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CAPITAL MARKETS



Financial Market Overview: Middle East Crisis

Matthieu Arseneau and Alexandra Ducharme

NBC Economics and Strategy

July 31, 2026

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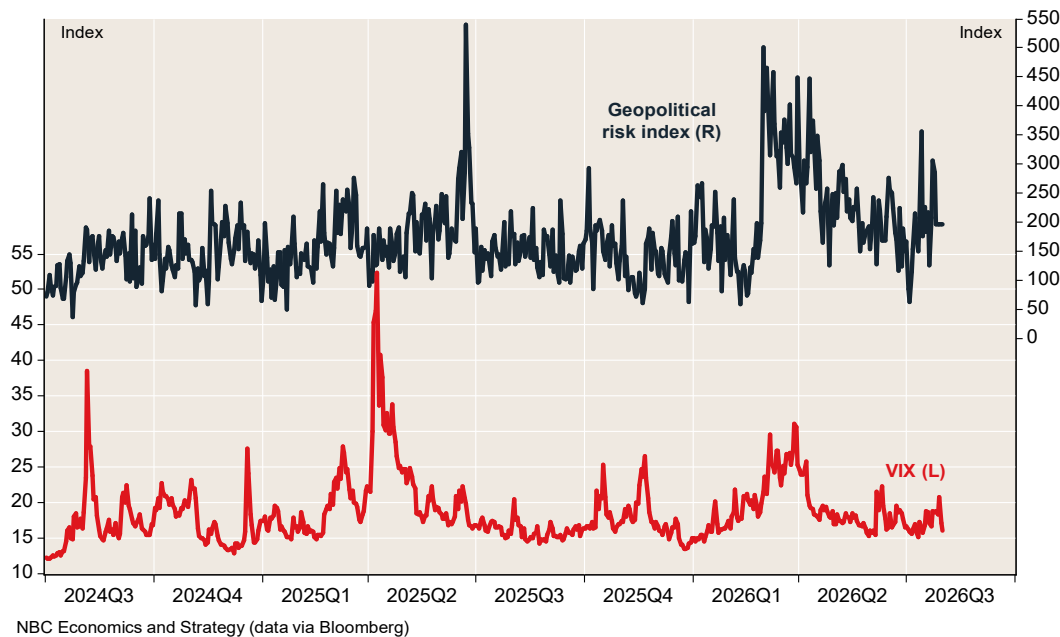
Middle East Crisis

By Matthieu Arseneau and Alexandra Ducharme

Beyond its human toll, the conflict in Iran is unsettling global financial markets. This weekly report provides an overview of the latest relevant data and market developments.

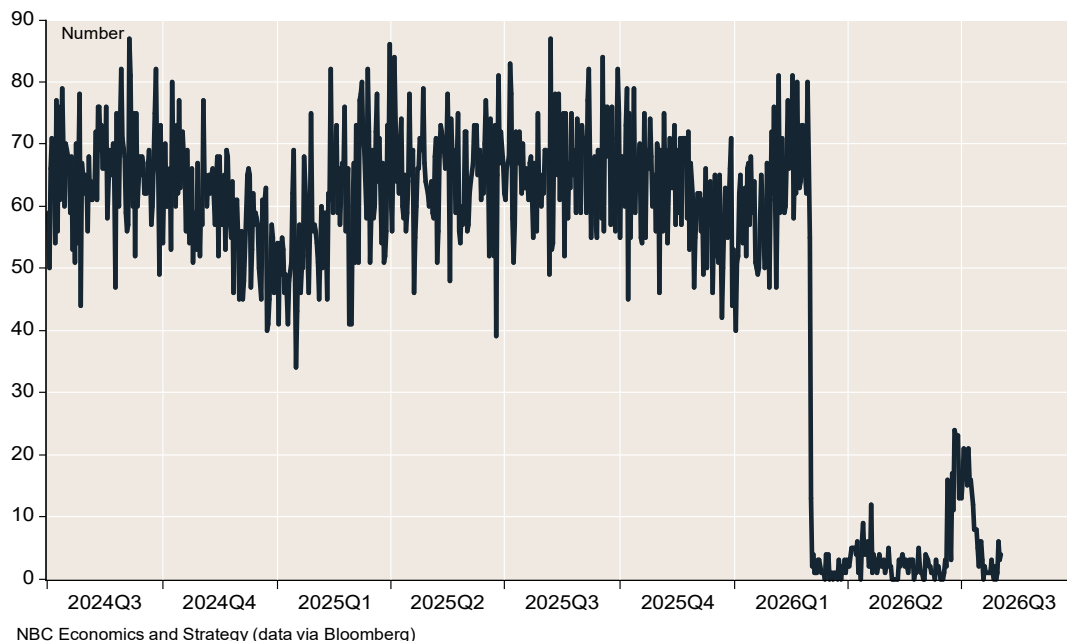
1. World: The geopolitical situation and stock market volatility

Geopolitical risk index (Caldara Iacoviello) and VIX index (S&P 500 expected volatility)



