Offsetting global shocks drive asset markets
Graphs used in the video

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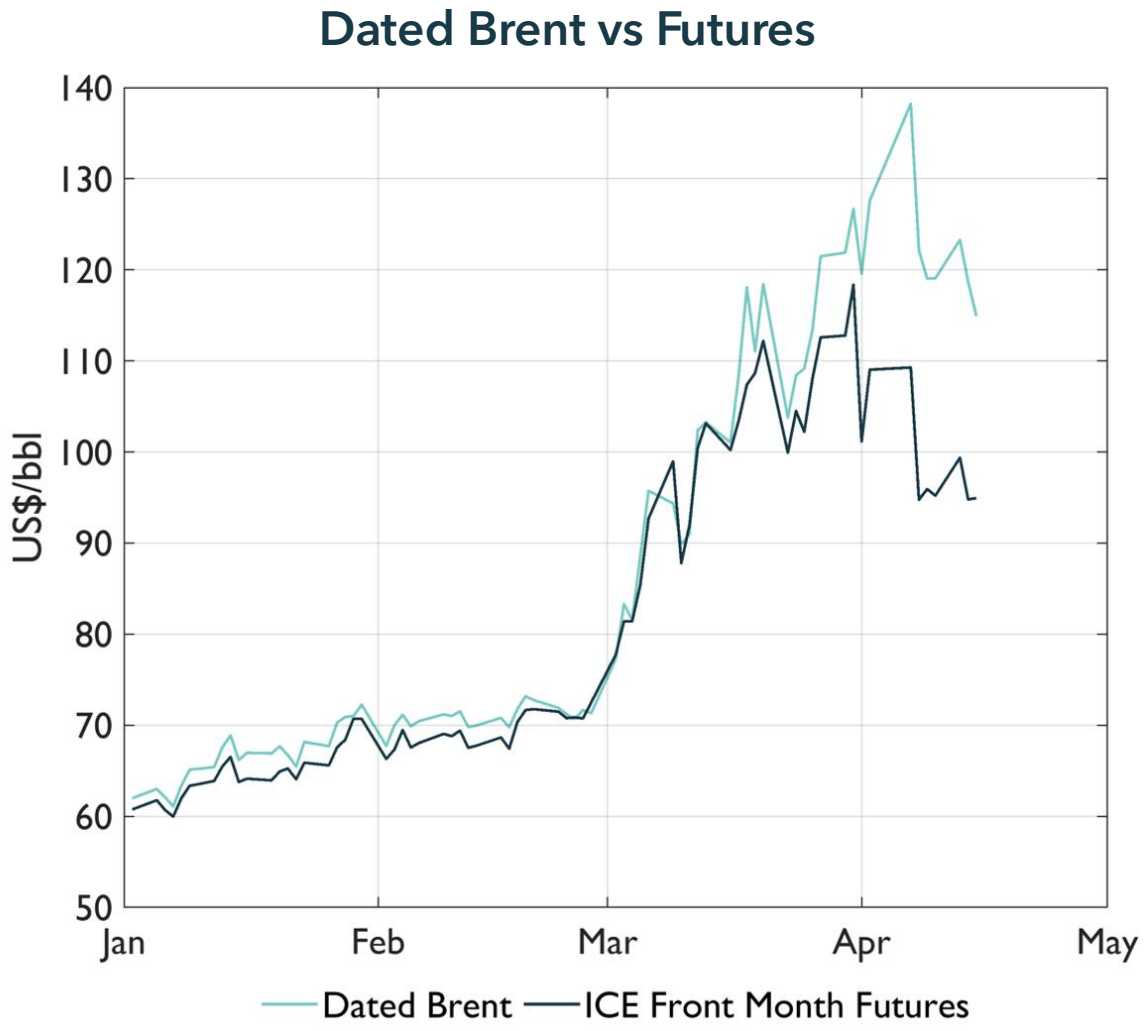
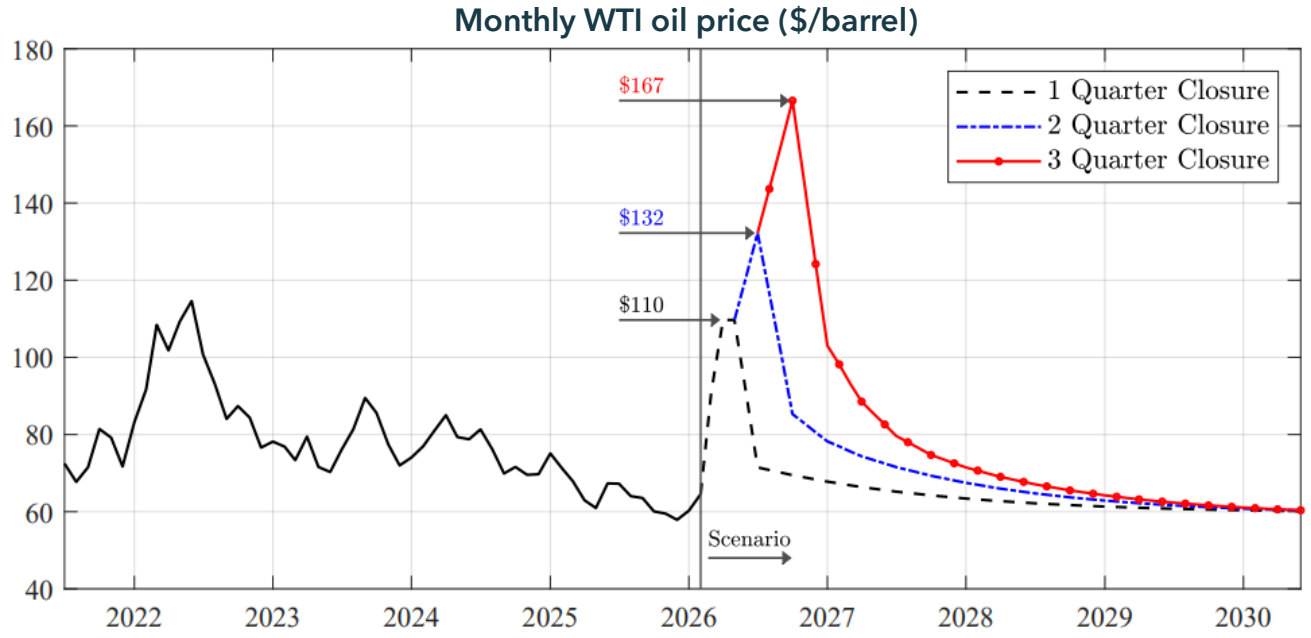
Chart 1

