



| | |
|---|-----------------|
| Support / Potential "buy" levels | \$8,400. |
| Resistance | \$8,700. |

OUR TACTICAL PLAYBOOK: CASH BUFFERS AND ENERGY LEVERAGE

As we move through the final days of March, the geopolitical backdrop has become increasingly binary, and in our view, markets are under-pricing just how close we are to a meaningful inflection point. With the U.S.-Israeli air campaign, Operation Epic Fury, now into its second month, the trajectory of the conflict appears to be shifting. What began as a high-intensity aerial campaign is now approaching a potential transition toward ground engagement, and that shift carries very different implications for global assets.

Against this backdrop, we are positioning portfolios with a clear objective in mind: capital preservation first, with selective exposure to areas that can benefit from volatility. This is why we have made the deliberate decision to increase both our cash allocation and our tactical exposure to energy. We do not see this as a defensive retreat, but rather as a disciplined repositioning ahead of what we consider a "hard deadline" for markets on April 6.

| Scenario | Probability | Market Impact | Oil Outlook | Our Tactical Action |
|--|-------------|---|---|--|
| Limited Ground Incursion (targeted strike on key infrastructure) | 40% | Sharp risk-off move; equities pull back 3–5% | Spike toward ~US\$120/bbl | Maintain overweight energy; selectively deploy cash into dislocated, high-quality names |
| Prolonged Air Campaign / Status Quo | 40% | Range-bound, weak equity markets; gradual drift lower | Elevated, ~US\$100–110/bbl with upside bias | Hold energy as inflation hedge; maintain 10–20% cash for flexibility |
| Diplomatic Breakthrough (15-point plan accepted) | 15% | Strong relief rally; risk sentiment improves rapidly | Oil retraces toward ~US\$85–95/bbl | Deploy capital decisively into high-quality equities trading at deep value; rotate from defensives into growth and cyclicals |
| Full-Scale Ground War (tail risk escalation) | 5% | Broad capitulation; potential 10–15% sell-off | Surge above ~US\$130/bbl | Preserve capital; maintain high cash; rely on energy as hedge; delay aggressive re-entry |

The Two-Pronged Risk: Scenarios for April 6–10

From our perspective, the expiration of the 10-day pause on energy infrastructure strikes on April 6 at 8:00 PM ET represents a clear pivot point. In conversations across institutional desks and military analysis channels, four potential paths are being debated. However, we believe two scenarios dominate the probability distribution, together accounting for roughly 80% of likely outcomes.

1. **The first is a limited ground incursion**, which we assign a 40% probability. Should Tehran reject the proposed 15-point framework, we expect a targeted, “surgical” operation, most likely focused on Kharg Island, the critical hub for most Iran’s oil exports. Markets, in our assessment, are not fully hedged for this outcome. A move of this nature would likely trigger a sharp 3–5% drawdown in global markets including the ASX, while oil prices could rapidly reprice toward US\$120 per barrel.



Source: Brent – Crude Oil, daily chart (2026) [2]

2. **The second scenario, also at a 40% probability, is a continuation of the current air campaign without escalation to ground forces.** While this avoids the immediate shock of invasion, it prolongs the existing pressures on the global economy. In practical terms, this means “sticky” inflation, elevated energy costs, and equity markets that struggle to gain traction, instead drifting lower within a constrained range.

We continue to view the probability of a genuine diplomatic breakthrough as low, at around 15%. In our judgement, this is insufficient to justify a fully risk-on stance at this stage.

The Tactical Case for Energy: ALD, STO, and KAR

With Brent crude already trading near US\$108 per barrel, energy is no longer simply a cyclical allocation. It is, in our view, a necessary hedge within a diversified portfolio.

Our focus remains on high-quality Australian energy names that offer both operational resilience and direct sensitivity to oil price movements. **Ampol Limited (ASX: ALD)** provides exposure to refining and fuel distribution, which becomes increasingly valuable in a supply-constrained environment. As pressure builds on global energy flows, refining margins and domestic fuel security dynamics tend to strengthen, positioning Ampol as a key beneficiary.

