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Scenario Analysis:

War Impact on Commodity Prices

COMMODITY PRICE RISK MANAGEMENT SOLUTIONS

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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 for CY 2026 (Feb'26)	Current Market Price (10th April)	Actual Avg-JFM'26	Scenario-1 Average Price for 2026	% Change form Pre-War Forecast	Scenario-2 Average Price for 2026	% Change from Pre-War Forecast	Scenario-3 Average Price for 2026	% Change form Pre-War Forecast
Brent Crude Oil	USD/Bl	65	95.20	78.37	80	23%	100	53%	125	92%
BMD CPO Futures	MYR/MT	4025	4538	4240	4400	9%	5000	24%	5400	34%
MY RBD Olein	USD/T	1040	1185	1112	1125	8%	1230	18%	1300	25%
CME SBO Futures(Jul'26)	Usc/Lbs	58	67.02	58.7	64	10%	70	21%	75	29%
Arg SBO FOB	USD/T	1085	1237	1150	1150	6%	1100	1%	1100	1%
Ukraine SFO FOB	USD/T	1240	1350	1334	1320	6%	1350	9%	1400	13%
India RBD Olein Kandla	INR/10 Kg	1270	1420	1313	1350	6%	1680	32%	1800	42%
Ref SBO Indore	INR/10 Kg	1333	1530	1374	1370	3%	1720	29%	1840	38%
Ref SFO Kandla	INR/10 Kg	1510	1720	1415	1520	1%	1710	13%	1820	21%
Mustard Oil Expeller	INR/10 Kg	1420	1445	1409	1480	4%	1780	25%	1850	30%

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

Global Economy and Energy Viewpoint:

- Due to supply disruptions, 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.

Veg Oil Viewpoint

- Higher BD mandates at Indonesia and Thailand to absorb ~1 MMT of Palm oil
- Demand destruction of 0.8 MMT from HORECA segment in AMJ'26 quarter (@ SEA and N Africa) to offset such high demand from biodiesel segment keeping the SnD situation stable at pre war levels
- SA high soy crop overhang to be visible during MJJA'26 amid peak production months of palm leading to increased competitiveness
- Fertilizer (mostly urea) shortages would lead to NH countries sifting from corn and wheat to legume crop like soybean and sunflower.
- JAS'26 onwards the strong EL-Nino would kick in aggressive buying or stock transfer from origins to destinations.
- Overall, the current war situation is likely to result in an increase in yearly average by 3-10% at various origins and destination prices

Commodity	Unit	Pre-war Forecast of Average Prices for CY 2026 (Feb'26)	Current Market Price (10th April)	Scenario-1 Average Price for 2026	% Change form Pre-War Forecast
Brent Crude Oil	USD/Bl	65	95.20	80	23%
BMD CPO Futures	MYR/MT	4025	4538	4400	9%
MY RBD Olein	USD/T	1040	1185	1125	8%
CME SBO Futures	Usc/Lbs	58	67.02	64	10%
Arg SBO FOB	USD/T	1085	1237	1150	6%
Ukraine SFO FOB	USD/T	1240	1350	1320	6%
India RBD Olein Kandla	INR/10 Kg	1270	1420	1350	6%
Ref SBO Indore	INR/10 Kg	1333	1530	1370	3%
Ref SFO Kandla	INR/10 Kg	1510	1720	1520	1%
Mustard Oil Expeller	INR/10 Kg	1420	1445	1480	4%

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

Global Economy and 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

Veg Oil Viewpoint

- Higher BD mandates at Indonesia ,Thailand and other nations to absorb >2.5 MMT of Palm oil while discretionary BD production from SBO would increase by >2 MMT at Argentina, Brazil and USA
- Low import of SBO from SA would keep very higher dependency of palm oil at multiple destinations like India subcontinent , Africa and SEA nations (creating a palm premium over soybean oil.
- Demand rationing (both Industrial +Household) amid high prices to kick in at all destinations until JAS'26 but would be lower than the demand increment from the biodiesel segment
- Post JAS'26 strong EL-Nino would result in aggressive buying and would lead to a very tight stock situation at origins
- Overall, the current war situation is likely to result in an increase in yearly average by 20% at various origins and destination prices

Commodity	Unit	Pre-war Forecast of Average Prices for CY 2026 (Feb'26)	Current Market Price (10th April)	Scenario-2 Average Price for 2026	% Change from Pre-War Forecast
Brent Crude Oil	$/Bbl	65	95.20	100	53%
BMD CPO Futures	MYR/MT	4025	4538	5000	24%
MY RBD Olein	USD/T	1040	1185	1230	18%
CME SBO Futures	Usc/Lbs	58	67.02	70	21%
Arg SBO FOB	USD/T	1085	1237	1100	1%
Ukraine SFO FOB	USD/T	1240	1350	1350	9%
India RBD Olein Kandla	INR/10 Kg	1270	1420	1680	32%
Ref SBO Indore	INR/10 Kg	1333	1530	1720	29%
Ref SFO Kandla	INR/10 Kg	1510	1720	1710	13%
Mustard Oil Expeller	INR/10 Kg	1420	1445	1780	25%

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

Global Economy and Energy Viewpoint:

- In this scenario, war prolongs for 6 months and beyond.
- Prolonged war 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.

Veg Oil Viewpoint

- Higher BD mandates at Indonesia ,Thailand and other nations to absorb >2.5 MMT of Palm oil while discretionary BD production from SBO would increase by >2 MMT at Argentina, Brazil and USA
- Veg Oil consumption in food segment to falter at all price sensitive destinations like Asia and Africa amid higher inflationary situation.
- Combined impact of Fertilizer (mostly urea) shortage and El-Nino potential steep production loss in palm at Indonesia and Thailand.
- High freight and lingering vessel shortages to aggravate, which would keep SBO uncompetitive vs. palm keeping the palm oil demand higher
- Overall, the current war situation is likely to result in an increase in yearly average by 30%+ at various origins and destination prices

Commodity	Unit	Pre-war Forecast of Average Prices for CY 2026 (Feb'26)	Current Market Price (10th April)	Scenario-3 Average Price for 2026	% Change form Pre-War Forecast
Brent Crude Oil	$/Bbl	65	95.20	125	92%
BMD CPO Futures	MYR/MT	4025	4538	5400	34%
MY RBD Olein	USD/T	1040	1185	1300	25%
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