

# MARCH 2026: THE GREAT DE-RISKING

Investment Weekly Brief

A Strategic Investment Playbook for Systemic Shock

**March 24, 2026**

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When multiple massive systems - financial, logistical, and material - fail simultaneously, asymmetric opportunities emerge for those who keep a cool head.

## 1. Executive Summary: The Convergence of Systemic Shocks

We have stepped into March 2026 with markets trapped in what can only be described as a polycrisis: logistical, commodity, and financial systems are failing at the same time, and the result is a level of volatility that many market participants still treat as a passing squall. We do not. The structural break began with Operation Epic Fury on February 28, 2026, which effectively shut the Strait of Hormuz. This is not a routine oil supply scare. It is the outright disruption of 20% of global maritime oil trade and 20% of global Liquefied Natural Gas (LNG) flows, with no rapid workaround.

At MoatPeak, our core contention is that the market is dangerously mispricing this crisis as temporary. Consensus is fixated on short-term price spikes; our focus is on the deeper structural reordering underway. When we study the flows, we see a series of asymmetric opportunities in neglected sectors that stand to benefit from a long-term reshaping of global trade and an accelerated Capital Cycle. By Capital Cycle, we mean the multi-year process by which high prices and tight supply attract new investment, eventually flipping scarcity into surplus—only this time, geopolitics is forcing that cycle to accelerate and reroute.



Figure 1. The catalyst and the five investable battlegrounds

**Key takeaway:** Our core view is that a single shock is now transmitting across multiple investable battlegrounds, while consensus still treats the episode as temporary.

To navigate this environment, we believe investors must look past the comforting noise of U.S. benchmarks and confront the existential energy and security crisis unfolding in Europe and the material war being fought across the East. We are watching a Reflexive Loop in action: geopolitical instability destroys supply; constrained supply drives price and policy shifts; those in turn demand huge new capital commitments into infrastructure away from conflict zones, which further reshapes

the balance of power. The numbers make the point better than any metaphor. Around 20 million barrels of oil per day, plus massive LNG volumes, suddenly have no immediate physical bypass. We see the market underestimating how long this bottleneck will last. That misjudgment, in our view, opens a window for disciplined investors to position ahead of the institutional herd that is still treating this as a transient disruption rather than a structural break.

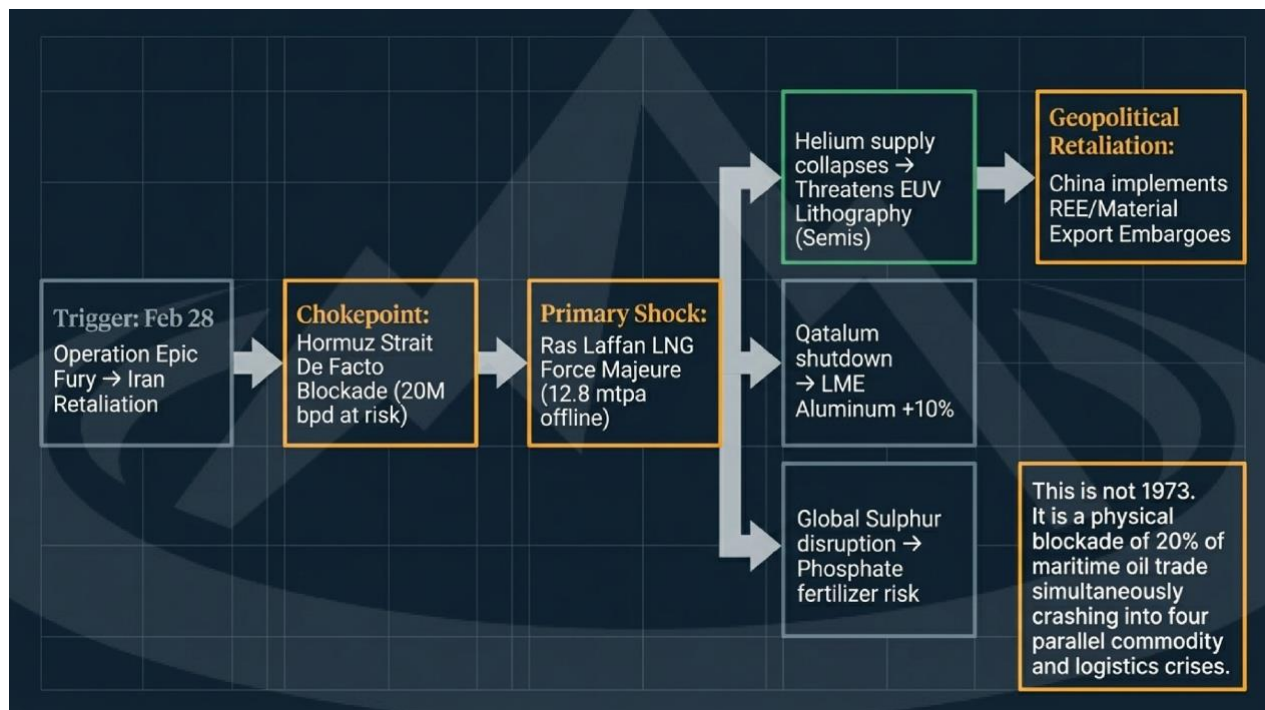


Figure 2. Shock transmission from Epic Fury to commodity and materials spillovers

**Key takeaway:** The investment case depends on a reflexive chain in which supply destruction tightens physical bottlenecks, shifts policy, and redirects capital across regions and sectors.

## 2. Impact on U.S. Markets: The Divergence of Paper and Physical Reality

The U.S. response so far has showcased a striking gap between what financial markets are pricing and what the physical world is signaling. Following the Hormuz shock, Brent crude surged from roughly \$68 before the crisis to an intraday high of \$119, later stabilizing near \$108.65. That is a price regime shift, not a blip. Yet while energy has repriced violently, broader U.S. equities are still fumbling with the time horizon of the conflict, and fixed income has staged a classic flight to safety while remaining exquisitely sensitive to the inflation risk embedded in a sustained energy deficit.

We can see the split in the numbers. From the February 27 baseline to March 19, the S&P 500 slid from 5,980.50 to 5,420.15, a decline of 9.37%. The Nasdaq 100 fell from 18,210.30 to 16,150.40, down 11.31%. In the same window, Brent Crude climbed from about \$68.00 to \$108.65, a gain of 59.78%. On the duration side of the curve, \$TLT (20+ Yr Treasury) rose from \$92.45 to \$98.10, up 6.11%, while \$IEF (7-10 Yr Treasury) advanced from \$94.20 to \$97.35, gaining 3.34%. Paper assets are groping

toward a new equilibrium, but the underlying physical constraint is far more fixed than the price charts suggest.

Within energy equities, a paradox has emerged that we regard as a classic Capital Cycle tell. The U.S. Oil Majors—\$XOM, \$CVX, and \$SHEL—have gained only about 6.9% on average since hostilities began, despite a roughly 60% move higher in Brent. The market is effectively saying it fears future demand destruction more than it values present supply scarcity, especially given these companies' direct exposure to Middle Eastern production and the rising specter of recession. In contrast, the first-wave winners have been U.S. shale and Canadian oil sands names with zero Middle Eastern exposure—players like Diamondback Energy, \$CVE, and \$SU. They have captured the full upside of the price shock without carrying the geopolitical overhang.



Figure 3. Energy dislocation and the midstream-LNG asymmetry

**Key takeaway:** Brent's repricing has not been matched by the oil majors, reinforcing our preference for volume-linked midstream and LNG beneficiaries over upstream exposure.

### 3. Europe and Global Markets: The Failure of Diversification

If the U.S. story is about mispriced duration, Europe's is about misjudged diversification. The energy emergency on the continent escalated abruptly after QatarEnergy declared force majeure on March 4, 2026. That single legal act exposed the flaw at the heart of Europe's post-Ukraine energy strategy. For three years, the EU worked to escape Russian gas dependency by pivoting to Qatari LNG. The stoppage at Ras Laffan has laid bare that this was not real diversification at all, but the swapping of one single-source dependency for another.

