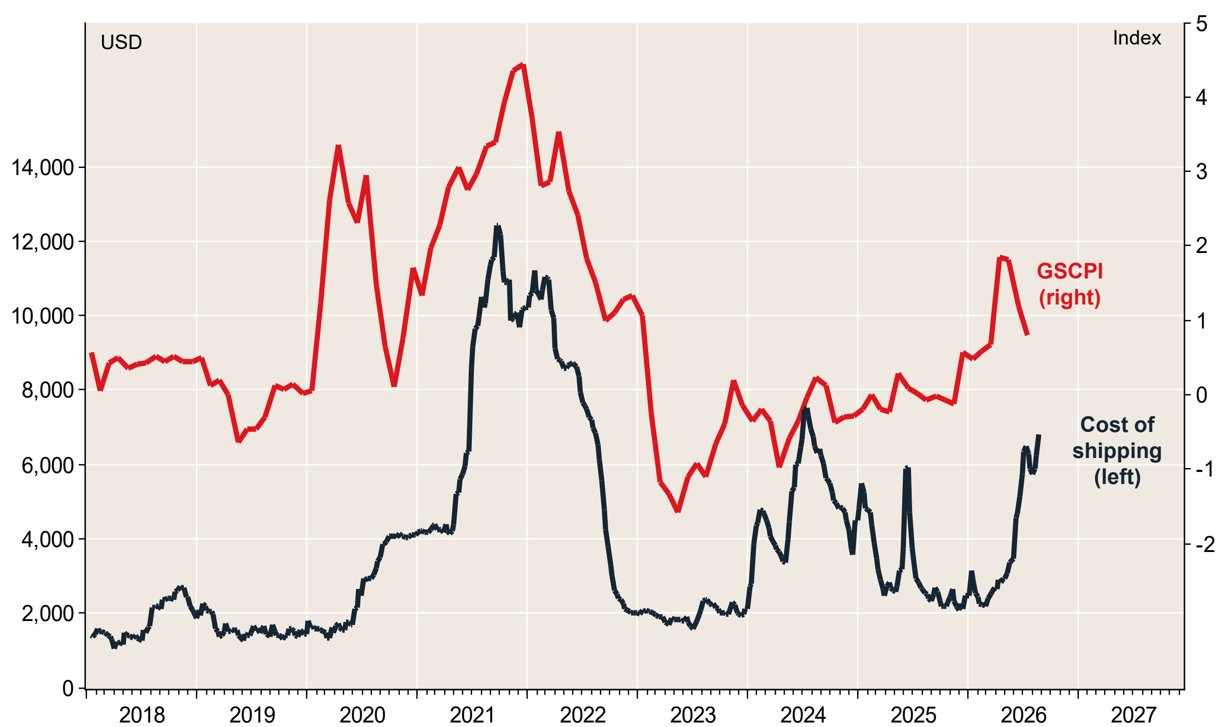
Price of aluminum and of copper



NBC Economics and Strategy (data via Bloomberg)

