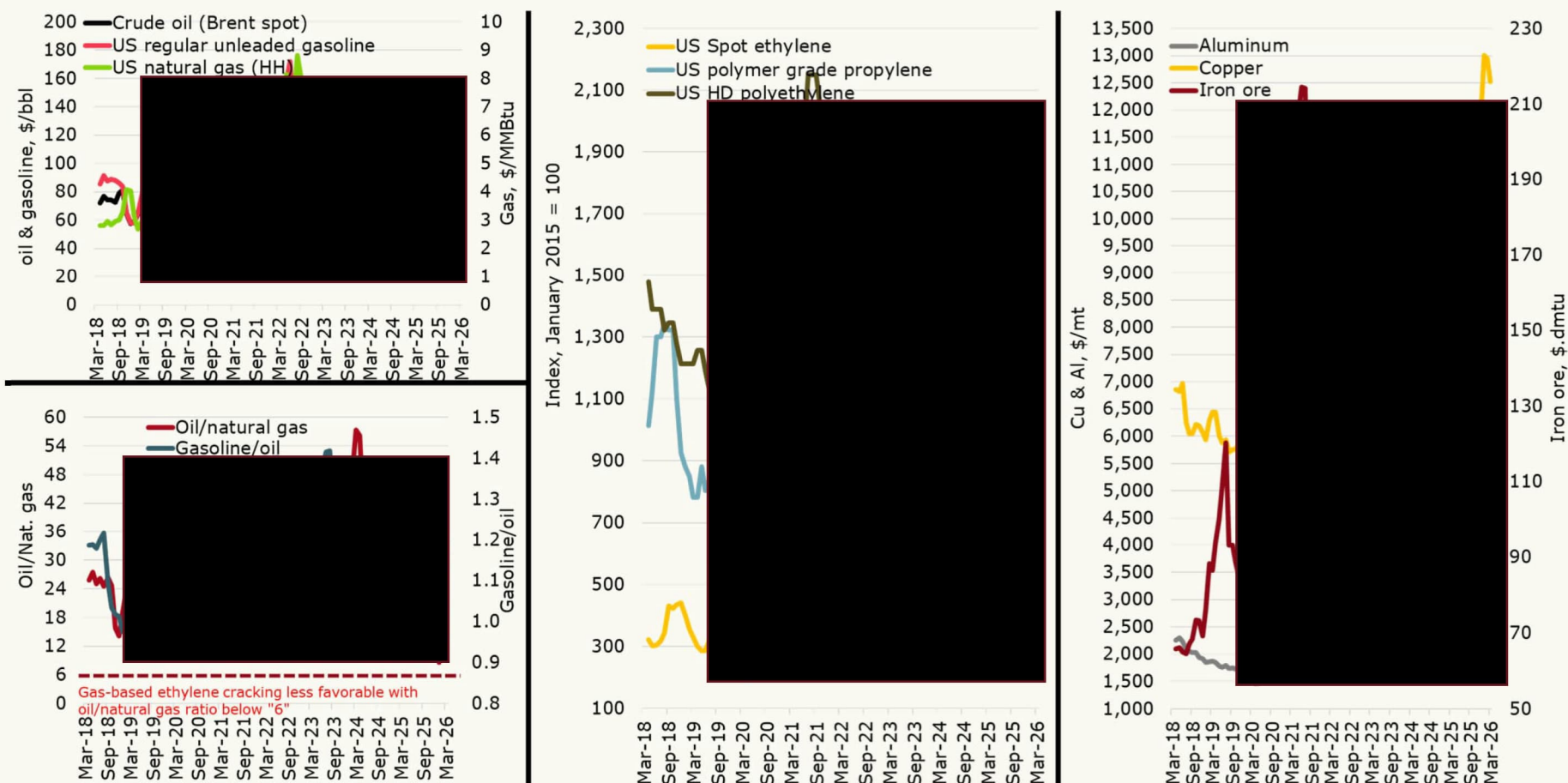


Executive Summary

- Global economic prospects – Uncertainty; Economic expectations were strengthening before Iran conflict; inflation is emerging
- Resources shares are up about 37% from last year; Industrials are rising, showing investor optimism; recent strength boosted by Iran conflict supply constraints and higher profits in Resources
- Key takeaways from recent global petrochemical conferences indicate supply disruption, but continuing mid-term oversupply due to China capacity investment; less ESG focus; greater geopolitical risk; AI provides limited profit improvement
- Commodity prices up 14% from year ago 3/2026; Copper/aluminum prices continue rise with energy transition and supply constraints in the Middle East; oil/natural gas prices impacted by Iran conflict; significant boost to US petrochemical margins
- Logistics: Rising supply chain pressure index shows concern even before Iran conflict; Freight rates down 1.6% in March for deep sea vs. year ago; Rail indicators show a recent slowing in movements; freight expenditures are slowly growing
- M&A may be stalling due to recent geopolitical conflict; focus is on shale oil/gas in energy, specialization in chemicals; precious metals in metals/mining and grid strengthening and renewables in power
- Middle East conflict instability has choked global feedstock “choke points”, causing a massive pricing divergence between expensive naphtha and advantaged ethane
- “Freight Wall” created by rerouting around Africa, which has quadrupled shipping costs and extended lead times by weeks
- Crude oil prices rose sharply in April amid supply disruptions in the Middle East
- European natural gas prices also increased on expectations of LNG supply tightness; however, overall import volumes remained largely unaffected due to higher supplies from the U.S.
- In contrast, U.S. Henry Hub natural gas prices declined in March, reflecting lower domestic consumption and near-record production levels.
- The IEA has revised down its global oil demand outlook for 2026, citing Middle East disruptions, with petrochemical feedstocks experiencing the most pronounced demand impact.
- Meanwhile, Russia’s oil export revenues rose significantly in March, supported by higher oil prices and increased exports to India and China
- OPEC crude oil production fell sharply in March, reaching multi-year lows