2. World: Maritime traffic severely disrupted in the Strait of Hormuz

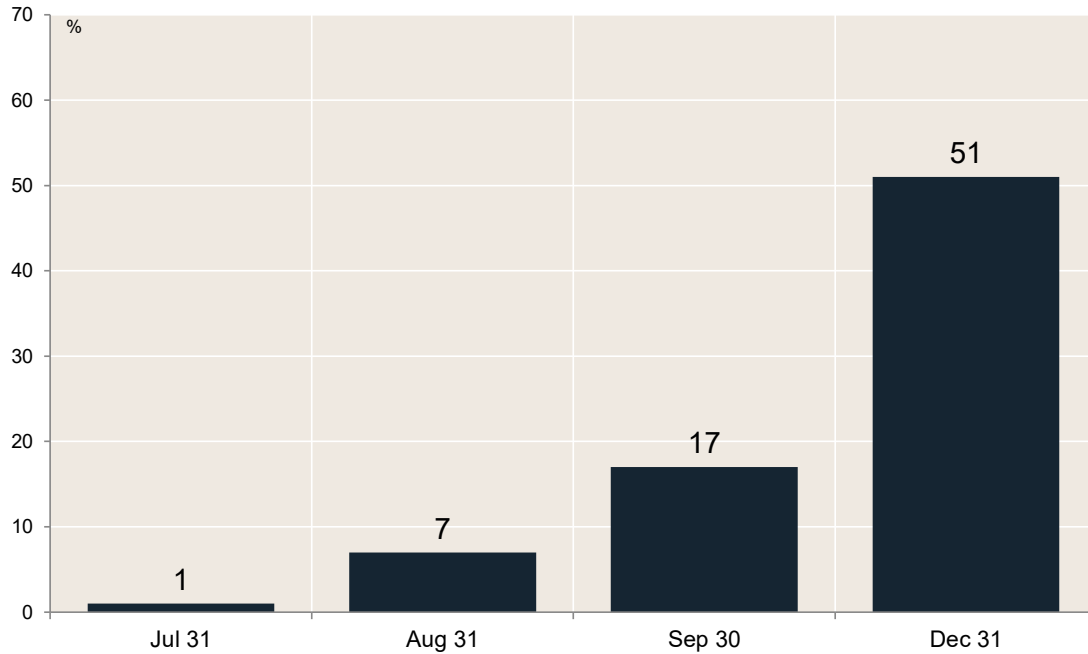
Number of tanker ships transiting through the straight of Hormuz





3. World: Normalization unlikely before fall

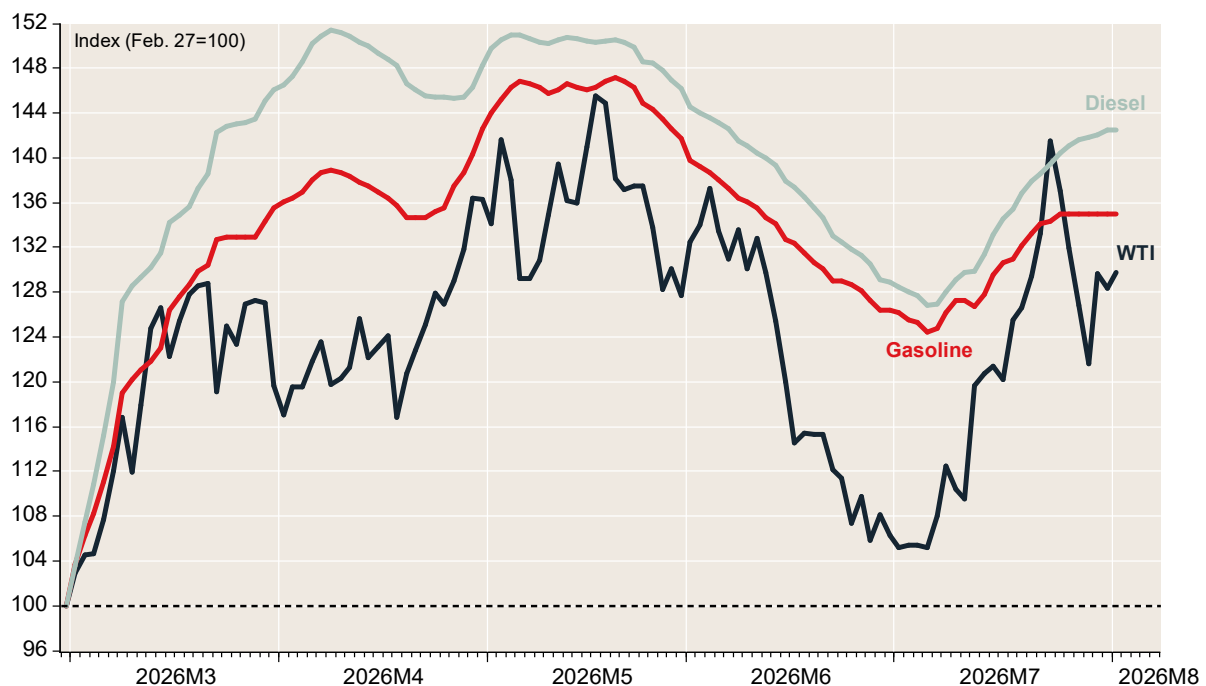
Polymarket probability of traffic through Hormuz returning to normal



NBC Economics and Strategy (data via Polymarket)