10. World: The state of global supply chains

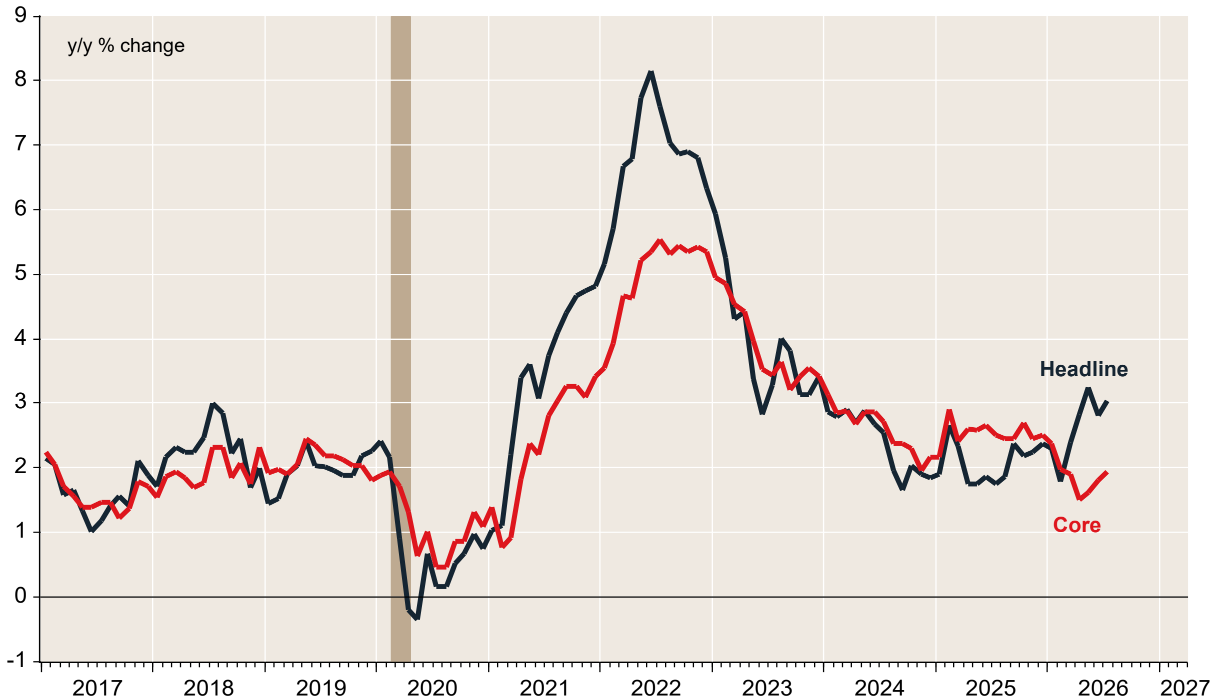
NY Fed Global Supply Chain Pressure Index vs. cost of shipping a container from Shanghai to Los Angeles



NBC Economics and Strategy (data via Bloomberg)

11. Canada: Perspective on inflation

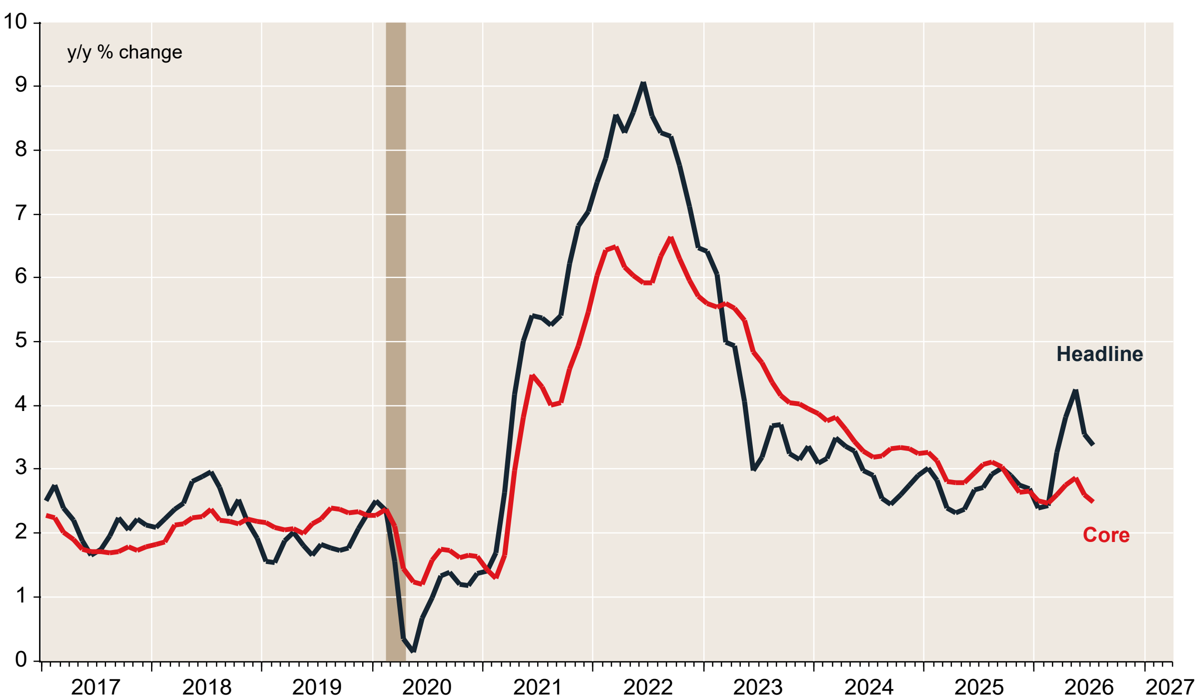
Annual inflation, headline and core (excluding food and energy)



