

SARASIN

# Six Minute Strategy

---

## Markets in the crossfire: Iran Oil and the midterm countdown

13 March 2026

---

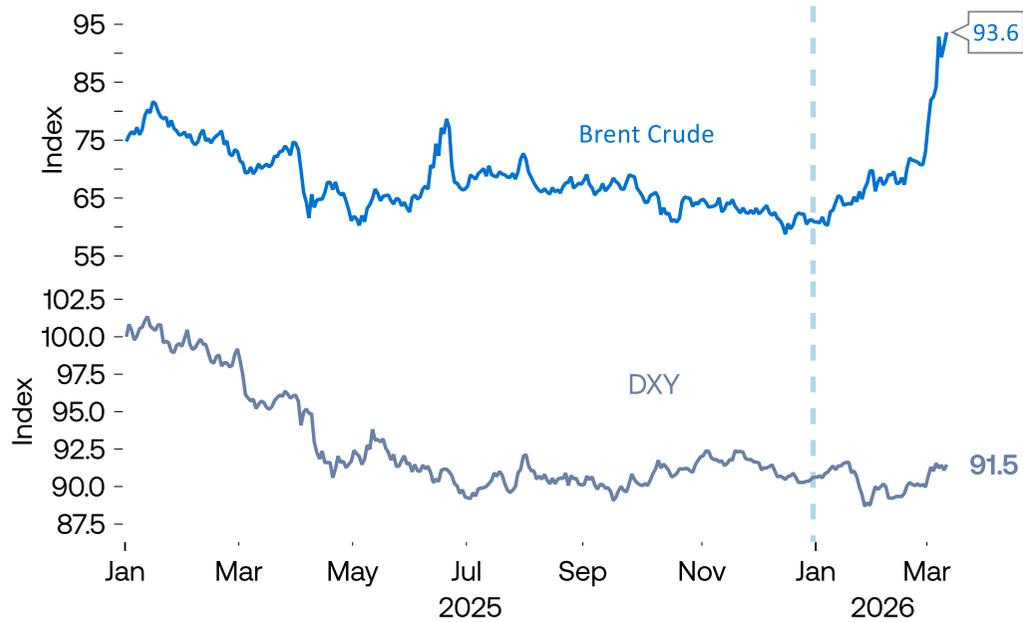
This document is only intended for retail investors/and or private clients who are US persons. You should not act or rely on any information contained in this document without seeking advice from a professional adviser.



# 2025: Oil, currencies and rates

Investors not yet seeing the US dollar as a safe-haven

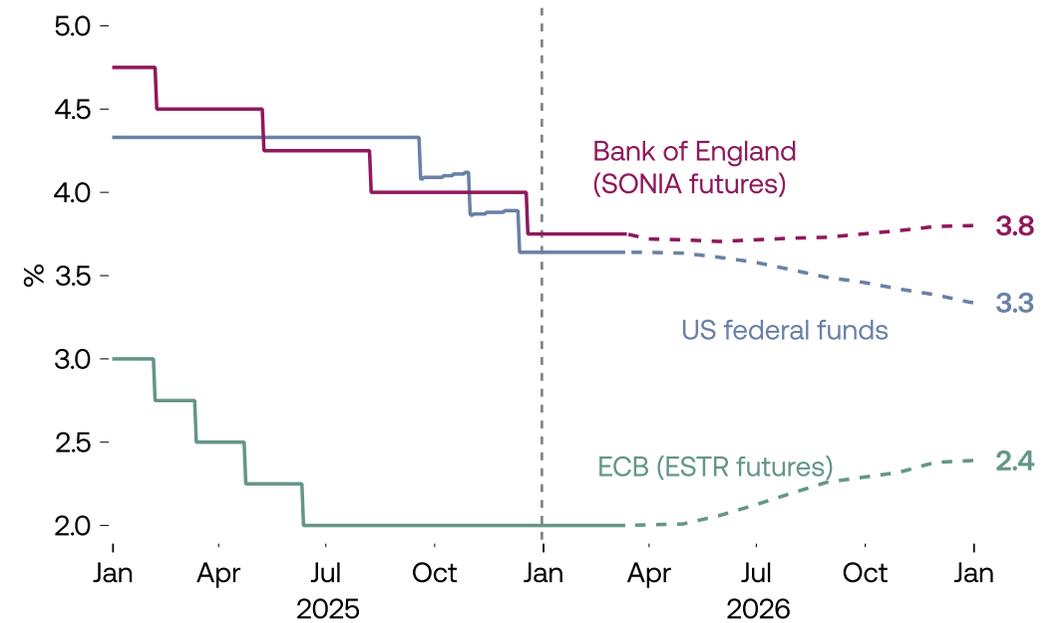
Brent Crude & US dollar index (DXY)



