

Uncertainty from Middle East

What's new?

Since 7 October 2023, tension between Israel and Hamas increase the geopolitical risk in Middle East. The possible transmission to global economy and financial markets are rising uncertainty/volatility and crude oil price, since ~30% of global crude oil supply may get disrupted.

The key factor to watch going forward is how the war evolves. Worse case is if the war spread out and involve other parties (not only Israel and Hamas). High casualties and prolonged war may also raise the possibility of unintended consequences which result in further rising tension.