NBC Economics and Strategy (data via Bloomberg)

12. United States: Perspective on inflation

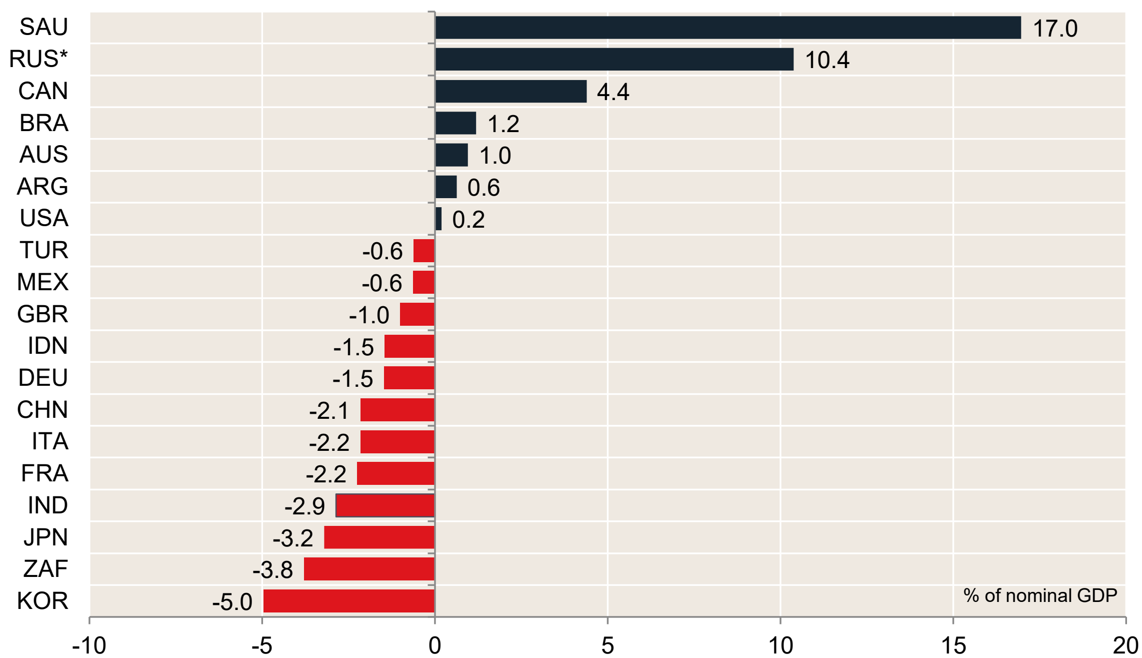
Annual inflation, headline and core (excluding food and energy)



NBC Economics and Strategy (data via Bloomberg)

13. World: Exposure to a rise in energy prices

Trade balance of oil, oil products, and natural gas as a % of nominal GDP by country (2024 or specified)