Santos Limited (ASX: STO) offers a more direct link to global energy markets through its LNG and upstream assets. In a scenario where uncertainty intensifies, we typically see a “flight to safety” into hard commodities, and Santos stands to benefit from that reallocation of capital.

Karoo Energy (ASX: KAR), meanwhile, provides a more leveraged exposure to oil price volatility. Its production profile means that even a modest 10–15% move in crude can translate into a disproportionately strong equity response. In the event of targeted disruptions or “surgical” strikes, this sensitivity becomes particularly valuable.

Taken together, these positions are designed to offset the inflationary drag that higher energy prices impose on the broader portfolio.

Why We Are Increasing Cash Exposure

We have decided to increase our liquid cash position, held in AUD. While we recognize the macro sensitivity of the Australian Dollar, maintaining this liquidity provides essential “dry powder” for the following reasons:

- **Tactical Flexibility:** The “Decision Window” of April 6–7 will likely create massive market volatility. Increased cash levels allow us to respond to “Market Signals”, such as the arrival of the USS Tripoli and USS Boxer in the Gulf, permitting us to re-enter positions if a diplomatic breakthrough occurs or to buy quality assets at deep discounts during a panic.
- **Risk Mitigation:** In the 5% tail-risk scenario of a full-scale land war, markets could face a 10–15% capitulation crash. Retaining cash ensures capital preservation during such extreme drawdowns.
- **Readiness for Re-entry:** Holding AUD allows us to remain nimble within the local market, ready to reallocate into high-conviction ASX names the moment clarity returns to the geopolitical landscape.

Looking Ahead: The April 6 Trigger

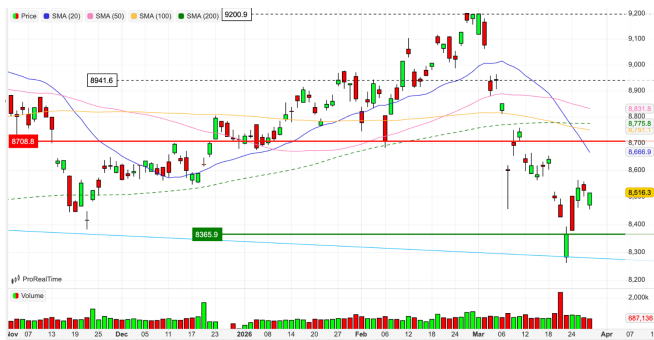
The coming days will be critical in shaping market direction. We are closely monitoring crude oil futures and gold into the weekend of April 3, as these markets often provide early signals for positioning. A pronounced “flight to safety” into the final trading session before the deadline would reinforce our view that markets are bracing for escalation.

Our current positioning reflects what we see as the most probable path: a prolonged or intensifying conflict with sustained pressure on energy markets. By increasing cash reserves and maintaining targeted exposure to Ampol, Santos, and Karoon, we believe we are appropriately balanced between defence and opportunism.

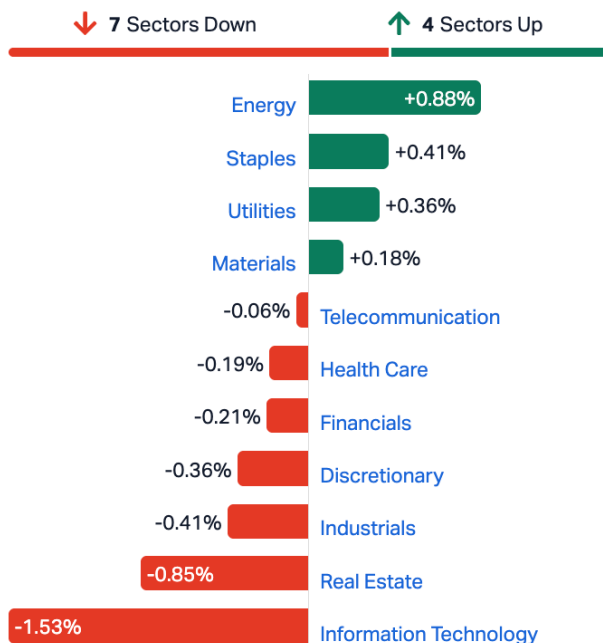
At the same time, we remain agile. Should the 15-point framework unexpectedly gain traction, we are prepared to pivot. For now, however, discipline and risk management remain paramount as we approach what we see as one of the most consequential market triggers of the year.