Source: Macrobond, 12.03.26

Central banks still supportive but cuts will be fewer in 2026

Central bank market-implied policy rates



Source: Macrobond, 12.03.26

**Rates today:** Federal funds 3.5–3.75%; ECB deposit rate 2.0%; UK base rate 3.75%; FOMC long-run rate 3%

Past performance is not a reliable indicator of future results and may not be repeated.

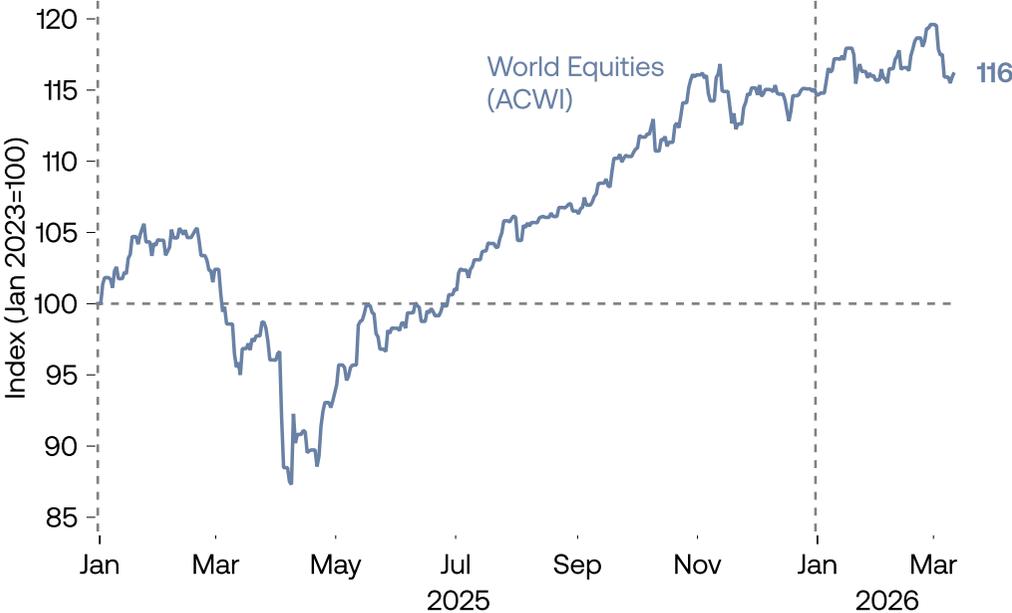
# 2025: Equity and bonds

## Equity: quality and dividend strategies underperformed

Quality and consistent dividend strategies start to normalise in 2026

