



April 2026
Scenario Analysis:
War Impact on Commodity Prices

COMMODITY PRICE RISK MANAGEMENT SOLUTIONS

Agriculture Metals Energy Currency Economy Dairy

Scenarios

We have evaluated the impact of war on prices under the following three scenarios.

- 1. Scenario-1: Ceasefire gets Extended, War Ends: WTI Crude Oil (75 -95 USD/BBL)**
- 2. Scenario-2: War extended for 3 months, until Jun'26 (WTI Crude: 90 to 120 USD/BBL)**
- 3. Scenario-3: Prolonged Escalation for 6 Months (WTI Crude: 120 to 150+ USD/BBL)**

Summary: Scenarios and its Impact on Prices									
Commodity	Unit	Pre-war Forecast of Average Prices (Jan'26/Feb' 26)	Current Market Price (9 th April)	Scenario-1 Average Price for 2026	% Change form Pre-War Forecast	Scenario-2 Average Price for 2026	% Change form Pre-War Forecast	Scenario-3 Average Price for 2026	% Change form Pre-War Forecast
Brent Crude Oil	USD/BBL	65	94.8	80	23%	100	54%	125	92%
Plastics (PP,HDPE,ABS)	INR/Kg	110	167	143	30%	176	60%	185	68%
CME Corn	USc/Bsh	497	444	475	-4%	525	6%	580	17%
US Gulf Corn FOB	USD/MT	235	214	225	-4%	245	4%	270	15%
India Maize Nizamabad	INR/Qtl	2175	1870	2100	-3%	2300	6%	2280	5%
CME Wheat	USc/Bsh	540.5	574.5	550	2%	585	8%	600	11%
US SRW FOB	USD/MT	235	248	240	2%	260	11%	268	14%
India Wheat Indore	INR/Qtl	2580	2344	2510	-3%	2600	1%	2700	5%
SMP (MH)	INR/Kg	267	262	270	1%	280	5%	260	-3%

Summary: Scenarios and its Impact on Prices

Commodity	Unit	Pre-war Forecast of Average Prices (Feb'26)	Current Market Price (9 th April)	Scenario-1 Average Price for 2026	% Change form Pre-War Forecast	Scenario-2 Average Price for 2026	% Change form Pre-War Forecast	Scenario-3 Average Price for 2026	% Change form Pre-War Forecast
Brent Crude Oil	USD/BBL	65	94.8	80	23%	100	53%	125	92%
Sugar NY#11	USc/Lbs	16.97	13.92	17.25	1.6%	20	17.9%	23	35.5%
Coffee Arabica	USc/Lb	340	289	300	-12%	330	-3%	280	-18%
Coffee Robusta	USD/tons	3876	3256	3570	-8%	3800	-2%	3300	-15%
Cocoa	USD/tons	3318	3272	3378	+1.8%	3400	+2%	2800	-16%

Scenario-1: Ceasefire gets Extended, War Ends: (WTI Crude Oil: 75 -95 USD/BBL)

Economy & Energy Viewpoint:

- Event if war stops, revision in supply and demand balance of crude from pre war levels of +0.55 to -1.35 to -1.9 mbpd, crude prices are likely to trade in range of USD 75 to USD 95. Demand revival, stimulus package from gulf for reconstruction.
- Reduction in interest rates by 25 bps (pre-war budget 50 bps cut in USA). GDP projections likely to remain near pre-war levels.
- Insurance /Freight cost for raw materials will remain high. During the war, investors sell off precious metals and buy bonds for higher yields/interest rates.

Grains & Dairy Viewpoint:

- Cost push due to higher ethanol blending to get offset by higher yield from corn in US for 2025-26 MY. Higher fertilizers prices to impact the USA corn output for the 2026-27.
- Indian Maize-Ethanol price may not be revised higher or lower as petrol prices for OMCs will be high.
- Y-o-Y higher global wheat stocks by 7% to weigh on the prices.
- Record Indian wheat and corn output to keep the prices subdued, before rising on El Nino Impact, firming up export demand.
- El nino, expected higher diesel / packaging prices: bullish, loss in HORECA demand due to LPG is slightly bearish