MARKET MOVERS
A Fragile Close Beneath the Surface

Australian equities drifted lower into the weekend, with the **ASX 200** slipping 0.11% on Friday and ending a volatile week down 0.24% at 8,505. The index spent the entire session in negative territory, shedding 20.7 points as a weak offshore lead, particularly a near 2.4% decline in the Nasdaq, weighed on sentiment.



Yet the headline decline masks a more nuanced picture. The market has shown a degree of resilience over the past 48 hours, holding above the psychologically important 8,500 level. That said, the benchmark remains roughly 7.5% below its February peak, underscoring a broader recalibration in risk appetite as global macro uncertainty intensifies.



Market breadth painted a decisively negative tone, with decliners outpacing advancers by 698 to 418, while 354 stocks closed unchanged. Volatility, however, remained contained, with the **S&P/ASX 200 VIX** easing 0.91% to 16.19, suggesting investors are cautious but not yet capitulating.

Growth Unwinds: Tech and Gold Lead the Retreat

The session was defined by pronounced weakness in growth-sensitive sectors, with both technology and gold stocks falling 1.53%.

In the technology space, **NextDC Ltd (ASX:NXT)** dropped 7.41% to \$11.50, while **DroneShield Ltd (ASX:DRO)** plunged 12.95% to \$3.90, marking one of the steepest declines on the index. The selling reflects a broader global rotation out of high-multiple growth names as rising bond yields and persistent inflation concerns compress valuations.

Gold miners also came under pressure as bullion prices softened following a recent surge. **Northern Star Resources Ltd (ASX:NST)** and **Evolution Mining Ltd (ASX:EVN)** both tracked the decline in spot prices, highlighting the sector's sensitivity to real yield dynamics and shifting expectations for central bank policy.

The A-REIT segment added to the drag, declining close to 1%. Names such as **Scentre Group** and **Waypoint REIT** led the pullback as higher-for-longer rate expectations continue to weigh on property valuations and funding costs.

Pockets of Strength: Energy and Value Step Forward

Against this backdrop, capital rotated decisively into value-oriented and defensive exposures.

Treasury Wine Estates Ltd (ASX:TWE) emerged as the standout performer, surging 8.01% to \$3.64 following a positive corporate update that reignited investor confidence in its earnings trajectory. Meanwhile, **Washington H Soul Pattinson and Company Ltd (ASX:SOL)** rose 5.01% to \$40.26, benefiting from its diversified portfolio and defensive appeal.

Energy-linked names also provided support. **Whitehaven Coal Ltd (ASX:WHC)** gained 4.89% to \$9.23 as thermal coal prices remained elevated amid ongoing supply concerns tied to geopolitical tensions.

The broader energy complex edged 0.68% higher, acting as a partial hedge against weakness elsewhere. Meanwhile, the major miners, including **BHP Group Ltd (ASX:BHP)** and **Rio Tinto Ltd (ASX:RIO)**, delivered a mixed performance, reflecting crosscurrents between commodity price volatility and global growth concerns.

Income in Focus: Dividend Cycle Accelerates

Dividend dynamics are increasingly shaping near-term flows as March draws to a close.

Vita Life Sciences Ltd (ASX:VLS) traded ex-dividend on Friday ahead of a 9.5 cent final payout scheduled for April, while attention now shifts to Monday, March 30, when approximately 30 securities are set to go ex-dividend.

This cohort includes key REITs such as **Rural Funds Group (ASX:RFF)** and **Charter Hall Long WALE REIT (ASX:CLW)**, alongside a range of State Street SPDR ETFs. The clustering of ex-dividend dates is likely to introduce short-term price adjustments while reinforcing the appeal of income strategies.