The consequence is visible in storage tanks. European gas storage has dropped below 30%, a five-year seasonal low, leaving the continent structurally exposed to the next phase of the Capital Cycle, where high prices no longer summon quick new supply because the physical and political constraints overwhelm price signals. When price can scream but new capacity cannot appear, we no longer have a simple commodity cycle; we have an infrastructure and security crisis.

The shock has not stayed confined to Europe. The global gas market has reacted with violence, with the \$TTF benchmark jumping more than 50% in a single day. Meanwhile, the de-facto closure of the Strait of Hormuz has frozen Western commercial shipping, not because the water is impassable, but because the legal and insurance framework has collapsed. Major insurers—Gard, Skuld, NorthStandard, London P&I Club, and the American Club—have pulled war-risk coverage. Without that coverage, most Western vessels will not sail. \$VLCC freight rates have spiked to over \$420,000 per day, an all-time high, effectively seizing up the logistical arteries that feed global industrial production. The strait may look open on a map, but to Western commerce it is closed in practice.

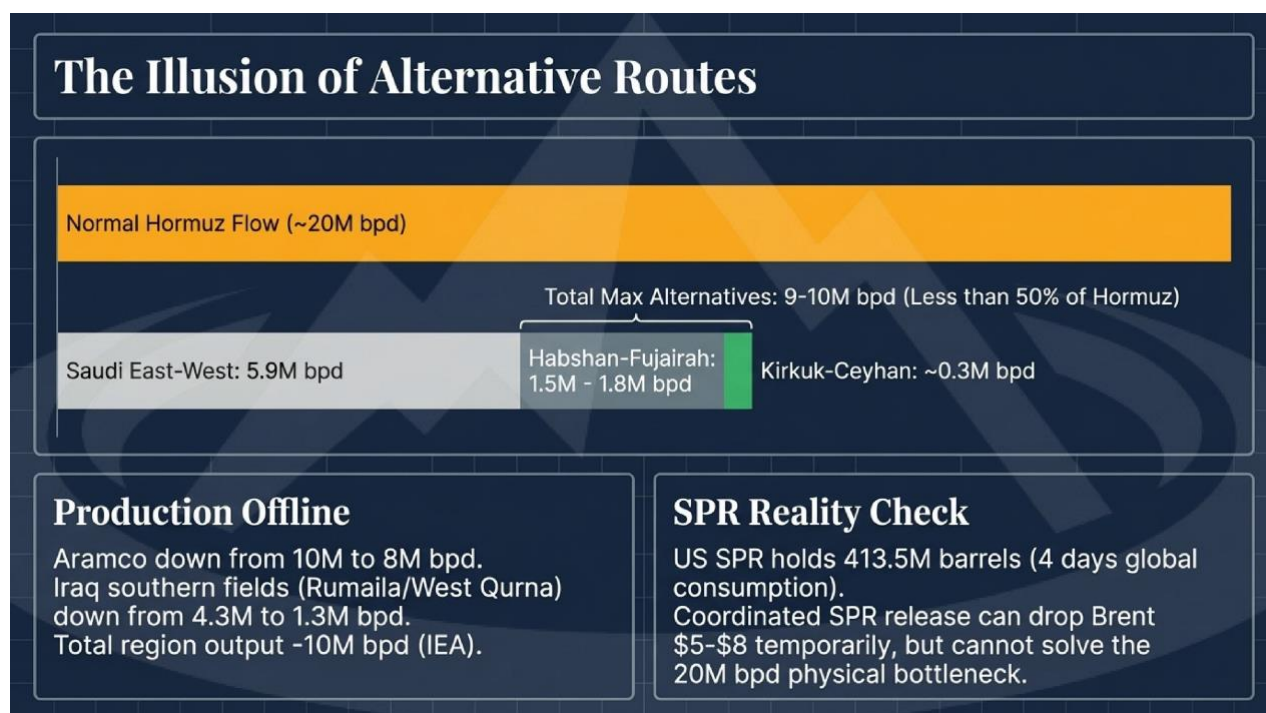


Figure 4. The illusion of alternative routes

**Key takeaway:** The core constraint is physical rather than rhetorical: alternative routes and SPR releases may soften price moves, but they do not quickly replace normal Hormuz flows.

## 4. Sectoral Shifts and High-Conviction Tickers

In this kind of environment, we believe the playbook must shift decisively away from simple upstream extraction trades toward the parts of the value chain that sit between producers and consumers. At MoatPeak, our strategy pivots to midstream assets and targeted defense exposure.

The midstream thesis stands out for its combination of resilience and leverage to volume rather than price. Companies like \$WMB, \$MPLX, and \$EPD run fee-based models; they earn on the volumes of gas and oil moving through their pipes, not on the day-to-day swings of commodity prices. This insulates their cash flows from spot volatility. Today, their dividend yields run between 5.9% and 7%, which we view as a paid waiting room while the Capital Cycle plays out. As global demand is forced to pivot away from conflict-heavy regions toward North American supply, these networks become the critical toll roads of a re-routed energy map.

LNG is where the dislocation is most acute. \$LNG (Cheniere Energy) remains the dominant U.S. export player with substantial spot-market exposure, but we see \$WDS (Woodside Energy) as an especially asymmetric opportunity. Situated in Australia, \$WDS operates outside the Persian Gulf theater, yet sits squarely in the path of buyers now scrambling to lock in long-term contracts far from Hormuz. Those buyers are being pushed to sign deals at the highest price levels in a decade, and Woodside is positioned on the right side of that negotiation.

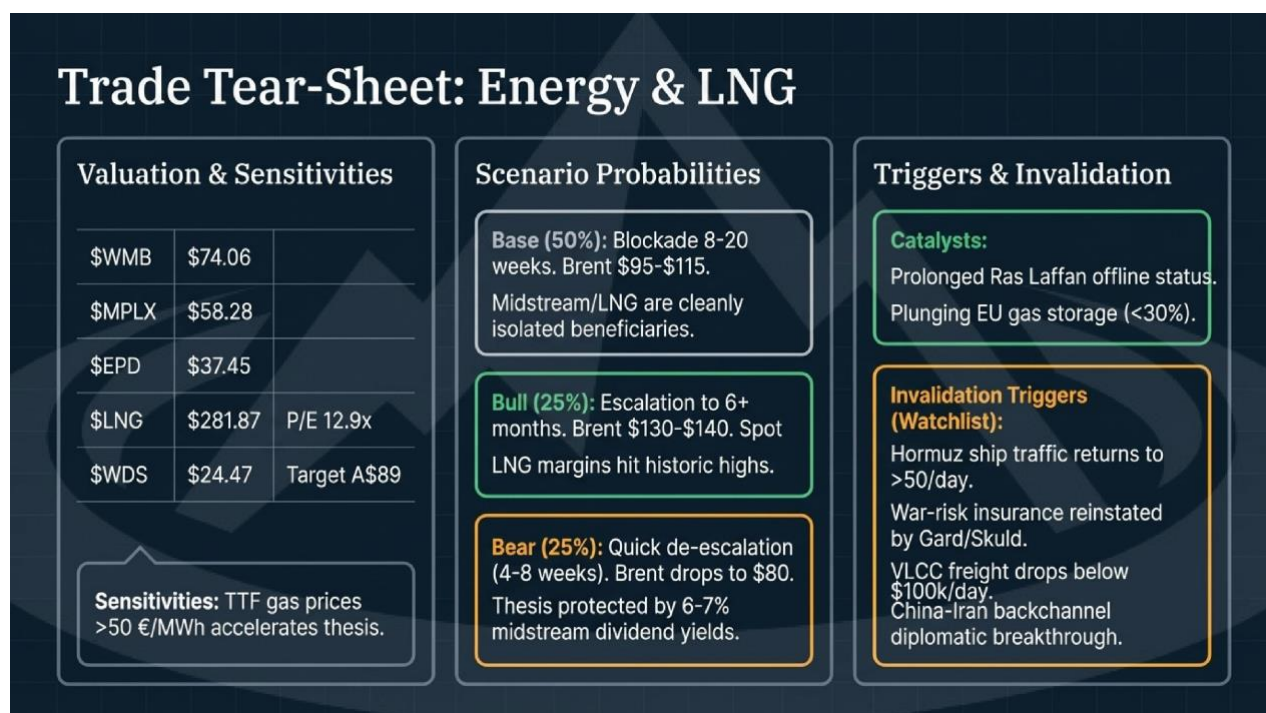


Figure 5. Energy and LNG trade tear-sheet

**Key takeaway:** We favor fee-based midstream and LNG exposure because cash flows are insulated from spot volatility while rerouted demand continues to support volumes.