Commodity	Unit	Pre-war Forecast of Average Prices (Jan'26/Feb'26)	Current Market Price (9 th April)	Scenario-1 Average Price for 2026	% Change form Pre-War Forecast
Brent Crude	USD/BBL	65	94.8	80	23%
Plastics (PP,HDPE,ABS)	INR/Kg	110	167	143	30%
CME Corn	USc/Bsh	497	444	475	-4%
US Gulf Corn FOB	USD/MT	235	214	225	-4%
India Maize Nizamabad	INR/Qtl	2175	1870	2100	-3%
CME Wheat	USc/Bsh	540.5	574.5	550	2%
US SRW Wheat FOB	USD/MT	235	248	240	2%
India Wheat Indore	INR/Qtl	2580	2344	2510	-3%
SMP (MH)	INR/Kg	267	262	270	1%

Scenario-1: Ceasefire gets Extended, War Ends: (WTI Crude Oil: 75 -95 USD/BBL)

Softs Viewpoint:

- Demand led inflation will be a challenge and El Nino (hot weather, less rains) will disrupt production.
- Higher energy prices favors ethanol parity over gasoline in Brazil. Mills will make more ethanol over Sugar.
- Brazil Sugar production will remain at 41.6 MMT at 48% sugar mix and higher cane crush volume.
- Coffee prices are likely to remain under pressure through June'26, primarily due to peak Brazil harvest arrivals.
- Elevated freight cost supply chain inefficiencies will impact trade in coffee and cocoa
- With relatively stable weather conditions coupled with steady demand growth, cocoa prices are expected to moderate.

Commodity	Unit	Pre-war Forecast of Average Prices (Feb'26)	Current Market Price (9 th April)	Scenario-1 Average Price for 2026	% Change form Pre-War Forecast
Brent Crude Oil	USD/BBL	65	94.8	80	23%
Sugar NY#11	USc/Lbs	16.97	13.92	17.25	1.6%
Coffee Arabica	USc/Lb	340	289	294	-12%
Coffee Robusta	USD/tons	3876	3256	3568	-8%
Cocoa	USD/tons	3318	3272	3378	+1.8%

Scenario-2: War extended for 3 months, until Jun'26 (WTI Crude Oil: 90 to 120 USD/BBL)

Economy & Energy Viewpoint:

- Strait of Hormuz will be impacted for another 3 months leading to ~10 million barrels per day supply will get impact (10% of global supply) but release of strategic reserves. Demand will come down. Other measures will disrupt net supply by around 5 to 6%.
- Inflation in USA could reach 3% (pre-war estimate was 2.3%), GDP 2.4% (pre-war estimate was 2.5%). Higher yields and expectations of rate hikes to support Dollar. Gold might attract risk premium and safe heaven investment, contrary to scenario-1

Grains & Dairy Viewpoint:

- Blending mandates to increase across the globe, supporting the domestic demand, while the higher transit time to reduce trade flows.
- Global wheat output likely to drop by 4% on higher fertilizer prices across SH, leading to upside in the prices.
- Domestic prices are likely to get supported on Increased ethanol and export demand, while partial shutdown on HORECA to keep feed demand subdued.
- Limited availability of fertilizers to result in dropping of the wheat acreage of 2027-28 season and improve exports to Bangladesh.
- Higher logistics and packaging cost along with El Nino related production concern to push prices up.

Commodity	Unit	Pre-war Forecast of Average Prices (Jan'26/Feb'26)	Current Market Price (9 th April)	Scenario-2 Average Price for 2026	% Change form Pre-War Forecast
Brent Crude	USD/BBL	65	94.8	100	54%
Plastics (PP,HDPE,ABS)	INR/Kg	110	167	176	60%
CME Corn	USc/Bsh	497	444	525	6%
US Gulf Corn FOB	USD/MT	235	214	245	4%
India Maize Nizamabad	INR/Qtl	2175	1870	2300	6%
CME Wheat	USc/Bsh	540.5	574.5	585	8%
US SRW FOB	USD/MT	235	248	260	11%
India Wheat Indore	INR/Qtl	2580	2344	2600	1%
SMP (MH)	INR/Kg	267	262	280	5%

Scenario-2: War extended for 3 months, until Jun'26 (WTI Crude Oil: 90 to 120 USD/BBL)