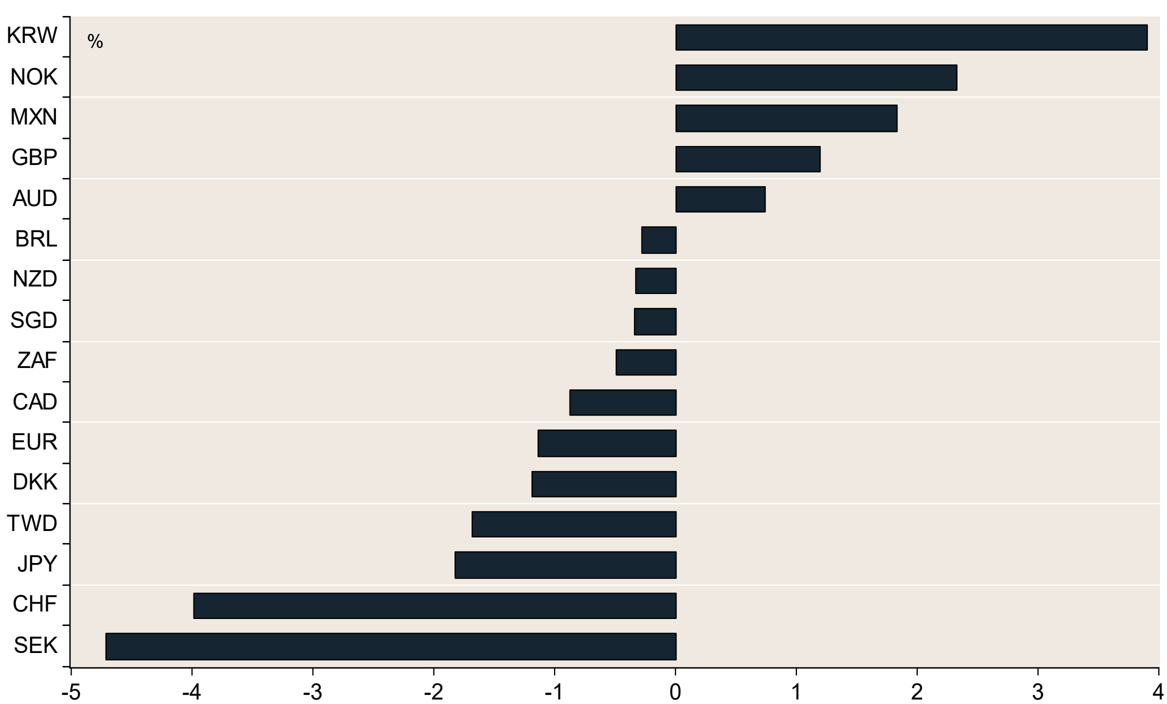


*Latest data are from 2021

NBC Economics and Strategy (data via the UN Comtrade database)

14. Currencies: Performance against the USD

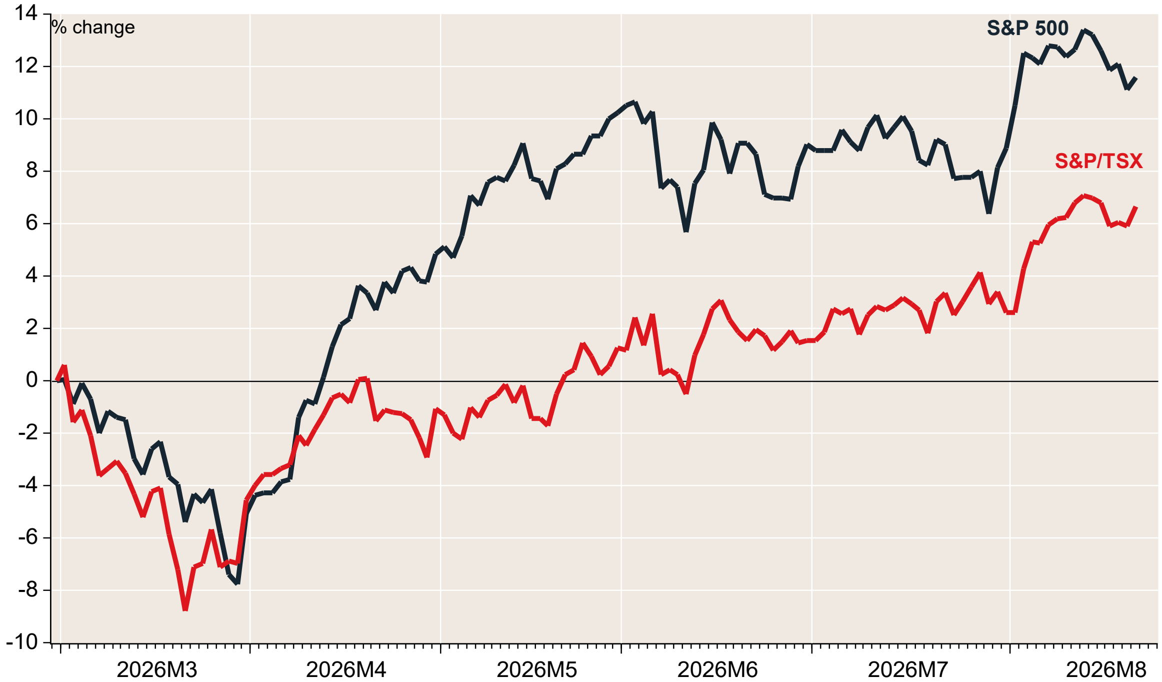
Performance of major currencies against the USD since February 27, 2026