In defense, the distinction between what is being bought and what is being weighed down by collateral damage matters. We favor \$XAR over \$ITA. \$ITA carries heavy exposure to commercial aviation, a segment suffering from ballooning fuel costs and passenger uncertainty. \$XAR, by contrast, offers cleaner access to defense and drone technology through holdings such as \$AVAV and \$KTOS. In a

world where kinetic conflict and unmanned systems are central to policy and procurement, we regard \$XAR as the superior vehicle for this phase of the conflict.

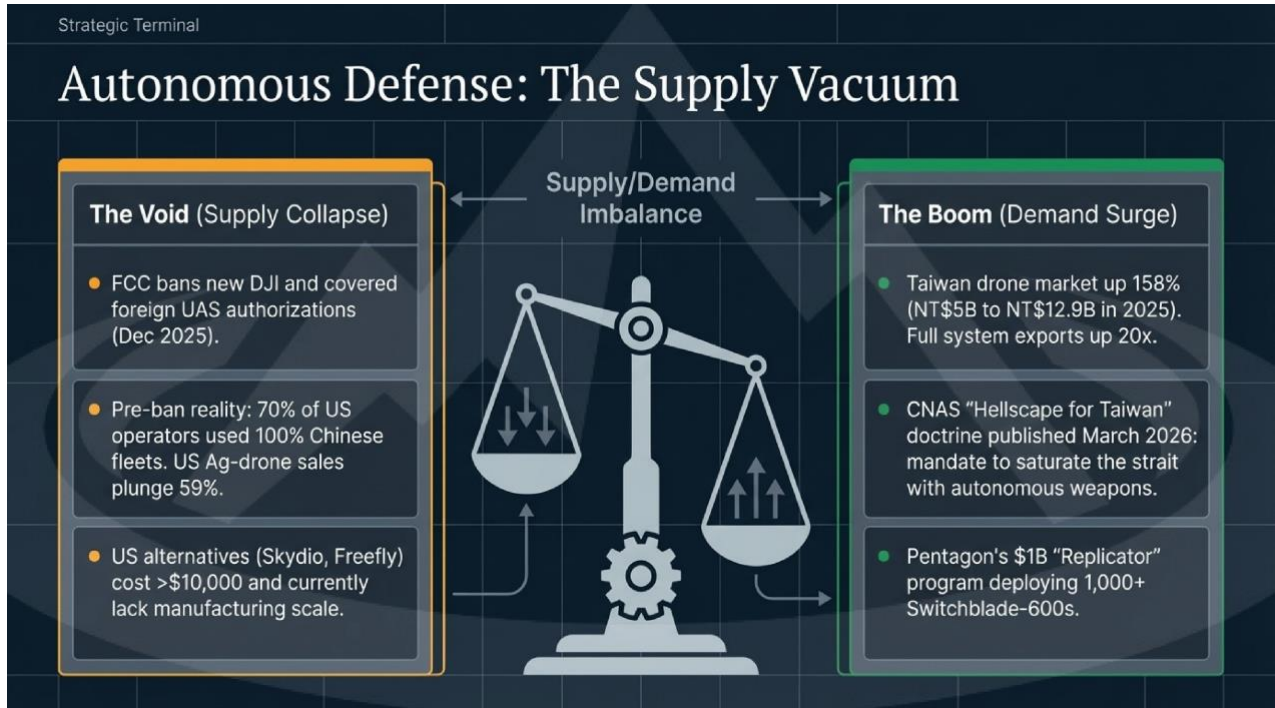


Figure 6. Autonomous defense and the supply vacuum

**Key takeaway:** Defense upside is concentrated in unmanned systems, where supply scarcity and procurement urgency are colliding at the same time.

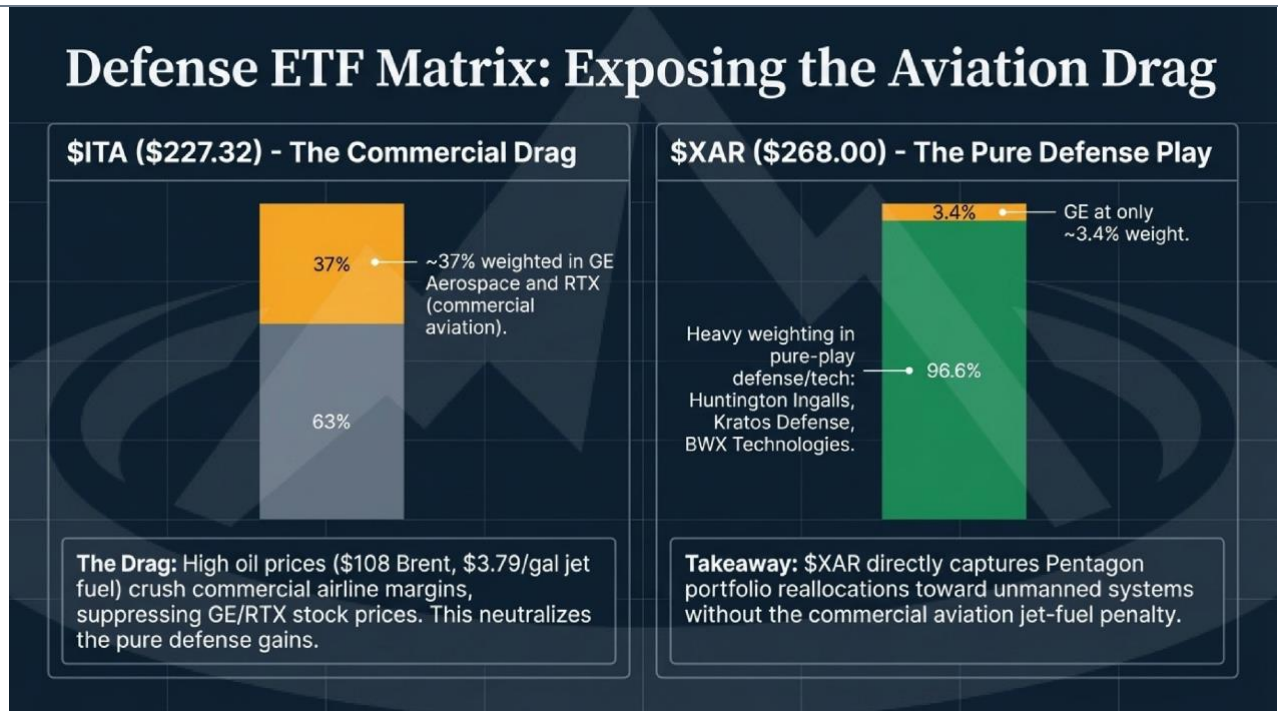


Figure 7. Defense ETF matrix: XAR versus ITA

**Key takeaway:** We prefer purer defense exposure over mixed aerospace exposure because commercial aviation drag can mute the benefit of higher defense spending.