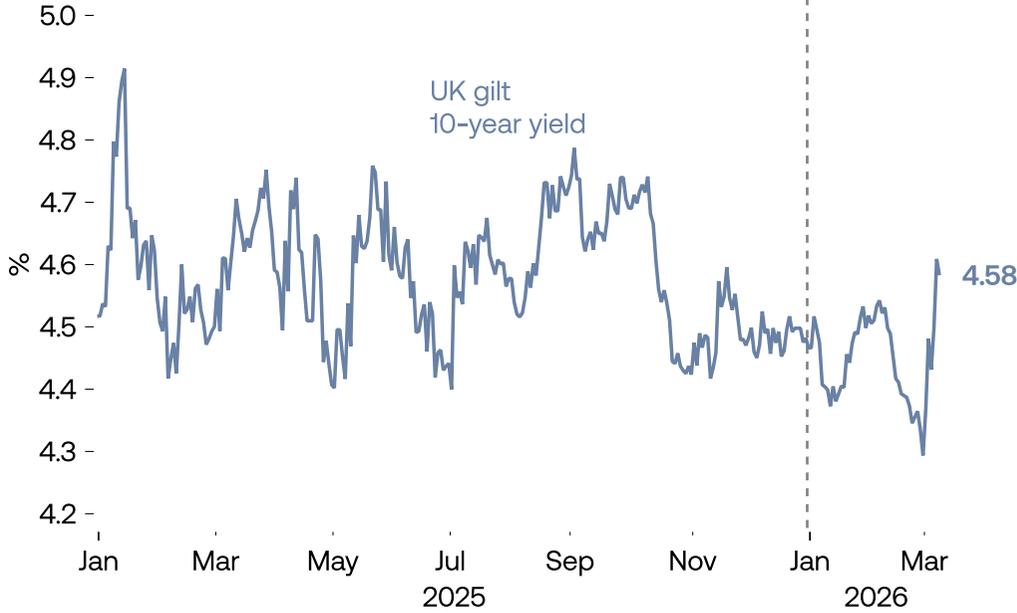
UK gilt little changed over year – no safe haven in Iran war

MSCI World Index GBP (ACWI) rebased at 100



Source: Macrobond, 12.03.26

10-year government bond yields



Source: Macrobond, 12.03.26

\*MSCI World Equity Dividend Masters are 'developed-market' companies that have increased their dividends every year for at least 10 consecutive years.

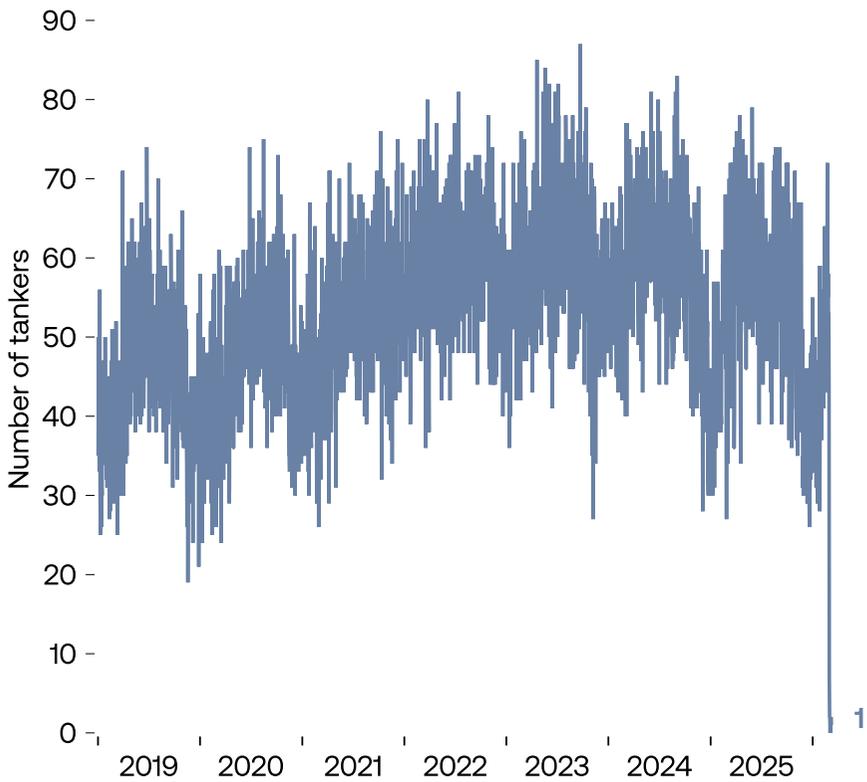
Past performance is not a reliable indicator of future results and may not be repeated.

