

Commodity Update

April 01, 2026

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WTI Crude Oil

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WTI Crude Oil — Target Achieved: \$105

Book Profit | View turns cautious on peace signals

Initiated	Entry Price	Target	Price Hit	Return
March 25, 2026	\$88.58 / Rs 8358 (MCX)	\$105 /b	\$106.54 (Intraday Mar-31)	+18.5% (~+Rs 1540 MCX)

TARGET ACHIEVED — BOOK PROFITS IN FULL

WTI crude oil touched an intra-day high of \$106.54 on March 31, 2026, with May futures contract printing \$103 at the open — achieving the exact target set in our March 25 call. MCX April crude oil prices also surged past Rs 9,900. We recommend booking full profits and moving to a neutral-to-cautious stance.

What Played Out: Our Bull Case Delivered

All our structural pillars of our March 25 bull thesis materialised within seven trading days:

- **Geopolitical escalations underpriced:** Delta Force and 82nd Airborne deployments kept the war premium elevated. Iran struck a Kuwaiti tanker off Dubai, sustaining supply-route anxiety throughout the week.
- **GCC supply curtailment proved structural:** The IEA confirmed crude curtailments of 8-10 mbpd with insurance and tanker markets still dislocated — recovery will take weeks even after any ceasefire.
- **Refinery capacity shock sustained:** Russian refinery strikes and reduced Yanbu throughput kept the 3-2-1 crack spread elevated, pulling crude oil higher from the demand side.
- **OPEC+ floor held:** Price never approached the \$84-85 downside backstop, as the geopolitical premium kept bids robust throughout the rally.

Current scenario: Peace Signals Emerge — A New Risk

The geopolitical landscape has shifted meaningfully in the last 48 hours, introducing a credible downside risk that warrants taking profits off the table.

Trump Signals Military Exit in 2-3 Weeks

President Trump, speaking to reporters at the White House on March 31, stated that the US could end its military campaign against Iran within “two weeks, maybe three,” adding that a formal deal with Tehran was not a pre-requisite for the conflict winding down. This marks a significant pivot from Washington’s earlier maximalist posture and introduces the first credible timeline for de-escalation.

Iran Signals Willingness to End War

Iranian President Masoud Pezeshkian publicly declared that Iran had the “necessary will to end this war,” subject to hostilities ceasing on all fronts and formal recognition of Iran’s sovereignty over the Strait of Hormuz. While the conditions remain far apart, this is the clearest Iranian statement of war-weariness since the conflict began on February 28.

Diplomatic Track Gaining Momentum

A four-nation diplomatic bloc comprising Pakistan, Saudi Arabia, Turkey, and Egypt met in Islamabad over the weekend. Pakistan’s Deputy PM Ishaq Dar confirmed that both the US and Iran had expressed confidence in Pakistan as a neutral facilitator and signalled readiness to host direct talks “in the coming days.” Trump has extended his deadline for Iran to

reopen the Strait of Hormuz to April 6, buying time for diplomacy. The ceasefire scenario — now carrying meaningfully higher probability — would trigger a sharp, potentially \$20–30/bbl correction as the geopolitical risk premium unwinds rapidly. The physical supply normalisation would take weeks, but markets price the headline risk premium forward instantly.

Multiple possibilities lie ahead

Scenario	Trigger	WTI Price Impact
Ceasefire in 2–3 weeks	US exits, Hormuz reopens, supply normalises	Sharp correction to \$75–80
Partial deal / Ceasefire lite	Partial Hormuz reopening, war premium fades	Pullback to \$88–93
Talks collapse, escalation	April 6 deadline passes, US strikes resume	Re-test \$110–120+

Source: Mirae Asset Sharekhan Research

Why Book Profits Now

- **Target achieved:** A target of \$105 for WTI crude prices was our published upside objective. With the intraday high of \$106.54, the call has delivered its full risk-reward.
- **Peace optionality is now non-trivial:** Both Trump and Iran’s president have publicly signalled intent to wind down the war within weeks. This is categorically different from the state of play on March 25.
- **April 6 deadline is a binary event:** If Trump’s deadline passes without Iranian compliance, prices could re-spike. But if talks progress — as Pakistan’s mediation track suggests they might — a sharp sell-off is the more likely outcome for longs entering here.
- **Futures curve in steep backwardation signals caution:** May WTI at ~\$101 vs August at ~\$85 and September at ~\$82 tells us the market is already pricing in meaningful supply normalisation over the next 3–5 months.
- **Risk premium will unwind quickly:** Geopolitical premiums evaporate faster than they build. A credible ceasefire headline could see WTI gap down \$8–12 overnight.

Key Events to Watch (Next 7–10 Days)

Date / Trigger	Event	Market Implication
April 6, 2026	Trump’s deadline for Iran to reopen Strait of Hormuz expires	Binary: De-escalation sell-off OR strike-driven spike
Imminent	Pakistan-hosted US–Iran direct talks in Islamabad	Confirmed talks = sharp \$10–15 sell-off
April 7	IEA Monthly Oil Market Report	Supply assessment; could confirm deeper GCC cuts

Source: Mirae Asset Sharekhan Research

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