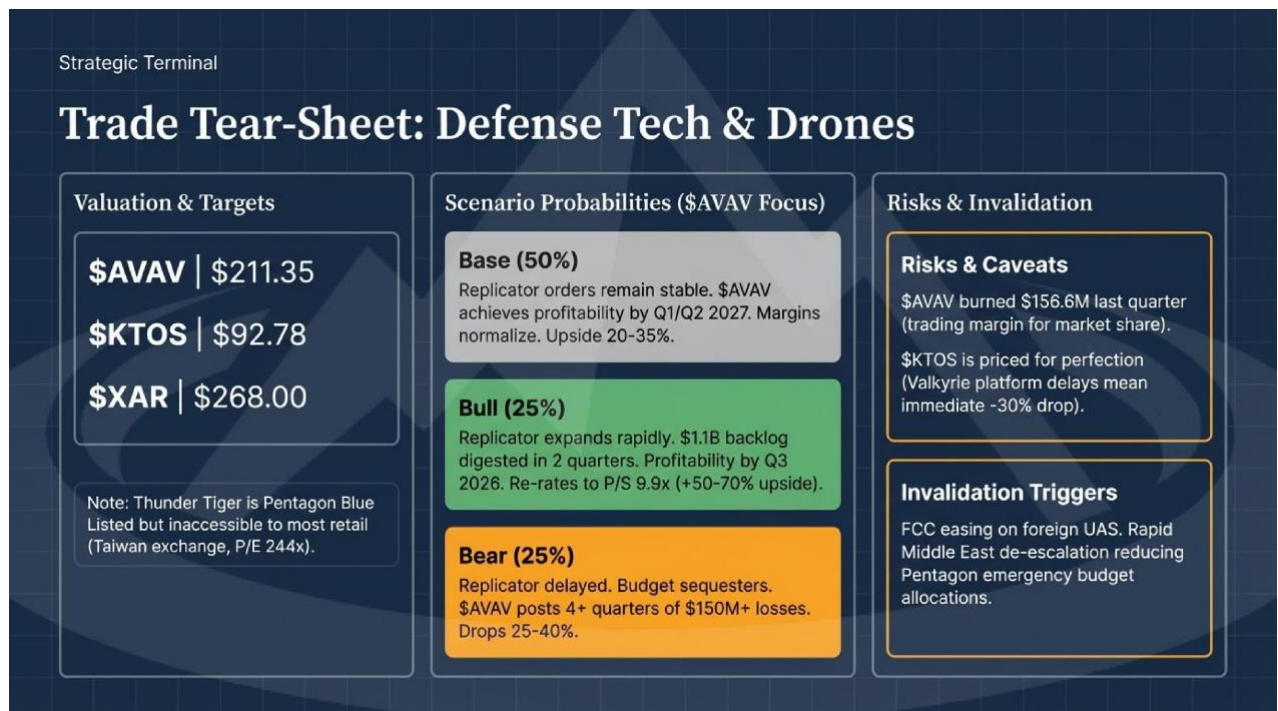


Figure 8. Defense tech and drones trade tear-sheet

**Key takeaway:** Our defense positioning remains focused on drone and autonomy names where demand can rerate faster than broad defense baskets.

## 5. The Gray Rhinos: Hidden Vulnerabilities in Helium and Semiconductors

Beyond oil and gas, we see what we would call Gray Rhinos—large, obvious risks charging straight at us that the market still refuses to price properly. One of the most serious is helium. The stoppage at Ras Laffan has not only choked LNG, it has also disrupted the helium supply chain. Helium is a critical byproduct of LNG production, and Qatar accounts for roughly 30% of global supply. Helium is not just for balloons; it is essential for advanced semiconductor manufacturing and other high-tech processes.

Helium market expert Phil Kornbluth has warned that if production remains halted for more than 14 days, the restart process stops being routine and becomes uncertain. That line has already been crossed. As of March 19, Ras Laffan has been down for 17 days. That transforms a manageable outage into a structural question mark. The risk transmits straight into high-end semiconductor manufacturing, particularly EUV-lithography, the ultra-precise chipmaking process used by \$TSM, \$SSNLF, and \$SKHynix.

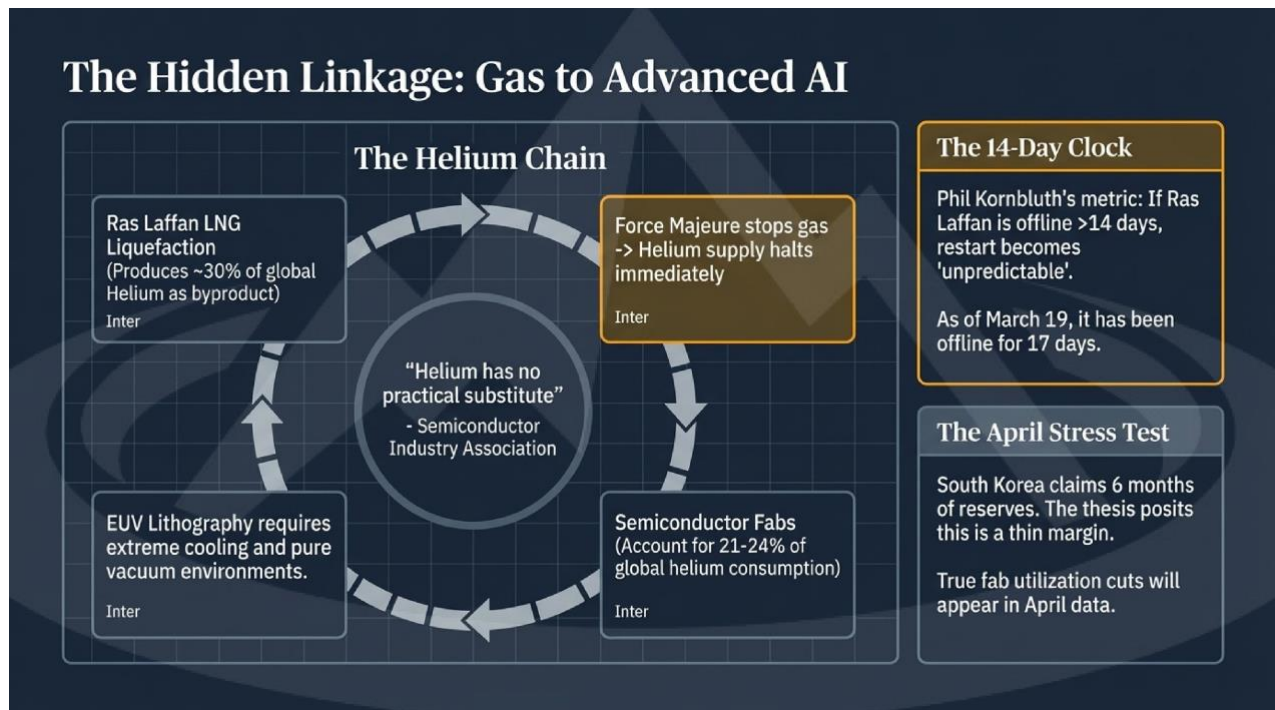


Figure 9. The helium chain and the 14-day clock

**Key takeaway:** Ras Laffan is not only an LNG issue; a prolonged outage pushes helium from a manageable shortage into a semiconductor constraint.

South Korea sits at the sharpest point of this spear. The country relies on Qatar for 64.7% of its helium and on Israel for 97.5% of its bromine, which is a crucial ingredient in photoresists used in semiconductor fabrication. This Double Vulnerability means two separate geopolitical crises are hitting the same industrial bottleneck at once. We expect the April stress test for semiconductor fabs to

be a critical moment for global chip supply, potentially exposing just how tight the margin of safety has become.