Softs Viewpoint:

- Crude oil rising towards USD 90 to 120 /BBL will further prompt Brazil to produce more ethanol at 55% ethanol mix.
- Brazil Sugar production might fall by 2.6 MMT at 39.3 MMT, considering 45% sugar mix
- Super Al Nino building up to reduce output from Thailand
- In India, focus on higher ethanol blending and lesser scope for sugar exports.
- The freight rates are expected to rise further amid escalating shipping costs, container shortages, and persistent logistical disruptions for coffee and cocoa resulting in export delays.
- High fertilizer price to keep production marginal down from Brazil, Viet from upcoming season.
- Demand growth could slow down.

Commodity	Unit	Pre-war Forecast of Average Prices (Feb'26)	Current Market Price (8 th April)	Scenario-2 Average Price for 2026	% Change form Pre-War Forecast
Brent Crude Oil	USD/BBL	65	94.8	100	54%
Sugar NY#11	USc\Lbs	16.97	13.92	20	17.9%
Coffee Arabica	Usc/Lb	340	289	330	-3%
Coffee Robusta	USD/tons	3876	3256	3800	-2%
Cocoa	USD/tons	3318	3272	3640	+2%

Scenario-3: Prolonged Escalation for 6 Months (WTI Crude Oil: 120 to 150+ USD/BBL)

Economy & Energy Viewpoint:

- In this scenario, war prolongs for 6 months it will result into panic buying and elevated freight and risk premiums leading to higher crude prices.
- 2026 USA inflation to go beyond 3.5%; GDP growth to be trimmed to 2%, potential Fed interest rate hikes to 4.1% (current 3.4%).
- Inflation to go beyond 6% and current account deficit to reach above 3% of GDP with domestic industrial demand to fall sharply during H1FY27; steep Rupee depreciation, GDP growth to be trimmed down to 4% YoY, interest rates to raise to 6% (current 5.25%).
- Gold prices are likely to rise sharply with fall in confidence on dollar and market questioning USA hegemony

Grains & Dairy Viewpoint:

- Volatile crude oil prices to support the ethanol related corn demand, and South America crop for next MY to drop, on high fertilizer prices
- Possible drop in wheat acreage across SH to keep supplies limited from OND'26, supporting the prices.
- Indian corn poultry demand to be affected on limited HORECA demand, while Ethanol demand to support the prices.
- Possible Govt. interventions, and lower industrial consumption to keep Indian wheat prices in check.
- Demand loss in unorganized sector would be met by decline in output which is expected to slow down SMP production.

Commodity	Unit	Pre-war Forecast of Average Prices (Jan'26)	Current Market Price (9 th April)	Scenario-3 Average Price for 2026	% Change form Pre-War Forecast
Brent Crude	USD/BBL	65	94.8	125	92%
Plastics (PP,HDPE,ABS)	INR/Kg	110	167	185	68%
CME Corn	USc/Bsh	497	444	580	17%
US Gulf Corn FOB	USD/MT	235	214	270	15%
India Maize Nizamabad	INR/Qtl	2175	1870	2280	5%
CME Wheat	USc/Bsh	540.5	574.5	600	11%
US SRW FOB	USD/MT	235	248	268	14%
India Wheat Indore	INR/Qtl	2580	2344	2700	5%
SMP (MH)	INR/Kg	267	262	260	-3%

Scenario-3: Prolonged Escalation for 6 Months (WTI Crude Oil: 120 to 150+ USD/BBL)

Softs Viewpoint:

- Brazil will continue to focus more on ethanol production, which will increase the ethanol mix to 57%. Total Sugar production loss will be 4.1 MMT compared to Scenario-1, towards 35.2 MMT.
- However, continued war will lead to lower imports particularly, in raw sugar category. Middle East refineries import around 4 to 5 MMT of raw from Brazil. In India, focus on higher ethanol blending and ban on sugar exports.
- At elevated price levels, demand destruction begins to emerge in coffee (Around 2-3 million bags in Coffee and around 2-3% lower grinding in cocoa)
- Cocoa prices to rise initially; however, higher energy costs increase processing and manufacturing expenses, which reduce cocoa grinding margins, leading to lower grindings and ultimately putting downward pressure on prices as demand weakens.
- El Niño builds up to keep prices relatively inflated despite demand destruction