Importantly, several smaller entities also delivered cash distributions today, providing incremental liquidity to investors ahead of the more substantial payouts expected from major banks and miners in the coming month.

Currency and Rates: Macro Pressures Build

The Australian dollar weakened to around \$0.687, marking a two-month low as external pressures mounted.



| Crosses | Price | Day | Year | Date | |
|---------|----------|-----------|--------|--------|--------|
| AUDUSD | 0.68956 | ▲ 0.00085 | 0.12% | 9.72% | 13:02 |
| EURAUD | 1.6731 | ▼ -0.0008 | -0.05% | -2.88% | Mar/27 |
| GBPAUD | 1.9338 | ▼ -0.0020 | -0.10% | -6.02% | Mar/27 |
| AUDNZD | 1.1952 | ▼ -0.0008 | -0.06% | 8.67% | Mar/27 |
| AUDJPY | 110.1040 | ▲ 0.0385 | 0.03% | 16.87% | Mar/27 |
| AUDCNY | 4.7715 | ▲ 0.0052 | 0.11% | 4.40% | Mar/27 |
| AUDCHF | 0.5487 | ▲ 0.0010 | 0.19% | -0.91% | Mar/27 |
| AUDCAD | 0.9557 | ▲ 0.0010 | 0.10% | 6.52% | Mar/27 |

The currency is increasingly caught between fading yield support and deteriorating global growth expectations. While Australian rates remain relatively elevated, markets are now pricing in further tightening across other major economies, eroding the currency's advantage.

At the same time, a sharp rise in petrol prices is expected to feed through to domestic inflation. Economists are warning that headline CPI could approach 4.5% in the near term and

potentially move toward 5% in the second quarter if energy prices remain elevated.

RBA Assistant Governor Christopher Kent has already flagged that a prolonged Middle East conflict could weigh on growth even as policymakers remain focused on anchoring inflation expectations. Market pricing currently implies a 68% probability of a May rate hike, with the cash rate seen reaching 4.75% by year-end.

China Steadies, but Risks Linger

In Asia, Chinese equities offered a modest counterpoint. The Shanghai Composite rose 0.2% to around 3,900, while the Shenzhen Component gained 0.4% to 13,600, supported by stronger-than-expected industrial data.



| Indexes | Price | Day | Month | Year | Date | |
|-------------|-----------|----------|-------|--------|--------|--------|
| HK50 | 25,009.00 | ▲ 152.57 | 0.61% | -4.03% | 6.75% | Mar/27 |
| SHANGHAI | 3910 | ▲ 21 | 0.54% | -6.45% | 16.75% | 13:02 |
| CSI 300 | 4,500.54 | ▲ 23.01 | 0.51% | -4.82% | 14.95% | Mar/27 |
| SHANGHAI 50 | 2,838.59 | ▲ 13.92 | 0.49% | -6.82% | 5.93% | Mar/27 |
| CH50 | 14,685.61 | ▲ 121.79 | 0.84% | -0.45% | 9.50% | Mar/27 |

Industrial profits in China rose 15.2% year-on-year over January and February, signalling improving corporate earnings momentum despite external headwinds.

However, the broader weekly trend remains negative, with sentiment constrained by geopolitical uncertainty and ongoing tensions in the Middle East. Gains in names such as Kweichow Moutai and Zijin Mining were offset by weakness in CNOOC and select technology suppliers, reflecting uneven sectoral performance.

Geopolitics and Oil: The Dominant Macro Driver

Global markets continue to be dominated by developments in the Middle East.