4. U.S.: Perspective on refined energy product prices

Price of gasoline, diesel and WTI indexed to February 27

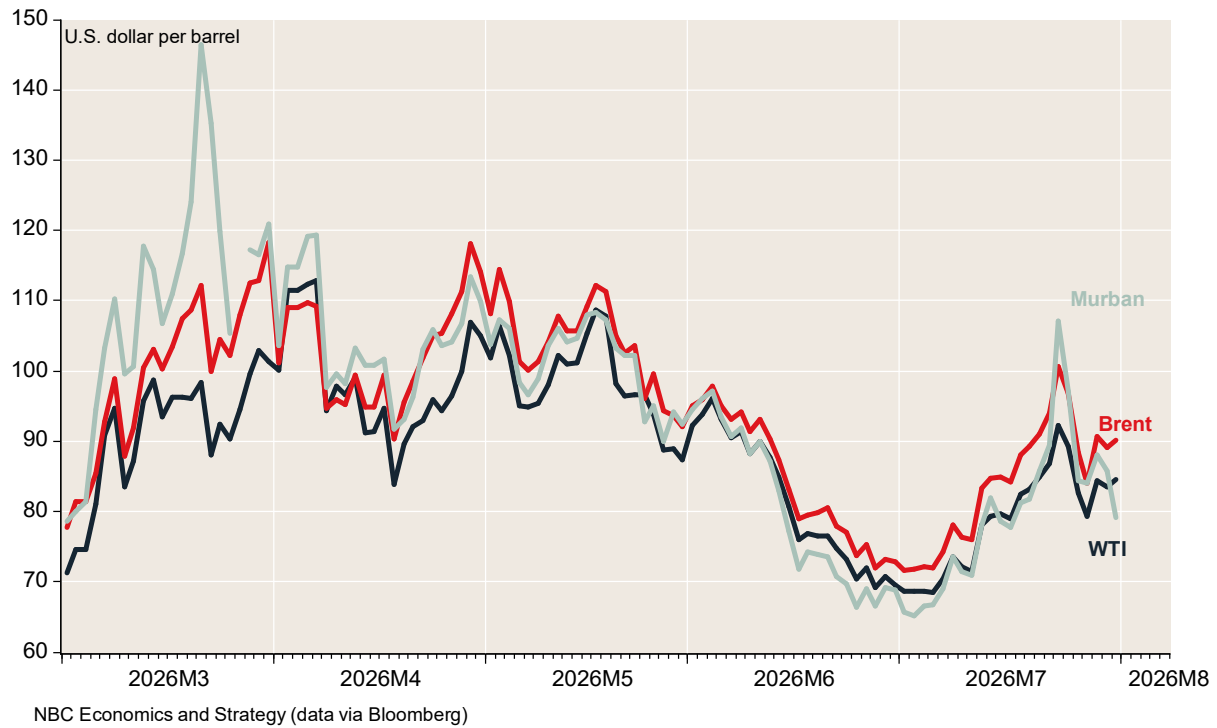


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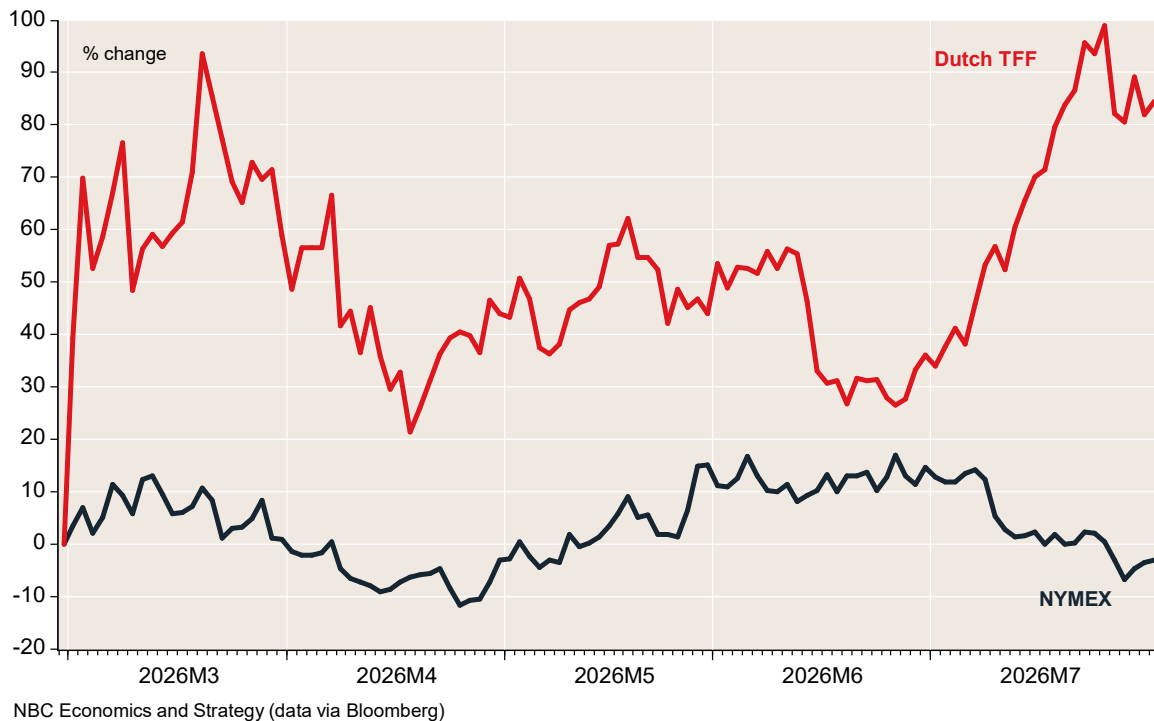
5. World: Perspective on oil prices