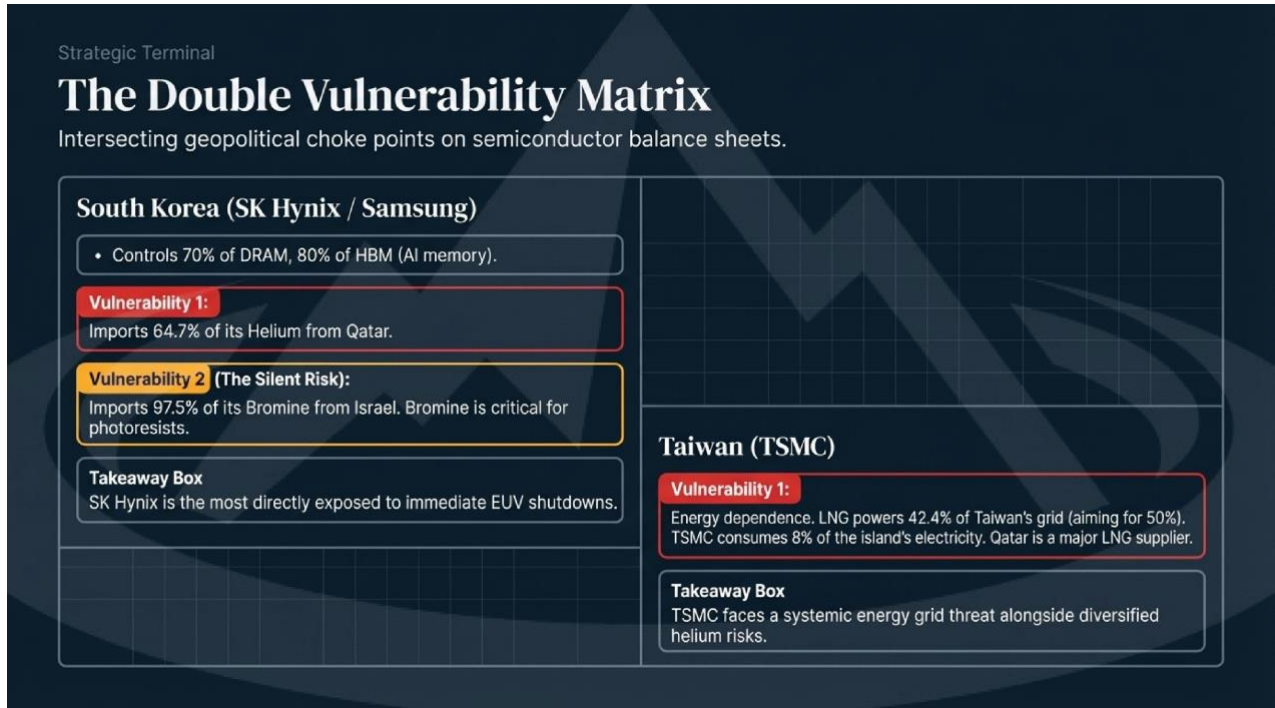


Figure 10. The semiconductor double-vulnerability matrix

**Key takeaway:** South Korea faces a compounded semiconductor risk through Qatar helium and Israeli bromine, raising the probability of a more severe fab stress test.

For investors, this shifts the opportunity to those who sell the gases rather than those who buy them. We look to industrial gas leaders \$APD and \$LIN, whose take-or-pay contracts—agreements obligating customers to pay for a set volume whether they use it or not—provide downside protection while still allowing these companies to command substantial spot premiums when shortages bite. In other

words, they are structurally positioned to profit from scarcity while being insulated from demand swings.

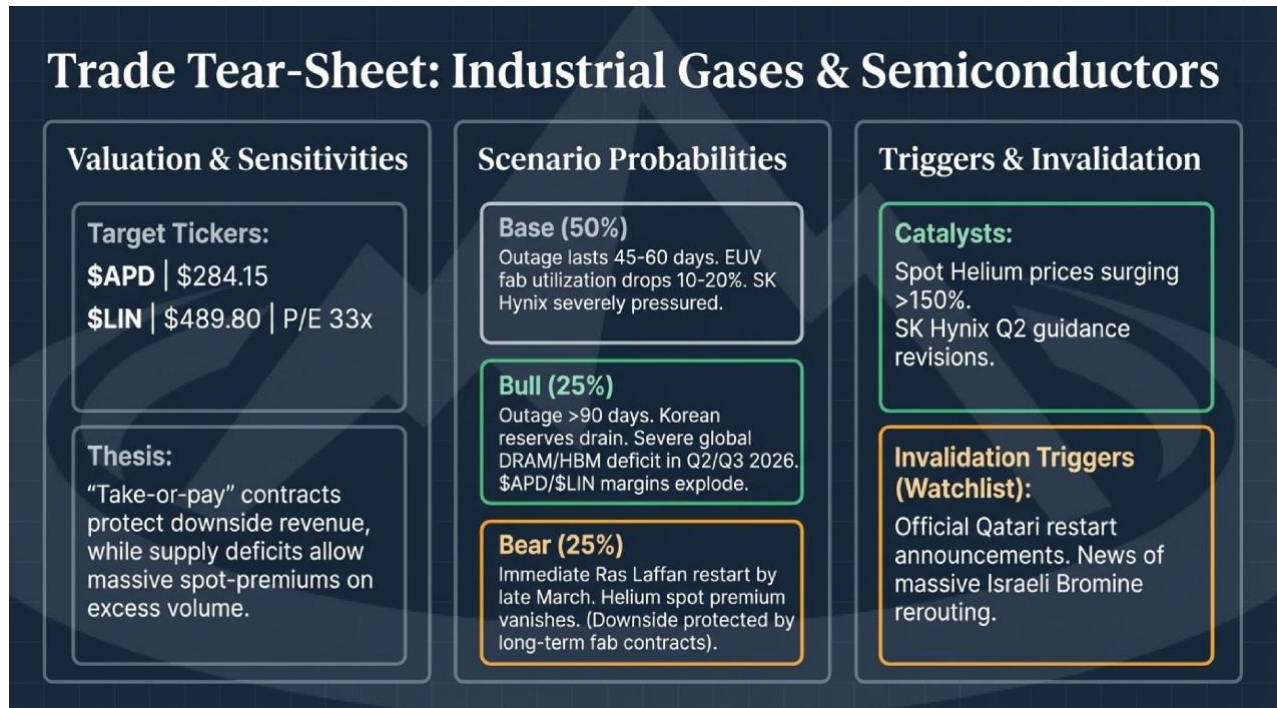


Figure 11. Industrial gases and semiconductors trade tear-sheet

**Key takeaway:** The cleaner equity expression of this shortage is with industrial gas suppliers that can monetize scarcity while retaining contract protection on the downside.

## 6. The Material War: REE, Tungsten, and Silver

Overlaying the energy and helium story is what we see as an escalating material war. As the conflict grinds on, China has begun to weaponize the periodic table in response to U.S. tariffs. The calendar now has a clear fault line: November 10, 2026, the date when the suspension of Chinese export controls agreed at the Busan Summit between Trump and Xi is set to expire. On that day, the truce on critical materials may end.

China dominates the processing and metallization of Rare Earth Elements (REEs), which are vital for everything from precision-guided munitions to electric vehicles and wind turbines. As the Epic Fury campaign consumes munitions, the Pentagon's stockpile is being drawn down into a Chinese-controlled supply chain. Our response is to focus on G7-aligned producers that are now moving into

the upswing of their Capital Cycles, where years of underinvestment flip into tight supply and rising prices.