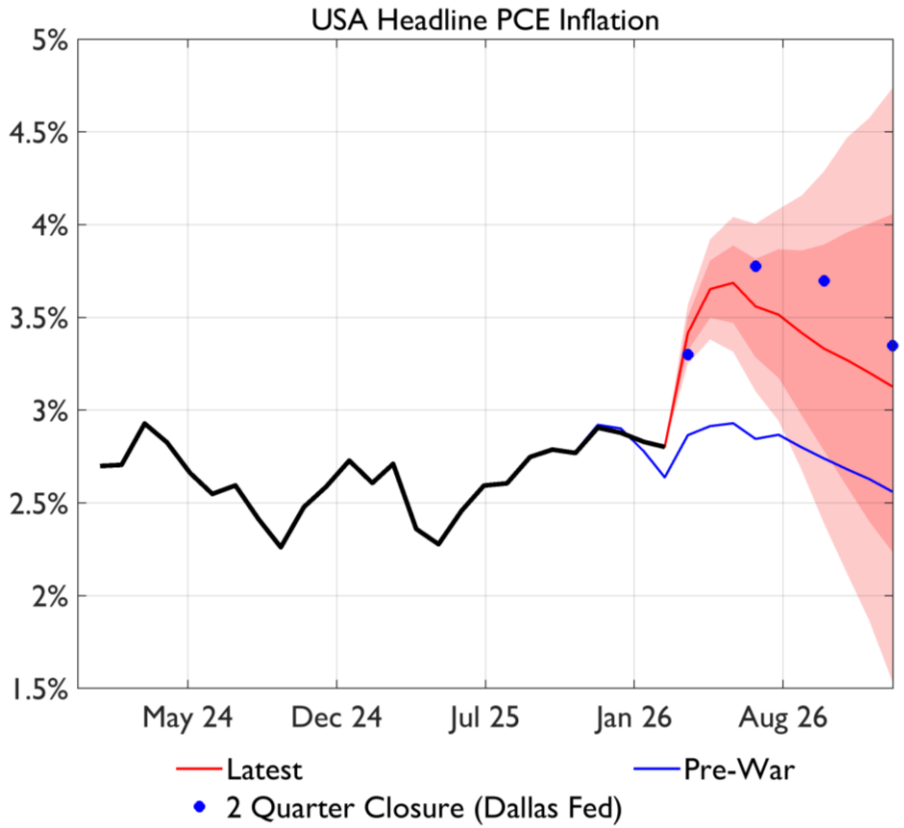


FULCRUM Source: Fulcrum Asset Management LLP, Bloomberg.