NBC Economics and Strategy (data via Bloomberg)

15. S&P 500 and S&P/TSX: Performance since start of the war

Stock market performance since February 27, 2026



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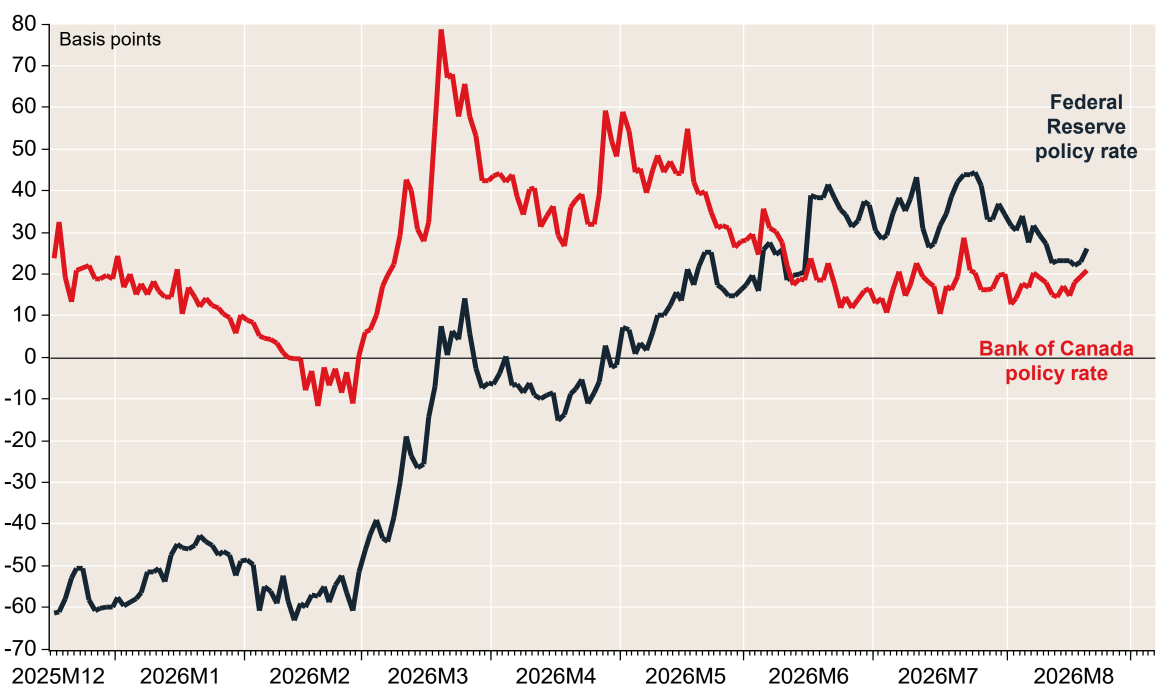
16. Expected actions by central banks by the end of the year