Price of a barrel of oil (USD), different benchmarks, since February 27th, 2026



6. World: Perspective on natural gas prices

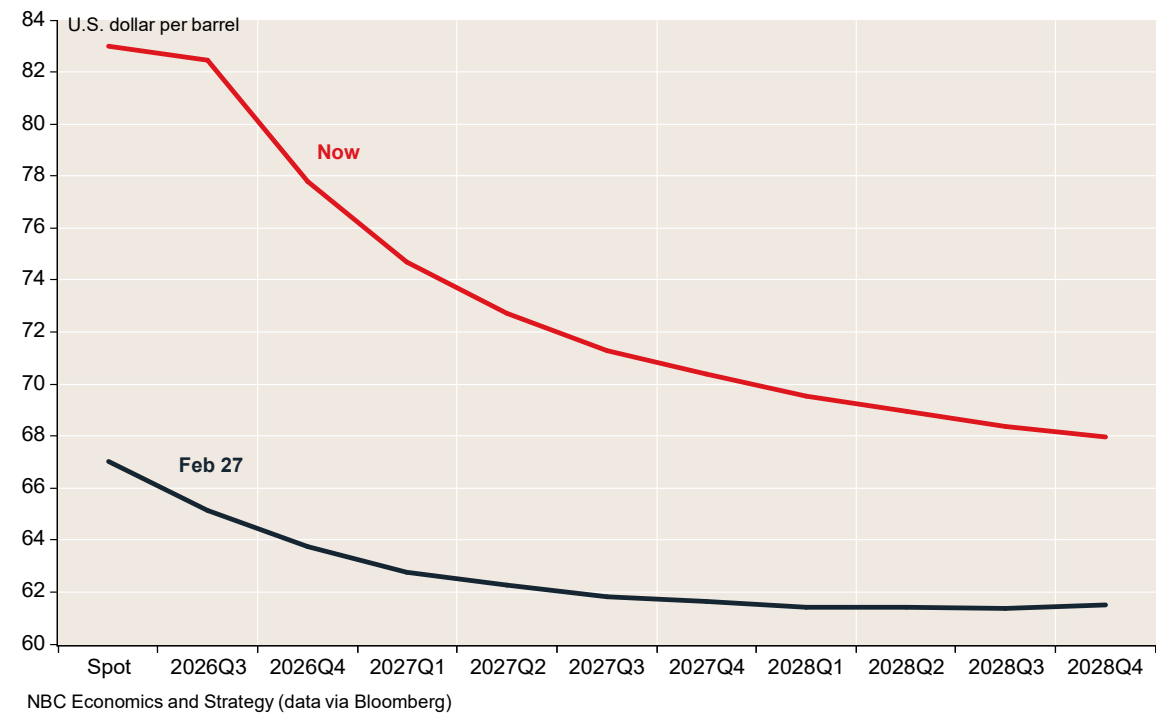
% change in natural price since February 27th 2026





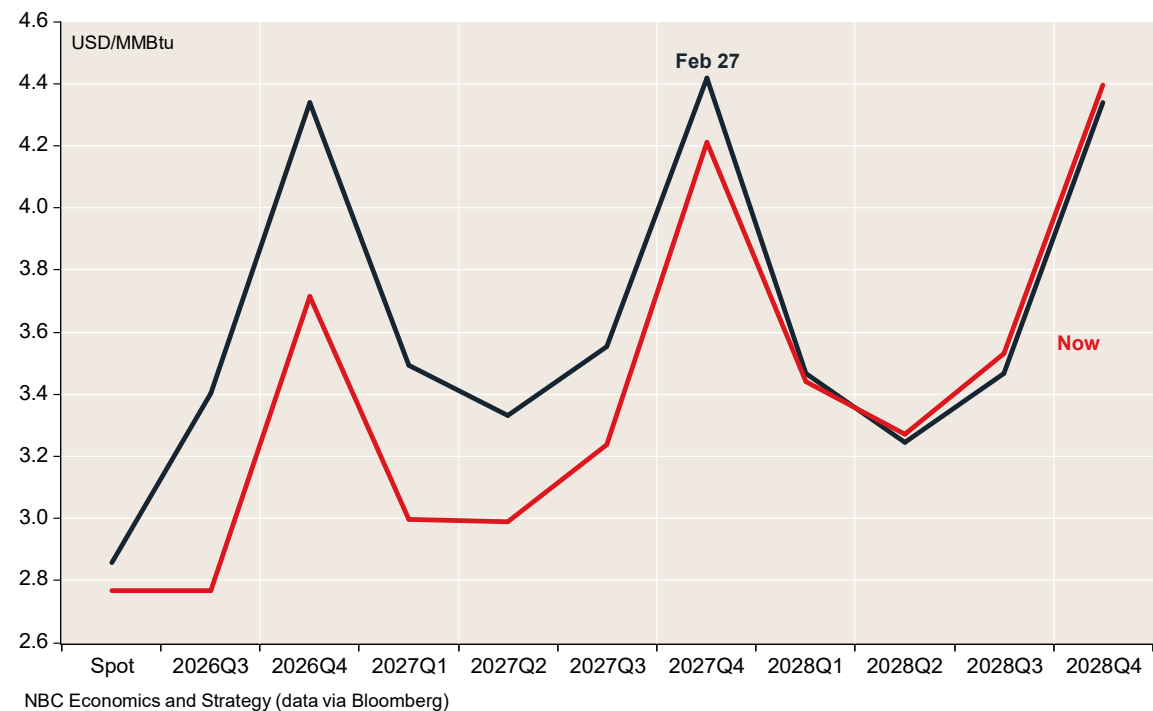
7. World: Forward curve for oil prices

Expected price of a barrel of oil (USD) over the next quarters, pre-war and now



8. World: Forward curve for natural gas prices

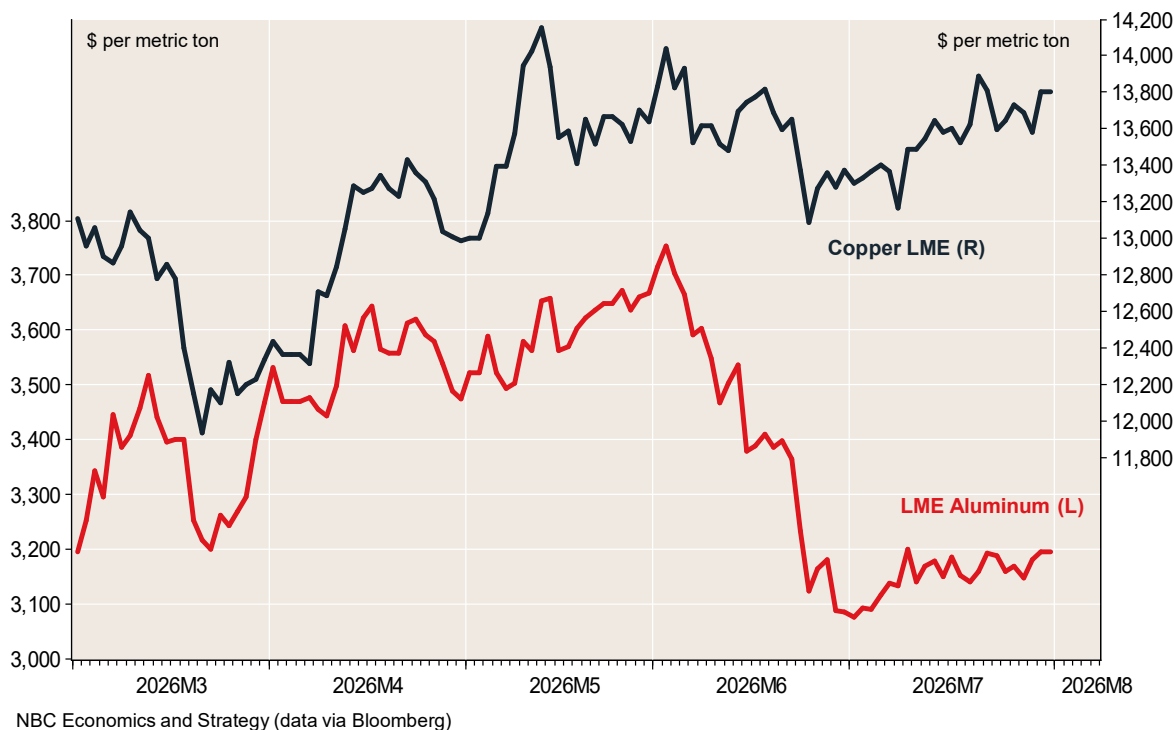
Expected price of natural gas (USD) over the next quarters, pre-war and now