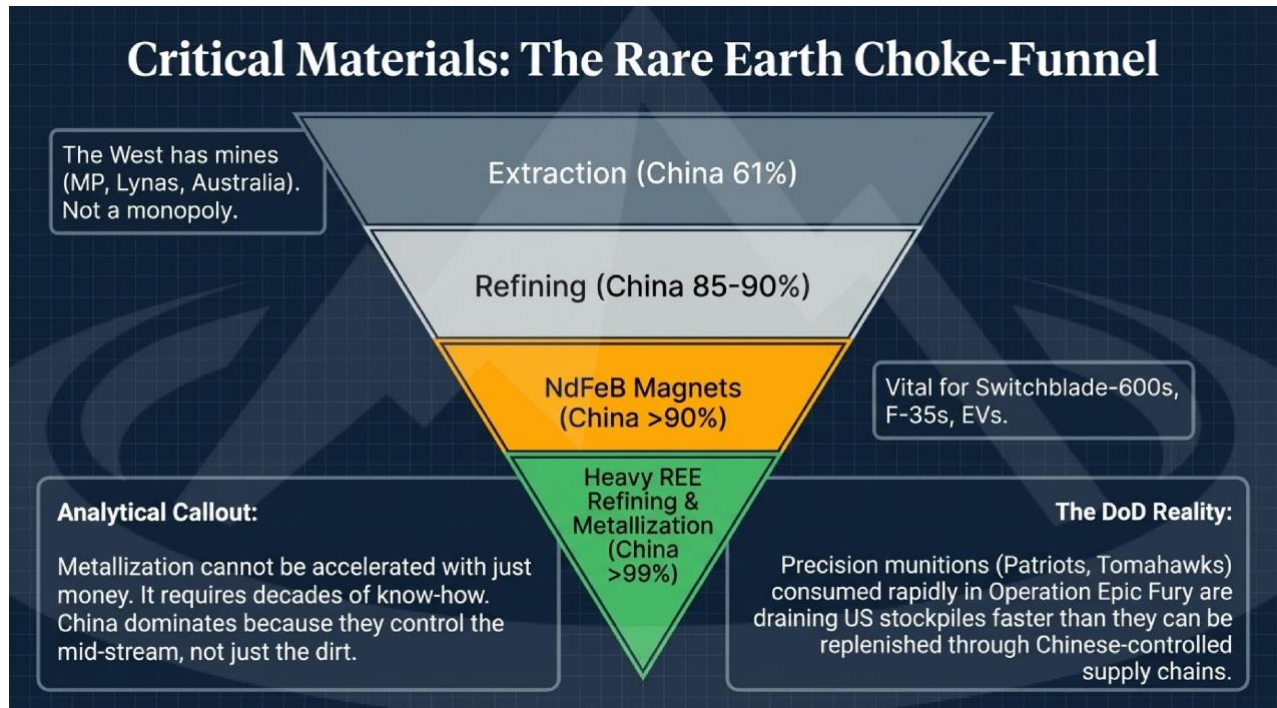


Figure 12. The rare-earth choke funnel

**Key takeaway:** The strategic pressure point is not extraction alone but China's dominance of refining, magnet production, and heavy rare-earth metallization.

In tungsten, we regard \$AII.TO (Almonty Industries) as the primary shield. Its Sangdong mine in South Korea has recently completed Phase 1 commissioning and boasts an ore grade of 0.51% WO<sub>3</sub>, roughly three times the global average. At full capacity, this single mine is expected to provide up to 40% of global tungsten supply outside China. That concentration of high-grade, non-Chinese supply makes Sangdong strategically significant.

In REEs, \$MP (MP Materials) benefits from a Pentagon-backed price floor of \$110/kg for NdPr, the neodymium-praseodymium mix central to high-performance magnets. That price floor effectively socializes some of the downside risk while leaving equity holders exposed to the upside of any further squeeze. \$UUUU (Energy Fuels) is a differentiated play following its acquisition of the Korea Metals

Plant, which delivers critical metallization capacity—the step that turns mined material into usable metal.

## The Rare Earths Capability Matrix

Ticker	Market Cap	Extraction	Refining (LREE)	Refining (HREE)	Metallization	Key Catalyst / Risk
\$MP	\$11.88B	✓	✓	✗	✗	<b>Catalyst:</b> DoD \$110/kg floor. '10X' Texas magnet facility (2028). <b>Risk:</b> \$19.2M insider selling.
\$LYSCF	~\$14.16B	✓	✓	✓	✗	<b>Catalyst:</b> First commercial HREE production outside China (April 2026).
\$UUUU	\$1.9B NPV	✓	✓	✓	✓ (KMP)	<b>Catalyst:</b> Owns Korea Metals Plant (KMP). The only public company with Western metallization capacity.
\$All.TO	\$5.02B	✓ (Tungsten)	✓	N/A	N/A	<b>Catalyst:</b> Sangdong Phase 1 done. Phase 2 (2027) supplies 40% of non-China Tungsten.

Figure 13. The rare-earths capability matrix

**Key takeaway:** We favor G7-aligned names with real downstream capability because that is where bottlenecks translate most directly into strategic value.

Silver is the other front in this material war. The metal reached an all-time high of \$121.60/oz in January 2026 before retracing to \$70.9/oz recently. We see this not as a broken trade but as a consolidation after an extreme spike. Our preference is for \$PAAS and \$SLV as cleaner vehicles for

silver exposure, in contrast to \$AG, which currently trades at a highly reflexive and, in our assessment, unsustainable valuation.



Figure 14. Material weaponization beyond rare earths

**Key takeaway:** Tungsten and silver broaden the material war beyond rare earths and create separate channels for price pressure and security-driven capital allocation.

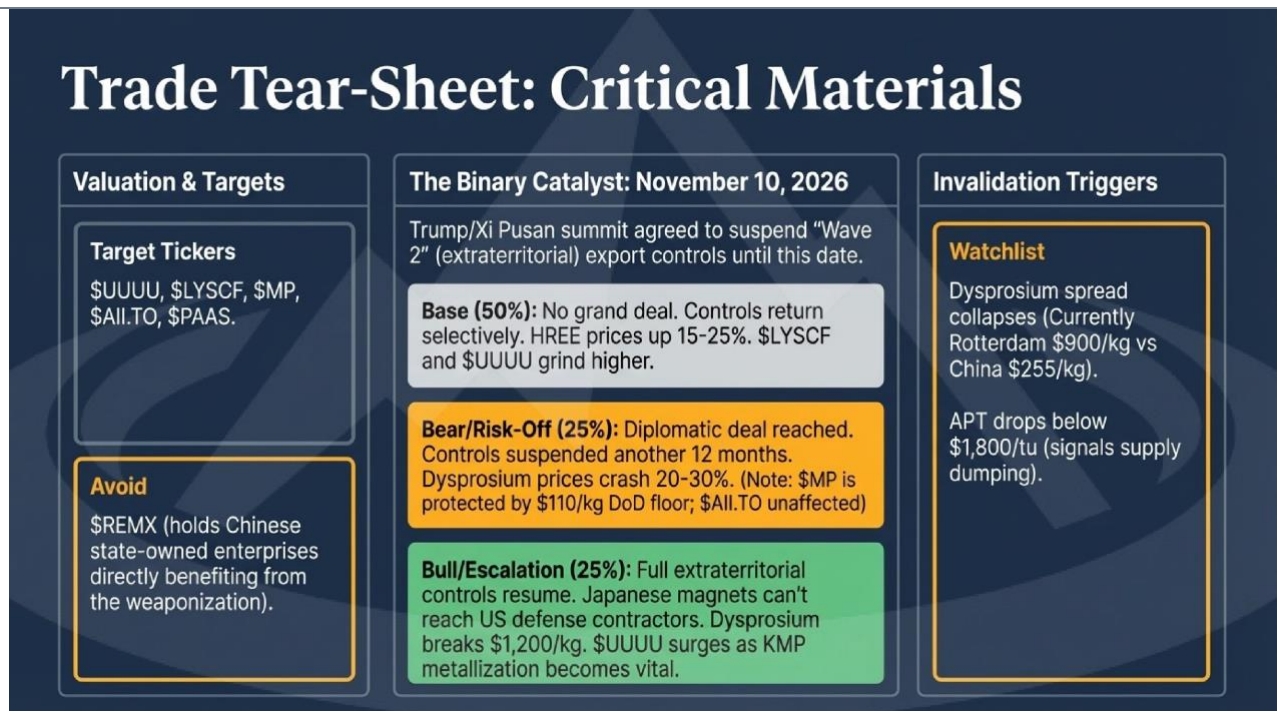


Figure 15. Critical materials trade tear-sheet

**Key takeaway:** Our preferred materials exposure is aligned to non-Chinese processing and metallization, with the November 10 cliff as the major timing variable.

## 7. Vietnam: The FTSE Inclusion Catalyst

Amid all these overlapping crises, Vietnam offers something different: a catalyst that is largely mechanical and, crucially, mostly decoupled from Middle Eastern risk. On April 7, 2026, FTSE is

expected to deliver a detailed update on Vietnam's upgrade to Secondary Emerging Market status. If confirmed, that upgrade would trigger a phased inclusion starting September 2026.