Magnitude of changes in policy rate by December 2026



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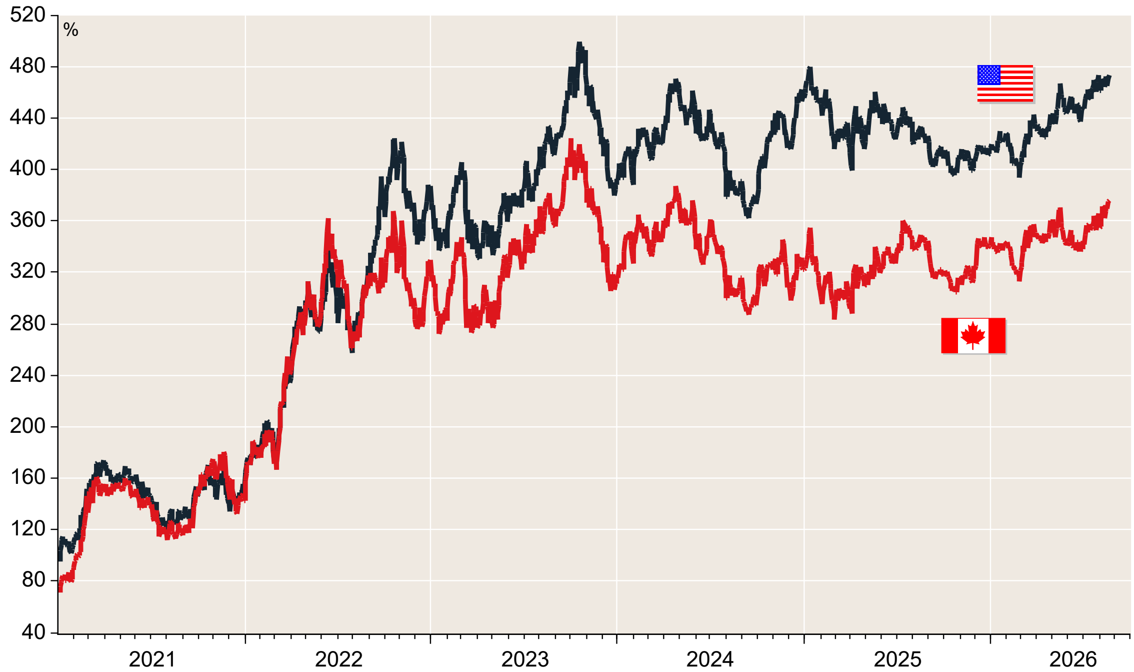
17. Perspectives on government bond yields

10-year Treasury yields in Canada and the United States



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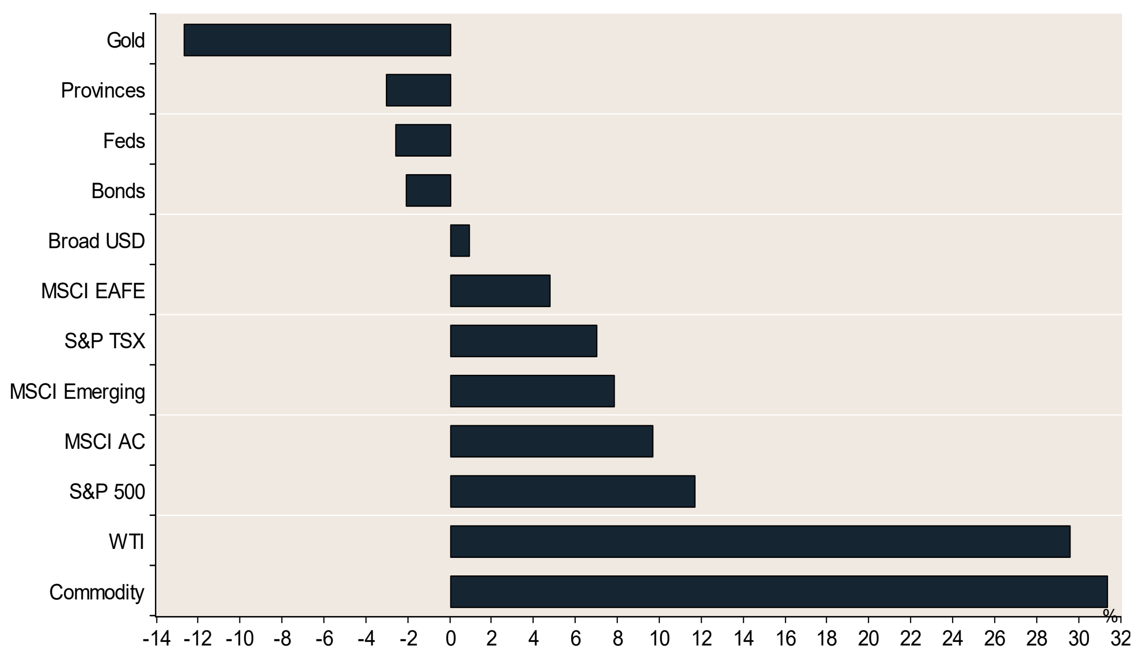
18. Financial market overview

Performance of major asset classes since February 27, 2026 (Total returns)



*Local currency for MSCI aggregates. CAD for S&P/TSX, Bonds, Feds and Provinces. USD for other asset classes

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