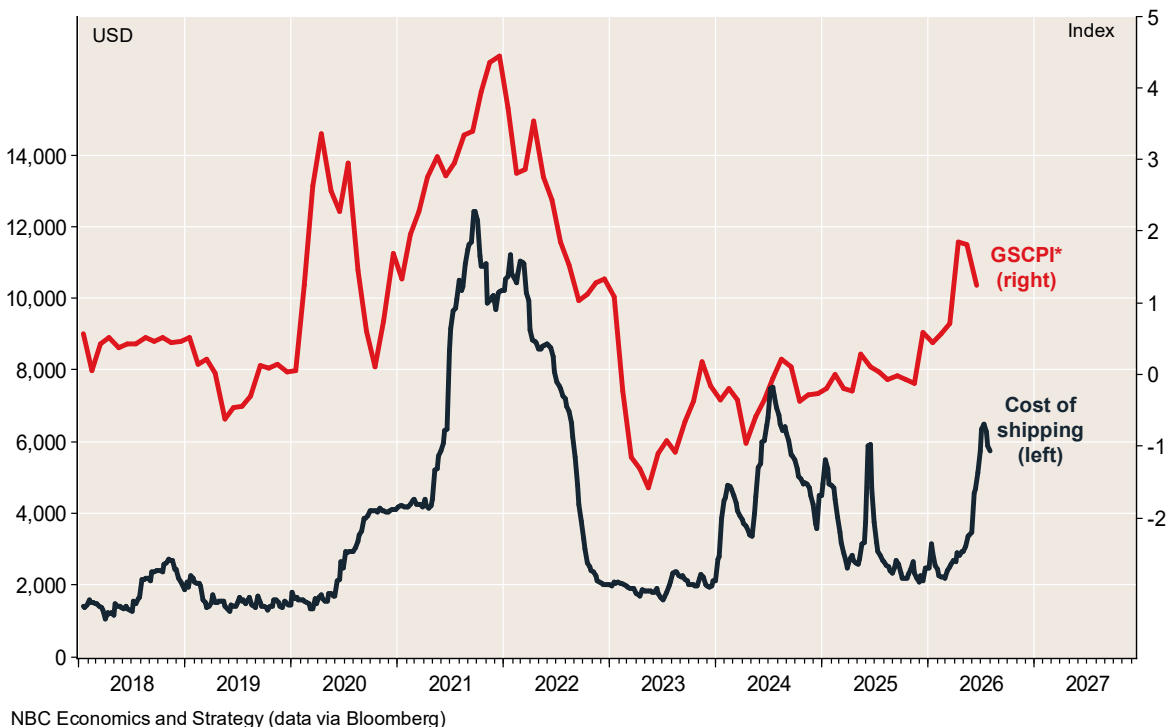
9. World: Perspective on metal prices

Price of aluminum and of copper



10. World: Global supply chains under strain

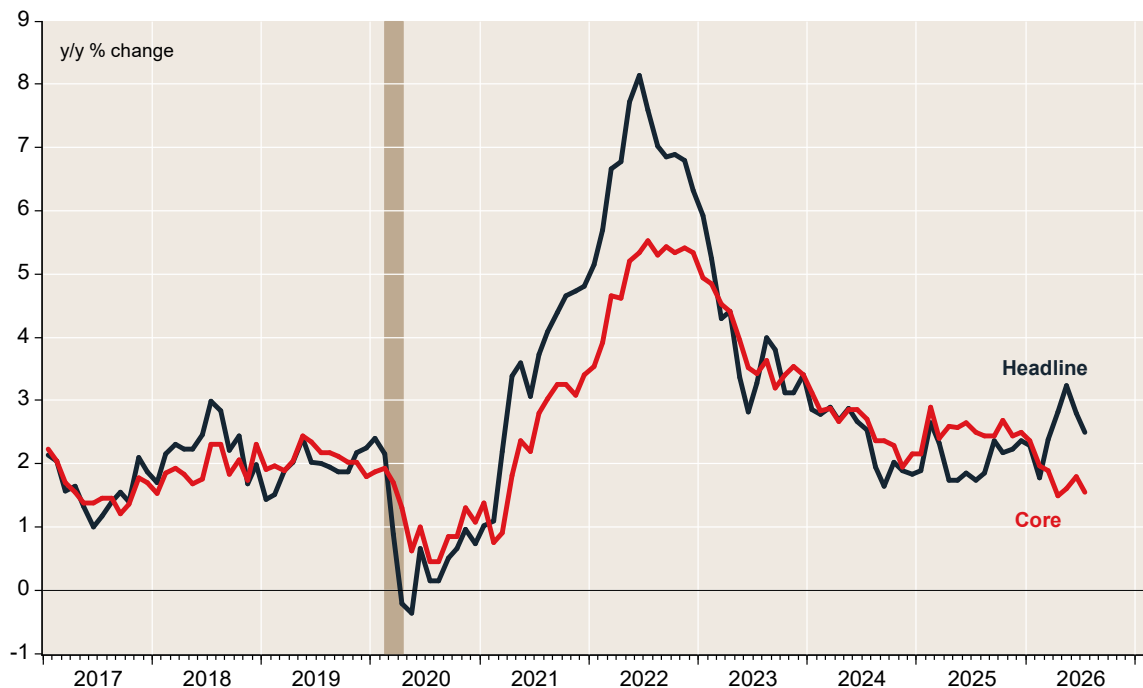
NY Fed Global Supply Chain Pressure Index vs. cost of shipping a container from Shanghai to Los Angeles