US stock futures edged higher on Friday, recovering some losses after President Donald Trump extended the deadline for action on Iranian energy infrastructure by 10 days. The move provided temporary relief, though underlying tensions remain elevated.



| Indexes | Price | Day | Month | Year | Date | |
|---------|----------|----------|--------|--------|--------|--------|
| US30 | 46219 | ▲ 259 | 0.56% | -5.45% | 11.19% | 13:02 |
| US400 | 3,365.63 | ▼ -48.35 | -1.42% | -5.86% | 13.34% | Mar/26 |
| US2000 | 2,493.32 | ▼ -43.06 | -1.70% | -5.28% | 20.70% | Mar/26 |
| US500 | 6514.20 | ▲ 37.04 | 0.57% | -5.30% | 16.78% | 13:02 |
| US100 | 23733 | ▲ 146 | 0.62% | -4.99% | 23.15% | 13:02 |
| USVIX | 27.44 | ▲ 2.11 | 2.11% | 7.58% | 8.75% | Mar/26 |

In regular US trading, the Dow Jones fell 1.01%, the S&P 500 declined 1.74%, and the Nasdaq dropped 2.38%, led by a sharp sell-off in technology stocks as Treasury yields moved higher.



| | Price | Day | Month | Year | Date | |
|-------------|---------|----------|--------|--------|---------|--------|
| Crude Oil | 94.062 | ▼ 0.418 | -0.44% | 32.03% | 35.59% | 13:03 |
| Brent | 107.855 | ▼ 0.155 | -0.14% | 38.64% | 48.13% | 13:03 |
| Natural gas | 2.9539 | ▲ 0.0259 | 0.88% | -0.20% | -27.33% | 13:02 |
| Gasoline | 3.1304 | ▲ 0.0002 | 0.01% | 32.00% | 40.02% | 13:03 |
| Heating Oil | 4.2959 | ▲ 0.0225 | 0.53% | 47.88% | 89.71% | 13:03 |
| Coal | 142.00 | ▲ 4.45 | 3.24% | 19.83% | 39.22% | Mar/26 |
| Ethanol | 2.03 | ▲ 0.0125 | 0.62% | 12.02% | 16.02% | Mar/26 |
| Urals Oil | 96.31 | ▼ 2.68 | -2.71% | 66.51% | 45.57% | Mar/25 |

Oil markets remain at the centre of the macro narrative. WTI crude traded near US\$93 per barrel, with prices still up roughly 40% since the onset of the conflict. The effective disruption of flows through the Strait of Hormuz, which accounts for around a fifth of global energy supply, continues to underpin elevated prices.

While the extension of diplomatic timelines has eased immediate fears, reports that the Pentagon may deploy up to 10,000 additional troops underscore the fragility of the situation.

Gold Volatility Signals Policy Tension

Gold prices rebounded above US\$4,400 per ounce after a sharp decline in the previous session, highlighting heightened volatility in safe-haven assets.

The metal had fallen nearly 3% on Thursday as rising yields and tightening expectations weighed on non-yielding assets. The subsequent rebound reflects ongoing uncertainty, with investors caught between geopolitical risk and the prospect of more aggressive monetary policy.

The interplay between inflation fears, energy prices and central bank responses remains the key driver, with gold increasingly acting as a barometer of policy credibility rather than a simple risk hedge.

Positioning Into April: A Market at an Inflection Point





















Taken together, Friday's session reinforces the sense that markets are entering a critical phase.

There is a clear rotation underway, away from high-growth sectors and toward energy, income and diversified value exposures. At the same time, macro conditions are tightening, with rising inflation risks, shifting rate expectations and escalating geopolitical tensions creating a complex backdrop.

For the ASX 200, the ability to hold above 8,500 offers some technical reassurance. However, with global catalysts intensifying ahead of the April 6 geopolitical deadline, volatility is likely to remain elevated. In this environment, positioning remains less about directional conviction and more about balance, resilience and optionality.


