# Major oil supply disruptions

Current 15-20mb/d loss of oil supply today is the largest in history

Event	Supply lost	Global market share
1973 Oil Embargo	4-5 mb/d	~7%
1978 Iranian Revolution	5-6 mb/d	~10%
1980-88 Iraq War	4 mb/d	~7%
1990 Gulf War	4.3 mb/d	~6%
2010 Arab Spring/Libyan Civil War	1.5 mb/d	~2%
2022 Russian Invasion of Ukraine	2-3 mb/d disrupted	~3%
<b>2026 Hormuz closure</b>	<b>15-20mb/d at risk</b>	<b>15-20%</b>

Strait of Hormuz tanker transit calls (daily)



Source: Macrobond, 12.03.26

Source: Chat GPT & Sarasin & Partners, 09.03.26

# Iran war – our core scenarios

## Base case: managed de-escalation (60% probability)

Brent \$85–100 | duration 4-6 weeks

- US-Israeli strikes achieve primary objectives within 2–4 weeks
- Backchannel diplomacy (via Oman or China) opens in weeks 3–4, establishing a ceasefire
- Khamenei’s successor prevents the collapse of the state
- Strait of Hormuz partially reopens in weeks 3–4; full normalisation takes 6–8 weeks
- Shipping insurance cover withdrawal (effective 5 March) takes time to restore

## Muddle through: protracted lower-intensity (25% probability)

Brent \$90–115 | duration 4–5 months

- Air campaign achieves stated objectives in 4–6 weeks; the regime survives in a weakened form
- Iran shifts to cheaper drones and asymmetric tactics
- Periodic attacks on Gulf infrastructure keep risk premiums elevated
- P&I underwriters require sustained proof of safe passage before restoring cover
- Key political risk: the US declares victory and begins a drawdown before the situation is fully resolved

Source: Sarasin & Partners, 09.03.26

# 2026 global macro backdrop

<b>Bonds</b> Underweight	<b>Equities</b> Neutral	<b>Alternatives</b> Overweight	<b>Cash</b> Neutral	<b>Risks</b>
<p><b>UW government bonds:</b> inflation risks – rising deficits</p> <p><b>UW credit:</b> spreads remain historically</p>	<p><b>Neutral equity:</b> global equity earnings remain robust but stagflation risks from Gulf rising</p> <p><b>Valuation:</b> earnings continue to climb and revisions are positive, but risks from private credit concerning for wider market</p>	<p><b>OW alternatives:</b> favour absolute return funds and industrial metals</p> <p><b>OW gold:</b> ongoing emerging market central bank buying continues to support demand</p>	<p><b>Inability to re-open Strait of Hormuz</b> increases stagflation risks globally</p> <p><b>US dollar</b> to depreciate over the long term</p> <p><b>Euro and emerging world currencies</b> continue to rally</p> <p><b>Japanese yen and sterling</b> neutral</p>	<p><b>Liquidity / credit squeeze</b> – risks in private credit market spill over into broader markets</p> <p><b>Stagflation</b> – sticky inflation on prolonged Iran conflict</p> <p><b>Security / Iran</b> – geopolitics starting to impact markets</p>

Source: Sarasin & Partners, March 2026

# Important information

**This document is only intended for retail investors/and or private clients who are US persons. You should not act or rely on any information contained in this video without seeking advice from a professional adviser.**

**This is a marketing communication.** Issued by Sarasin Asset Management Limited, 50 George Street, London, W1U 7DY. Registered in England and Wales, No. 01497670. Authorised and regulated by the UK Financial Conduct Authority (“FCA”) (FRN: 163584). Registered as an Investment Adviser with the US Securities and Exchange Commission (“SEC”) under the Investment Advisers Act of 1940, as amended (CRD No. 115788/SEC No. 801-62077). Website: [www.sarasinassetmanagement.com](http://www.sarasinassetmanagement.com). Tel: +44 (0)20 7038 7000. Telephone calls may be recorded or monitored in accordance with applicable laws.

