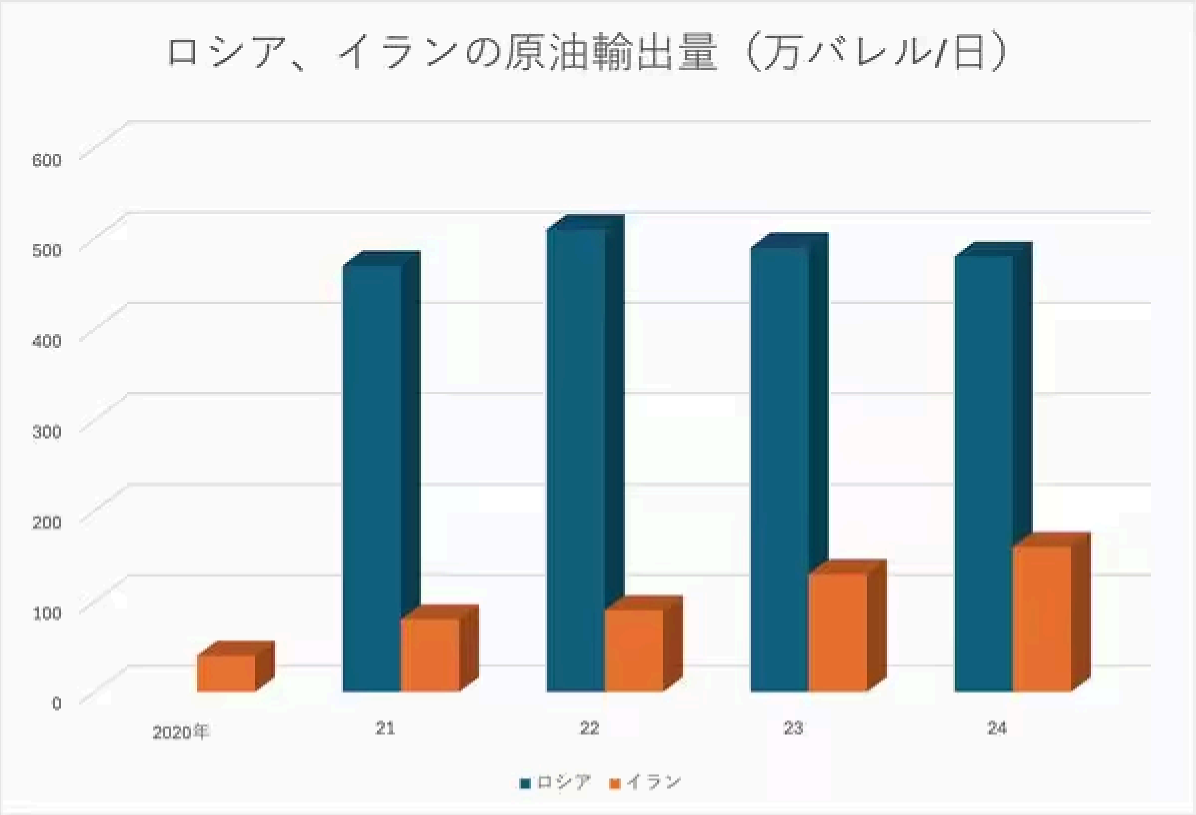
2025/03/18
Market Mayhem
The protracted conflict in the Middle East and Ukraine is driving up oil, gold, the Swiss franc, Non-life Insurance, shipping, trading, military, and energy-related stocks.
Combined with tariff policies, inflationary pressures will rise and hit struggling U.S. consumers.
The Fed will have a difficult time steering the ship due to stagflation fears.

Differences of opinion between Europe and the U.S. regarding the provision of security guarantees to Ukraine will keep a ceasefire at a distance.
The world's attention is focused on the ceasefire in Ukraine, and oversight of the Middle East, where a power vacuum has been created, has become less focused.
Israel, unable to ignore the far-right forces within the regime, resumed its attacks on Hamas.
The Houthis launched a large-scale attack on the U.S. military, and Israel reexpanded its military operations to clean up the terrorist organization.
The fact that the U.S. has given the go-ahead allows Israel to continue its aggression.
The course of the ICC's Durte trial will also influence Netanyahu's actions, and the intensified confrontation between the Israeli-American coalition and Iran will likely lead to tighter sanctions against Iran.
There is a two-pronged war in the world, and the two sides resonate with each other.
Russia's military invasion of Ukraine will intensify again, and sanctions against Russia targeting Europe's shadow fleet are likely to be invoked.
Drone strikes on Russian current related facilities in Ukraine would also likely continue.
Currently, Russian crude oil is restricted to trade at $60 per barrel, but AI spoofs, shadow fleets, and Chinese involvement have led to an increase in Russian and Iranian crude oil exports.
(Estimated by Takayuki Nogami, chief economist at the Japan Energy, Metals & Minerals Corporation (JOGMEC), based on International Energy Agency (IEA) statistics for Russia and OPEC statistics for Iran.)
The decline in Iranian crude oil exports alone is expected to raise prices by 7% (current level of about $5), and if combined with European sanctions against Russia, WTI prices are likely to exceed $80/bbl.
If the Trump administration, which is hesitant to impose sanctions against Russia due to concerns about domestic inflation, joins the sanctions net, the price will rise further, and if the worst-case scenario of a Red Sea blockade occurs, the price of crude oil is estimated to double from the current level to $130 per barrel.
Gold and the Swiss franc as safe assets will continue to soar, and stocks of non-life insurers, military-related companies, shipping companies, and trading companies will also continue to rise, as they did during the Israeli attack on October 7, 2011.
(Kansai Electric stocks, which are highly dependent on nuclear power and inversely correlated with oil prices, are soaring again.)


ロシア、イランの原油輸出量（万バレル/日）
600
500
400
300
200
100
0
2020年
21
22
23
24
ロシア
イラン