



On **February 28, 2026**, the geopolitical situation in the Middle East escalated abruptly when Israel and the United States launched joint airstrikes against Iran. This has resulted in extreme volatility across global asset markets.

1. Why the US and Israel Decided to Strike Now

The military operation followed the failure of indirect nuclear negotiations in Geneva. The US claimed that Iran continued to advance uranium enrichment to **60% levels** and accelerated its ballistic missile development—actions viewed by both the US and Israel as an "unacceptable threat".

2. Current Situation on the Ground

The strikes targeted key cities including **Tehran, Isfahan, Qom, and Karaj**, specifically hitting areas near the Supreme Leader's compound. Iranian state media has confirmed that **Ayatollah Ali Khamenei**, the Supreme Leader of Iran, was killed in the attack. Reports indicate over **200 deaths**, including high-ranking officials and the commander of the Islamic Revolutionary Guard Corps (IRGC). The IRGC has vowed a severe retaliation, with explosions already reported in areas housing US bases or allies, such as **Dubai, Doha, Bahrain, and Kuwait**.

3. Impact on the Oil Market

The energy market is the most heavily impacted sector. The primary risk is the closure of the **Strait of Hormuz**, a strategic chokepoint through which over **25% of the world's oil** passes. Brent crude, which averaged **\$67 per barrel** earlier this year, has risen to **\$76 per barrel** (as of March 2, 8:37 AM Thailand time). Analysts estimate that if the closure persists, prices could surge to **\$120 – \$150 per barrel**. Additionally, approximately **20% of global Liquefied Natural Gas (LNG)** flows through this route, which could drive energy prices higher in Europe and Asia.

4. Impact on Investment Assets

The stock market is expected to remain volatile during this period. Conversely, gold prices continue to rise as investors shift capital to diversify risk (up approximately **+3%** as of 9:00 AM on March 2, compared to February 26 price levels).

Portfolio Strategy & Commentary

While it is premature to conclude whether this situation will resolve quickly or become prolonged, our model portfolios are structurally prepared for such volatility. With a strategic allocation of **35%–85% in Fixed Income** (depending on the specific portfolio) and a **5% allocation in Gold**, our recommended strategy is designed to provide robust diversification. As demonstrated during previous periods of market turbulence, this balanced approach aims to limit downside capture significantly compared to a single-asset investment.