11. Canada: Perspective on inflation

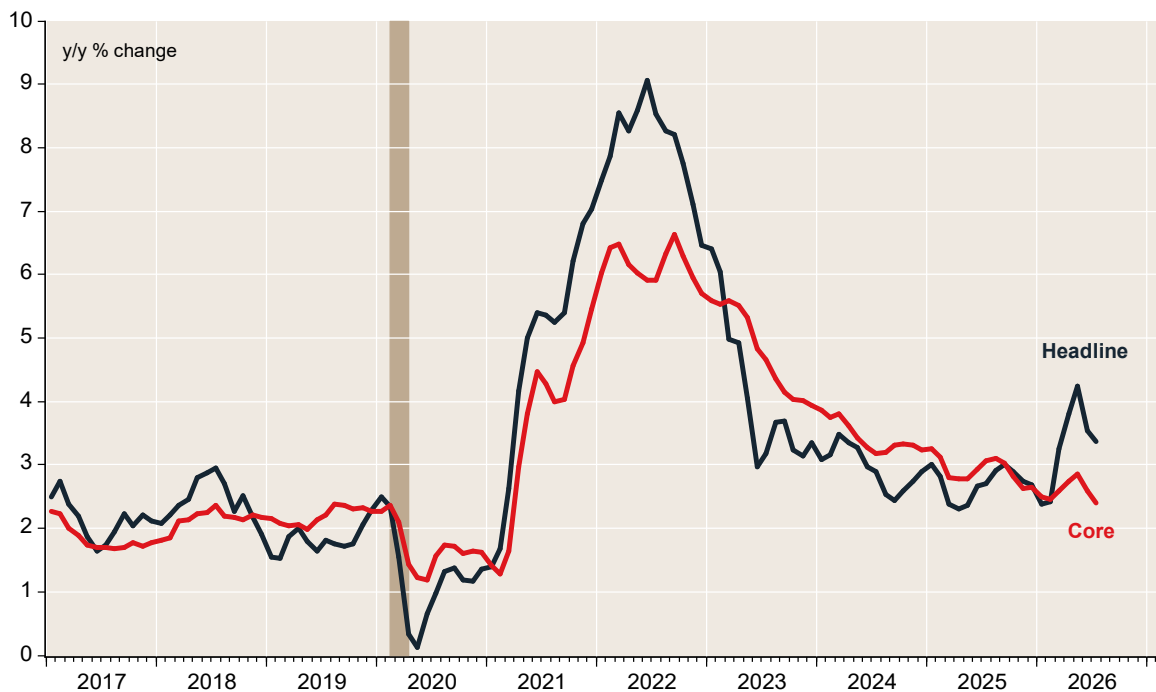
Annual inflation, headline and core (excluding food and energy)



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12. United States: Perspective on inflation

Annual inflation, headline and core (excluding food and energy)

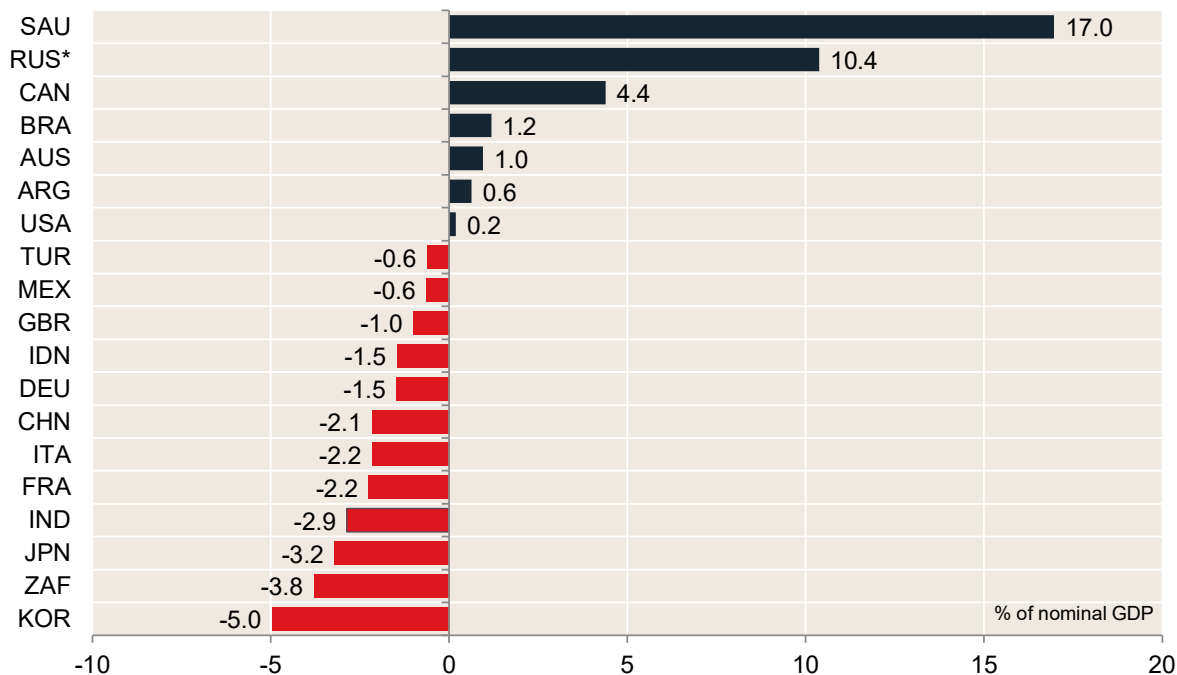


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13. World: Exposure to a rise in energy prices