Charts 2 and 3



Notes: The vertical line marks February 2026.



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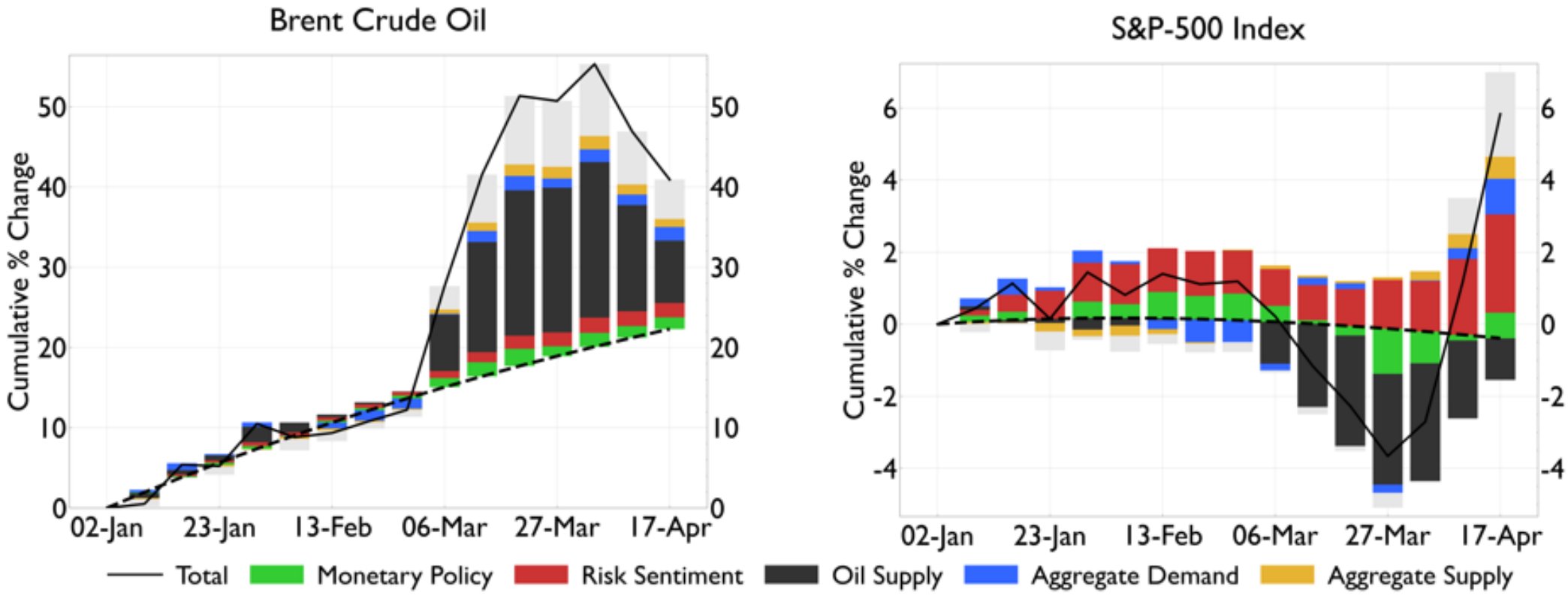
Source: Fulcrum Asset Management, Federal Reserve Bank of Dallas ("The Impact of the 2026 Iran War on U.S. Inflation: A Scenario Analysis", April 2026). The LHS chart shows the Dallas Fed scenarios for WTI oil prices under different lengths of closure for the Strait of Hormuz, with the black line giving the realised price until February. The red line on the RHS chart shows Fulcrum's latest median YoY inflation forecast with the 68% and 90% confidence intervals shown in dark and light red, respectively; the blue dots show the Dallas Fed forecast consistent with a 2 quarter closure and the blue line show's Fulcrum's forecast before the latest conflict began and the solid black line shows realised historical inflation.

Charts 4 and 5



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Source: Fulcrum Asset Management LLP. The above charts decompose the total % change (solid black line) in brent crude oil prices (LHS) and the S&P 500 (RHS) since the beginning of 2026 using a Structural Vector Auto Regression (SVAR) model with sign and narrative restrictions. The shocks are as follows: Monetary Policy, Risk Sentiment, Oil Supply, Aggregate Demand and Aggregate Supply. The Residual shock captures the unexpected movement not attributable to these traditional macro factors, and the dashed black line shows the model's forecast initial forecast before the shocks were realised.

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