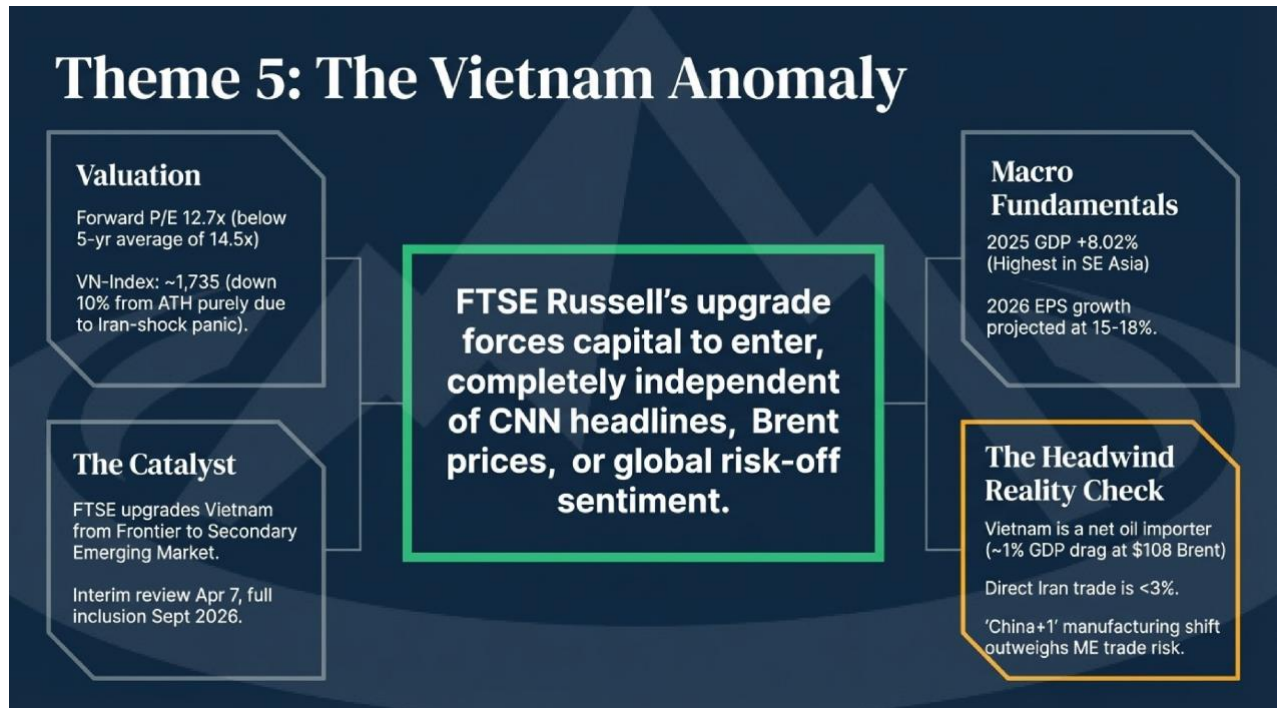


Figure 16. Vietnam anomaly overview

**Key takeaway:** Vietnam remains the portfolio's distinct non-Middle-East catalyst because FTSE-driven inflows are largely mechanical rather than discretionary.

The immediate impact is quantifiable. The reclassification is estimated to draw \$437 million in passive flows as indices and the ETFs that track them adjust. But the bigger prize, in our view, lies in the \$3 billion to \$5 billion of active surprise flows that would follow. Once Vietnam becomes a formal

benchmark for more institutional managers, those managers must add exposure simply to keep tracking error under control. That mechanical demand can drive an outsized rally.

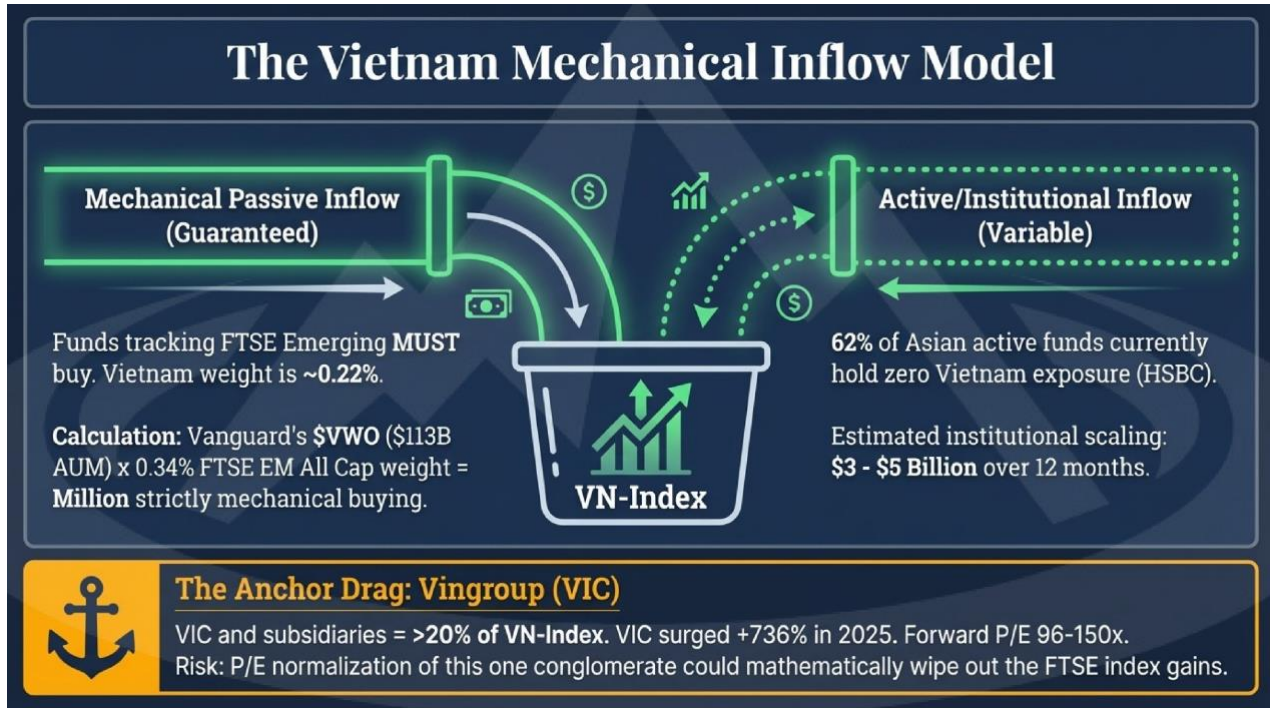


Figure 17. The Vietnam mechanical inflow model

**Key takeaway:** The core Vietnam bull case is index-driven demand: passive inclusion is only the first leg, with active funds following to control tracking error.

However, our MoatPeak view insists on intellectual honesty. The Vietnamese market carries a significant concentration risk: Vingroup (\$VIC) and its subsidiaries make up more than 20% of the index. In 2025, \$VIC climbed +736%, pushing its P/E multiple into a range between 96x and 150x. We see this as a classic reflexive bubble—a feedback loop where rising prices justify even higher expectations—sitting inside an otherwise compelling market. While the \$VNM ETF offers broad exposure to Vietnam, investors must recognize that such concentration can become a drag if valuations normalize.

For those seeking more direct industrial leverage to Vietnam’s growth, we favor Hoa Phat Group (\$HPG). \$HPG benefits from anti-dumping duties on Chinese steel, which protect domestic pricing power, and from the expansion of its Dung Quat 2 facility, which underpins future production growth.

In our view, that combination of policy tailwind and capacity expansion makes \$HPG a more grounded way to access the country's industrial story.