The information in this document has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training.

In rendering investment advisory services, Sarasin Asset Management Limited may use the resources of its affiliate, Sarasin & Partners LLP, an SEC Exempt Reporting Adviser. Sarasin & Partners LLP is a London-based specialist investment manager and is authorised and regulated by the FCA (FRN: 475111).

Sarasin Asset Management Limited has entered into a Memorandum of Understanding (“MOU”) with Sarasin & Partners LLP to provide advisory resources to clients of Sarasin Asset Management Limited. To the extent that Sarasin & Partners LLP provides advisory services in relation to any US clients of Sarasin Asset Management Limited pursuant to the MOU, Sarasin & Partners LLP will be subject to the supervision of Sarasin Asset Management Limited. Sarasin & Partners LLP and any of its respective employees who provide services to clients of Sarasin Asset Management Limited are considered under the MOU to be “associated persons” as defined in the Investment Advisers Act of 1940. Sarasin & Partners LLP manages mutual funds in which Sarasin Asset Management Limited may invest its clients’ assets as appropriate. To the extent that Sarasin Asset Management Limited is able to exercise proxy voting on behalf of its clients, Sarasin Asset Management Limited follows the policy set by Sarasin & Partners LLP. Proxy voting is an operational process dependent upon support from Sarasin Asset Management Limited’s clients’ custodians, some of which do not support proxy voting in all or certain markets.

This document has been prepared for marketing and informational purposes only. It is not a solicitation, or an offer to buy or sell any security. The information on which the material is based has been obtained in good faith, from sources that we believe to be reliable, but we have not independently verified such information and we make no representation or warranty, express or implied, as to its accuracy. All expressions of opinion are subject to change without notice. This document should not be relied on for accounting, legal or tax advice, or investment recommendations. Reliance should not be placed on the views and information in this material when taking individual investment and/or strategic decisions.

# Important information

---

**Capital at risk. The value of investments and any income derived from them can fall as well as rise and investors may not get back the amount originally invested. If investing in foreign currencies, the return in the investor's reference currency may increase or decrease as a result of currency fluctuations. Past performance is not a reliable indicator of future results and may not be repeated. Forecasts are not a reliable indicator of future performance. Management fees and expenses are described in Sarasin Asset Management Limited's Form ADV, which is available upon request or at the SEC's public disclosure website, [www.adviserinfo.sec.gov/Firm/115788](http://www.adviserinfo.sec.gov/Firm/115788).**

Neither Sarasin & Partners LLP, Sarasin Asset Management Limited nor any other member of the J. Safra Sarasin Holding Ltd group accepts any liability or responsibility whatsoever for any consequential loss of any kind arising out of the use of this document or any part of its contents. The use of this document should not be regarded as a substitute for the exercise by the recipient of their own judgement.

Where the data in this document comes partially from third-party sources the accuracy, completeness or correctness of the information contained in this publication is not guaranteed, and third-party data is provided without any warranties of any kind. Sarasin Asset Management Limited shall have no liability in connection with third-party data.

© 2026 Sarasin Asset Management Limited. All rights reserved. This document is subject to copyright and can only be reproduced or distributed with permission from Sarasin Asset Management Limited. Any unauthorised use is strictly prohibited.

# SARASIN

## **Sarasin Asset Management Limited**

50 George Street,  
London, W1U 7DY  
+44 (0)20 7038 7000

E: [marketing@sarasin.co.uk](mailto:marketing@sarasin.co.uk)

[www.sarasinassetmanagement.com](http://www.sarasinassetmanagement.com)

45 Rockefeller Plaza  
20th Floor  
New York NY 10111 USA