Trade balance of oil, oil products, and natural gas as a % of nominal GDP by country (2024 or specified)

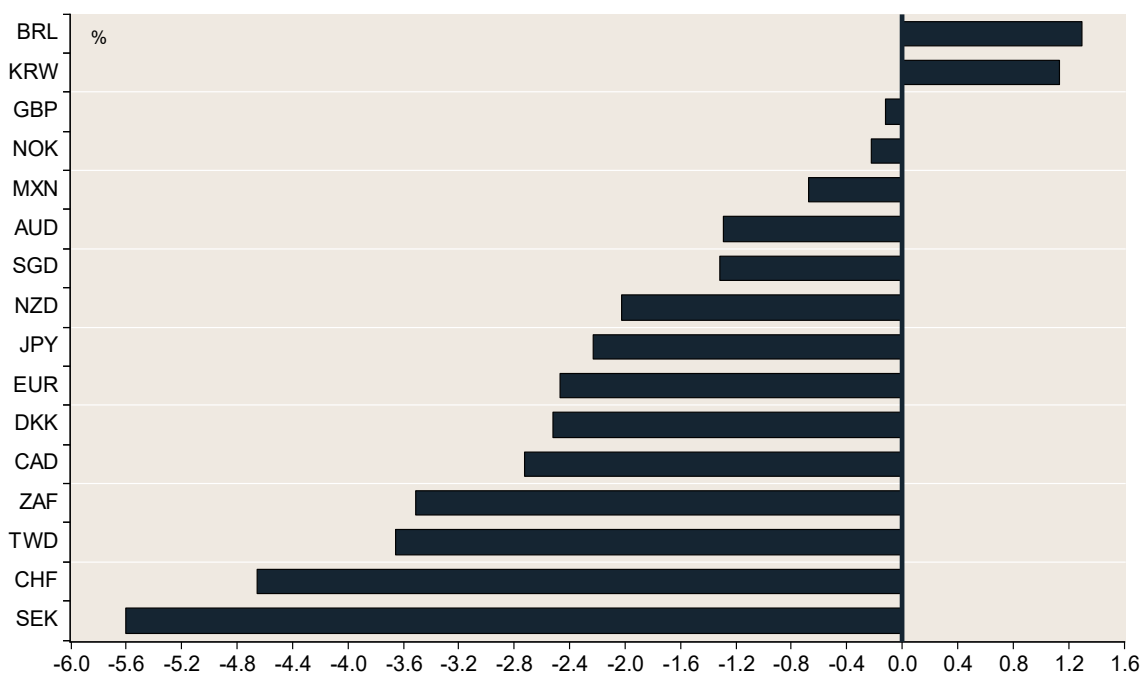


*Latest data are from 2021

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14. Currencies: Mixed performance against the USD

Performance of major currencies against the USD since February 27, 2026

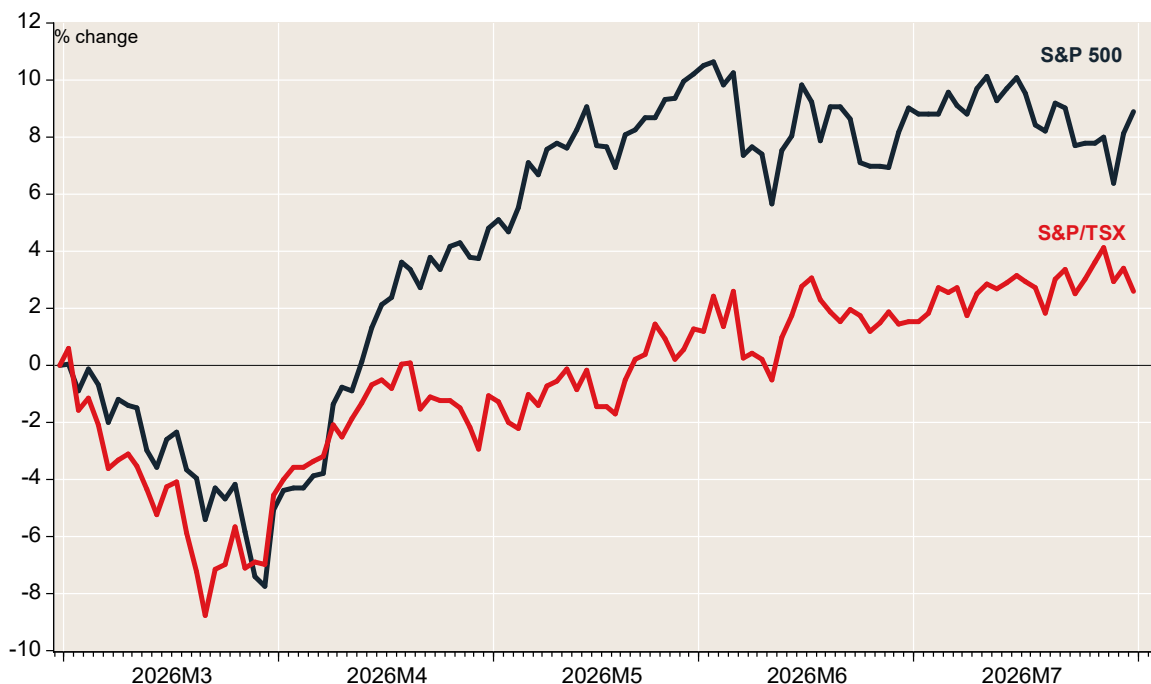


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15. S&P 500 and S&P/TSX: Performance since start of the war