Commodity	Unit	Pre-war Forecast of Average Prices (Feb'26)	Current Market Price (8 th April)	Scenario-3 Average Price for 2026	% Change form Pre-War Forecast
Brent Crude Oil	USD/BBL	65	94.8	125	92%
Sugar NY#11	USc/Lbs	16.97	13.92	23	35.5%
Coffee Arabica	USc/Lb	340	289	280	-18%
Coffee Robusta	USD/tons	3876	3256	3300	-15%
Cocoa	USD/tons	3318	3272	2800	-16%

LEGAL INFORMATION

This document is the whole property of TransGraph Consulting Private Limited, Hyderabad, India (hereafter TransGraph").

The following acts are strictly prohibited: Reproduction and/or forwarding for sale or any other uses

Posting on any communication medium Transmittal via the Internet

Terms of Usage

Upon receipt of this document either directly or indirectly, it is understood that the user will and must fully comply with the other terms and conditions of Trans Graph. By accepting this document the user agrees to be bound by the foregoing limitations.

This publication is prepared by TransGraph and protected by copyright laws. Unless otherwise noted in the Service Agreement, the entire contents of this publication are copyrighted by Trans Graph, and may not be reproduced, stored in another retrieval system, posted on any communication medium, or transmitted in any form or by any means without prior written consent of Trans Graph. Unauthorized reproduction or distribution of this publication, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent necessary to protect the rights of Trans Graph.

The information and opinions contained in this report have been obtained from sources Trans Graph believed to be reliable, but no representation or warranty, express or implied, is made that such information is accurate or complete and it should not be relied upon as such.

This report does not constitute a prospectus or other offering document or an offer or solicitation to buy or sell any assets (commodities, currencies, etc) or other investment. Information and opinions contained in the report are published for the assistance of recipients, but are not to be relied upon as authoritative or taken in substitution for the exercise of judgment by any recipient; they are subject to change without any notice and not intended to provide the sole basis of any evaluation of the instruments discussed herein. Any views expressed reflect the current views of the analysts, which do not necessarily correspond to the opinions of TransGraph or its affiliates. Opinions expressed may differ from views set out in other documents, including research, published by TransGraph.

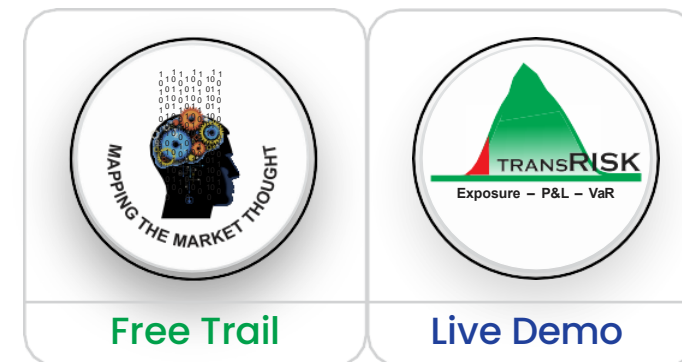
Any reference to past performance should not be taken as an indication of future performance. No member in the public related to Trans Graph accepts any liability whatsoever for any direct or consequential loss arising from any use of material contained in this report.

Analyst Certification

Each analyst responsible for the preparation of this report certifies that (i) all views expressed in this report accurately reflect the analyst's views about any and all of the factors and assets (commodities, currencies, etc) named in this report, and (ii) no part of the analyst's compensation is directly or indirectly, related to the execution of the specific recommendations or views expressed here in.

Copyright © Trans Graph Consulting Private Limited, Hyderabad, India.

Thank You!



Schedule an Interaction

Research Queries: services@transgraph.com

Sales: mktg@transgraph.com

TransRisk software: demo@transgraph.com

Contact Us: [+91 77998 86679](tel:+917799886679)

www.transgraph.com | www.transrisk.net

TransGraph Consulting Private Limited

1206, 12th Floor, Tower 1, Vasavi's Shalom Skycity,
Gachibowli, Hyderabad, Telangana, India - 500032