Regards,
 Mark Elzayed
 Investor Pulse

MARKET DATA
ASX Top 20

| | | | |
|--|------------------------|---|------------------------|
|  CBA^D* Commonwealth Bank | 173.63 +0.45 +0.26% |  WOW^D* Woolworths | 36.25 -0.12 -0.33% |
|  BHP^D* BHP | 50.37 +0.14 +0.28% |  TLS^D* Telstra | 5.33 +0.02 +0.38% |
|  CSL^D* CSL | 143.19 -1.16 -0.80% |  GMG^D* Goodman Group | 25.41 -0.34 -1.32% |
|  WBC^D* Westpac Bank | 40.74 +0.28 +0.69% |  TCL^D* Transurban | 14.07 +0.11 +0.79% |
|  NAB^D* National Australia Bank | 41.99 -0.57 -1.34% |  SQ2 Block Inc | |
|  ANZ^D* ANZ | 36.49 -0.16 -0.44% |  ALL^D* Aristocrat Leisure | 46.01 -0.67 -1.44% |
|  FMG^D* Fortescue Metals | 20.19 +0.34 +1.71% |  NCM Newcrest Mining | |
|  WES^D* Wesfarmers | 73.38 -0.02 -0.03% |  REA^D* REA Group | 152.23 -1.39 -0.90% |
|  MQG^D* Macquarie Group | 201.42 -4.42 -2.15% |  WDS^D* Woodside Energy | 34.47 +0.09 +0.26% |
|  RIO^D* Rio Tinto | 153.23 +2.21 +1.46% |  XRO^D* Xero | 72.84 +0.44 +0.61% |




























Commodities & Forex

| | | |
|--|---|-----------------------------|
|  TIO1! IRON ORE |  AUDUSD Australian Dollar / U.S. Dollar | 0.68957 +0.18% +0.00 |
|  GC1! GOLD |  AUDGBP AUSTRALIAN DOLLAR / BRITISH POUND | 0.5169 +0.06% +0.0003 |
|  SI1! SILVER |  AUDEUR AUSTRALIAN DOLLAR / EURO | 0.5977 +0.05% +0.0003 |
|  HG1! COPPER |  AUDNZD Australian Dollar / New Zealand Dollar | 1.19513 -0.01% -0.00 |
|  ZW1! WHEAT |  AUDJPY Australian Dollar / Japanese Yen | 110.079 +0.08% +0.09 |
|  CL1! CRUDE OIL |  AUDCNY AUSTRALIAN DOLLAR / CHINESE YUAN | 4.7657 +0.10% +0.0049 |
|  NG1! NATURAL GAS |  AUDTHB AUSTRALIAN DOLLAR / THAI BAHT | 22.654 +0.51% +0.114 |
|  NCF1! COAL |  AUDIDR AUSTRALIAN DOLLAR / INDONESIAN ... | 11,688.9 +0.37% +42.7 |
|  LTH1! LITHIUM | | |



Economic Calendar

|   | | | | |
|---|---|---|--|---|
| March 30 | | | | |
| 17:00 |  |  | Consumer Confid. Final * <input type="checkbox"/> | -12.3 Net balance |
| March 31 | | | | |
| 08:30 |  |  | NBS Manufacturing PMI* <input type="checkbox"/> | 50 Index (diffusion) 49 Index (diffusion) |
| 13:00 |  |  | GDP YY <input type="checkbox"/> | 1.2% |
| 21:00 |  |  | JOLTS Job Openings <input type="checkbox"/> | 6.946 M Person |
| April 1 | | | | |
| 16:00 |  |  | Unemployment Rate <input type="checkbox"/> | 6.1% |
| 19:15 |  |  | ADP National Employment <input type="checkbox"/> | 63 K Person |
| 19:30 |  |  | Retail Sales MM <input type="checkbox"/> | -0.2% |
| 21:00 |  |  | ISM Manufacturing PMI <input type="checkbox"/> | 52.4 Index |
| April 2 | | | | |
| 19:30 |  |  | Initial Jobless Clm * <input type="checkbox"/> | 210 K Person |
| April 3 | | | | |
| 19:30 |  |  | Non-Farm Payrolls <input type="checkbox"/> | 48 K Person -92 K Person |
| | |  | Unemployment Rate <input type="checkbox"/> | 4.5% 4.4% |
| 20:45 |  |  | S&P Global Comp PMI Final <input type="checkbox"/> | 51.9 Index (diffusion) |