Commodity prices up 14% from year ago 3/2026

Copper & aluminum prices continue rise with energy transition and aluminum supply constraints in the Middle East; oil and natural gas prices impacted by Iran conflict



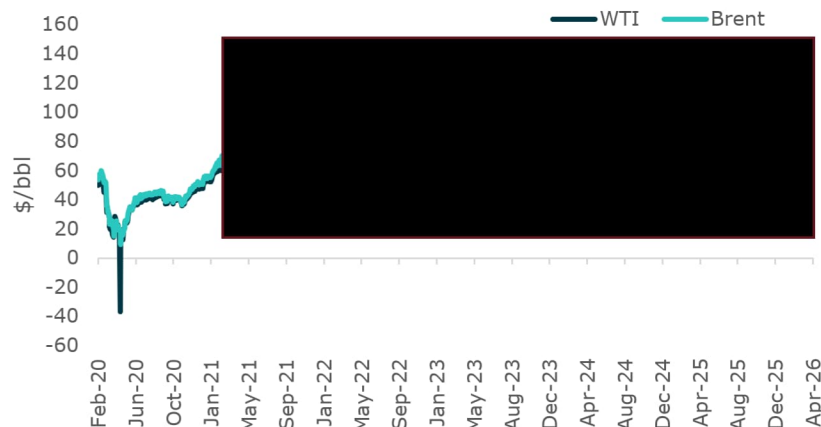
Sources: International Monetary Fund, World Bank, ICIS, OPEC Monthly reports, US Energy Information Administration

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Oil – Prices, Supply & Demand

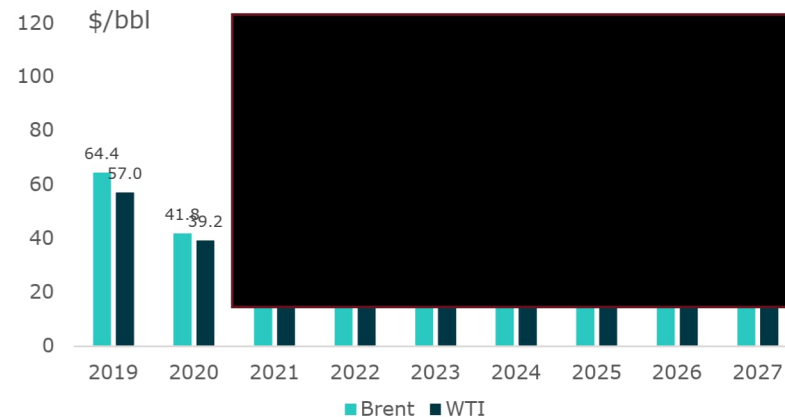
- In March, WTI prices jumped xx% M/M to \$xx/bbl, while Brent rose xx% M/M to \$xx/bbl. These levels marked the highest monthly averages for WTI since August 2022 (\$xx/bbl) and for Brent since July 2022, when it averaged \$xx/bbl. In absolute terms, the price increases were unprecedented, with WTI rising by \$xx/bbl M/M and Brent by \$xx/bbl M/M—both record monthly gains.
- In its latest report, the U.S. Energy Information Administration (EIA) has significantly raised its price forecasts for Brent and WTI for 2026 and 2027 (see the second chart for details).
- On the supply side, the Paris-based International Energy Agency (IEA) estimates that global oil supply in March fell by more than 10 mbpd to around 97 mbpd, driven by continued attacks on energy infrastructure in the Middle East and ongoing restrictions on tanker movements through the Strait of Hormuz.
- On the demand side, the IEA revised down its 2026 global oil demand estimate by 0.51 mbpd as compared with previous month to approximately 104.26 mbpd. While soaring oil prices remain the primary driver of demand destruction, petrochemical feedstocks are bearing immediate war related impacts, as the disruption of Hormuz has thrown Asian supply chains into disarray.
- Meanwhile, OPEC maintained its overall 2026 global oil demand forecast at xx mbpd, but lowered its 2Q26 demand estimate to xx mbpd, down from xx mbpd in the previous month.

Global Crude Oil Prices



Source: EIA

Crude Oil Average Annual Price Trends (EIA forecast)



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