Stock market performance since February 27, 2026



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16. Expected actions by central banks by the end of the year

Magnitude of changes in policy rate by December 2026

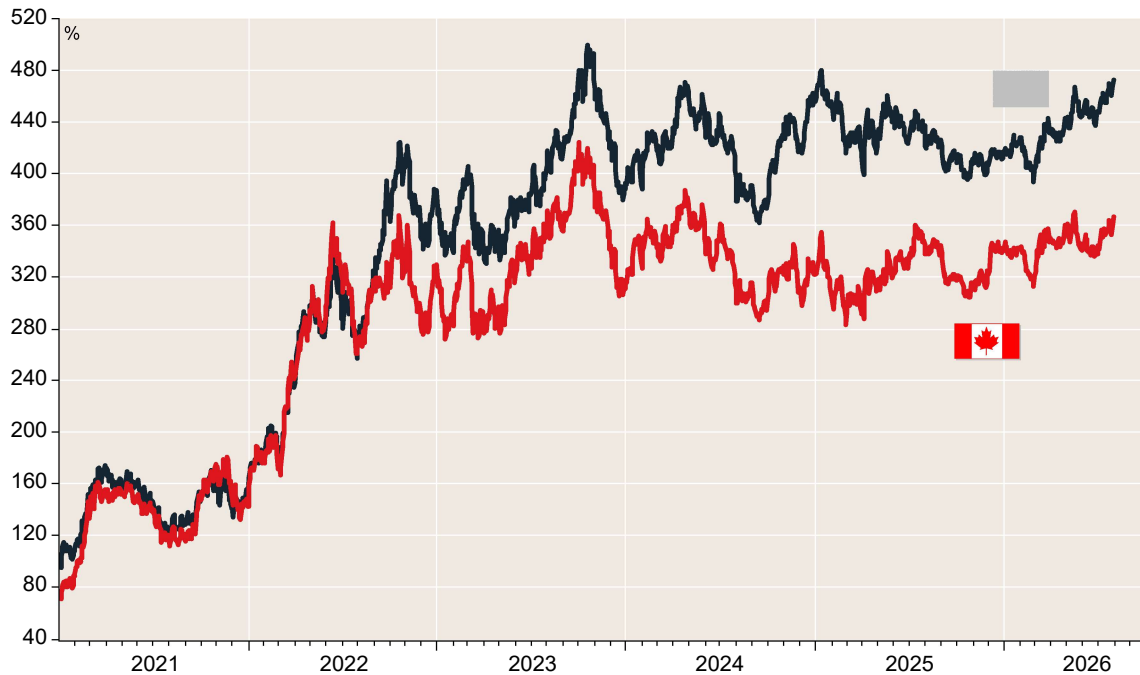


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17. Perspectives on government bond yields

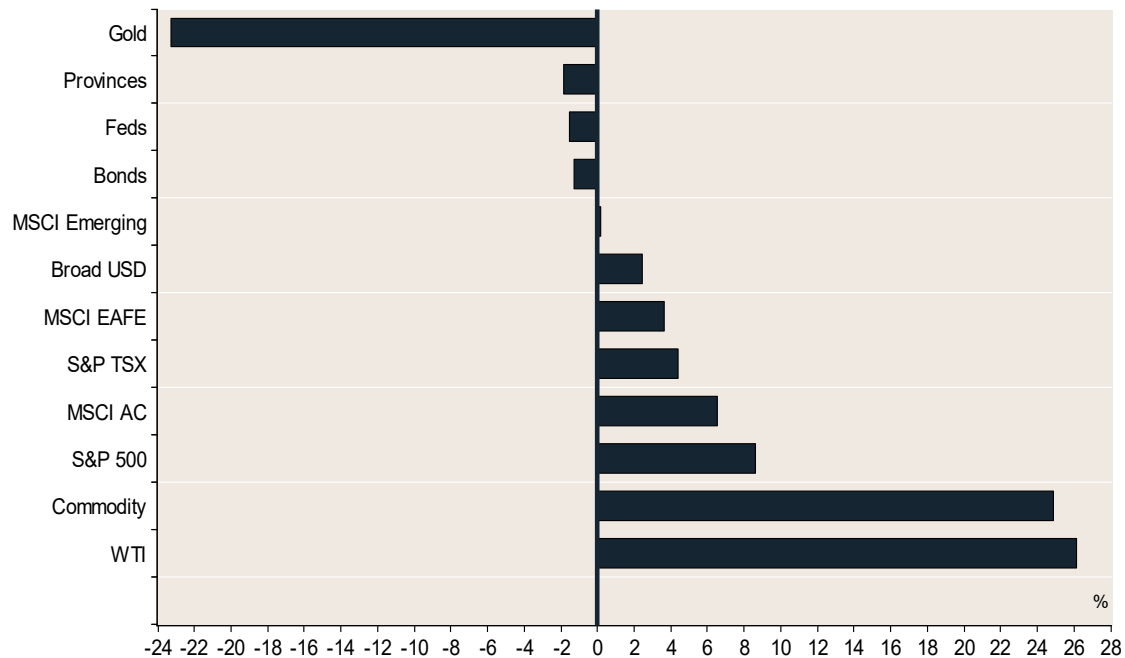
10-year Treasury yields in Canada and the United States



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18. Financial market overview

Performance of major asset classes since February 27, 2026 (Total returns)



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