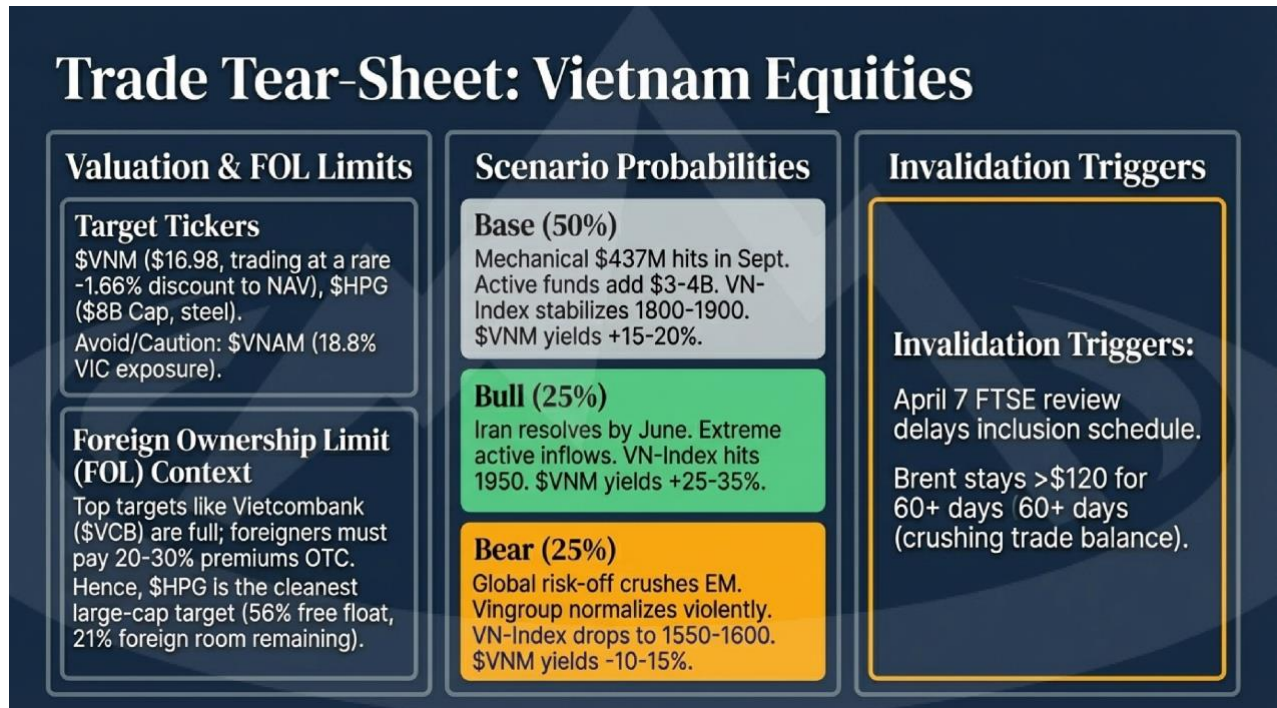


Figure 18. Vietnam equities trade tear-sheet

**Key takeaway:** We favor vehicles and single names that capture the inclusion trade while respecting concentration and foreign-ownership constraints.

## 8. MoatPeak Scenarios and Probability Matrix

Looking ahead through the remainder of 2026, we see the path of markets being determined primarily by two variables: how long the Hormuz blockade persists and whether diplomacy at the Busan Summit

can defuse the looming November 10 materials cliff. On that basis, we have built a simple scenario framework that guides our positioning.

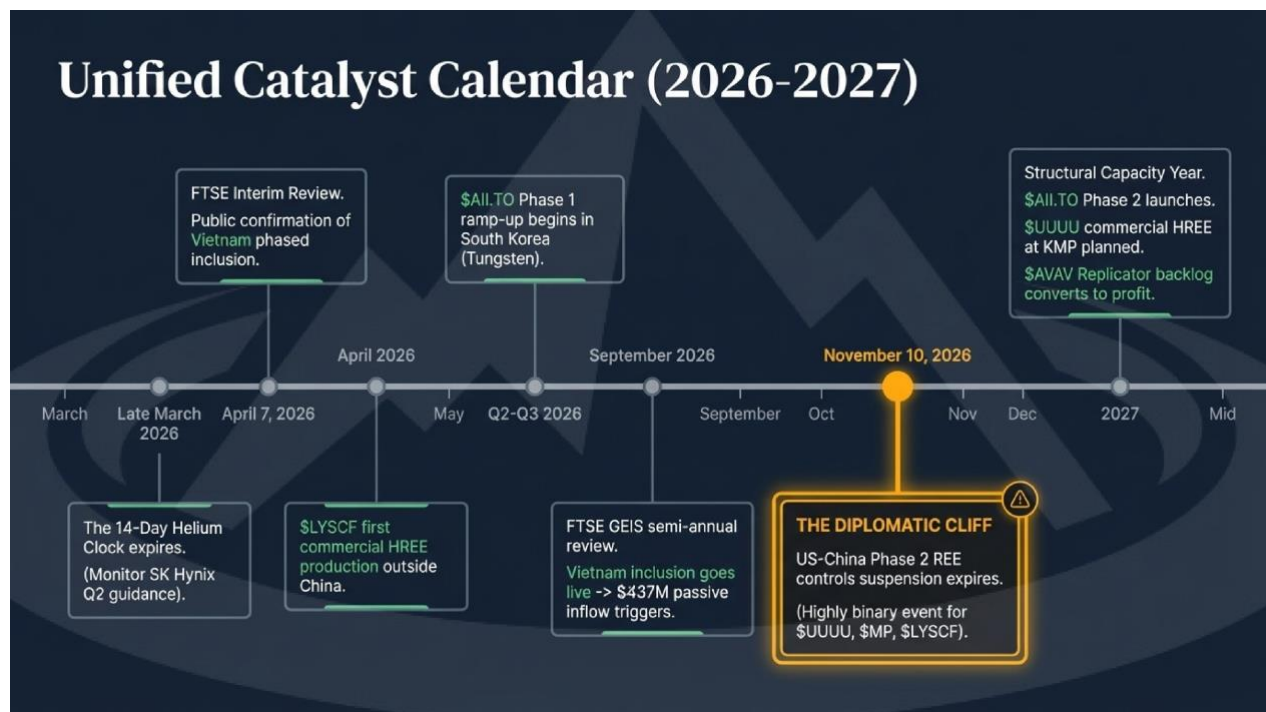


Figure 19. Unified catalyst calendar, 2026-2027

**Key takeaway:** The path through 2026-2027 is event-driven, with the helium window, the April 7 FTSE review, and the November 10 materials cliff standing out as major dates.

Our Base Case, to which we assign a 50% probability, assumes an 8–20 week blockade. In this world, Brent trades in a band of \$95–115, and midstream and LNG emerge as the dominant winners, as flows reroute but do not fully collapse. The Bull Case, at 25% probability, envisions rapid de-escalation by April. Brent drops back to the \$80–90 range, and the mechanical rally in Vietnam becomes the spark for a broader Emerging Market recovery. The Bear Case, also 25%, is the true stress scenario: a blockade that lasts 6 months or more, Brent surging above \$130, insurance coverage remaining withdrawn, and a global recession taking hold.

We are not treating these as static forecasts but as hypotheses to be tested in real time. To do that, we watch three metrics closely. First, the daily vessel count through the Strait of Hormuz, currently fewer than 10 per day versus a typical 100, tells us whether physical traffic is genuinely normalizing. Second, the restart status of Ras Laffan is the key signal for both LNG and helium. Third, the return—or continued absence—of war-risk coverage from major insurers shows whether the legal bottleneck is easing.

On the policy front, any coordinated release from the Strategic Petroleum Reserve (SPR) or a breakthrough in the Beijing-Tehran backchannel would be immediate, high-signal indicators of de-escalation. Until we see those, we treat the structural constraint as intact.

## 9. MoatPeak Insights & Retail Investor Playbook

All of this brings us back to the core principle that guides our work: polycrisis environments generate noise, but it is the underlying Capital Cycles that drive long-term returns. For sophisticated retail investors in March 2026, the key edge is not size but speed. Institutional capital is trapped in mandates, committees, and risk frameworks that move in weeks or months. A well-prepared individual investor can reposition in minutes.

That speed only matters if it is anchored to clear Invalidation Points—conditions under which our thesis breaks. We are watching, above all, for a rapid restart of the Ras Laffan LNG facility and any sudden diplomatic breakthrough around the November 10 export-control cliff. Either would force us to reassess the duration and severity of the current capital reallocation.

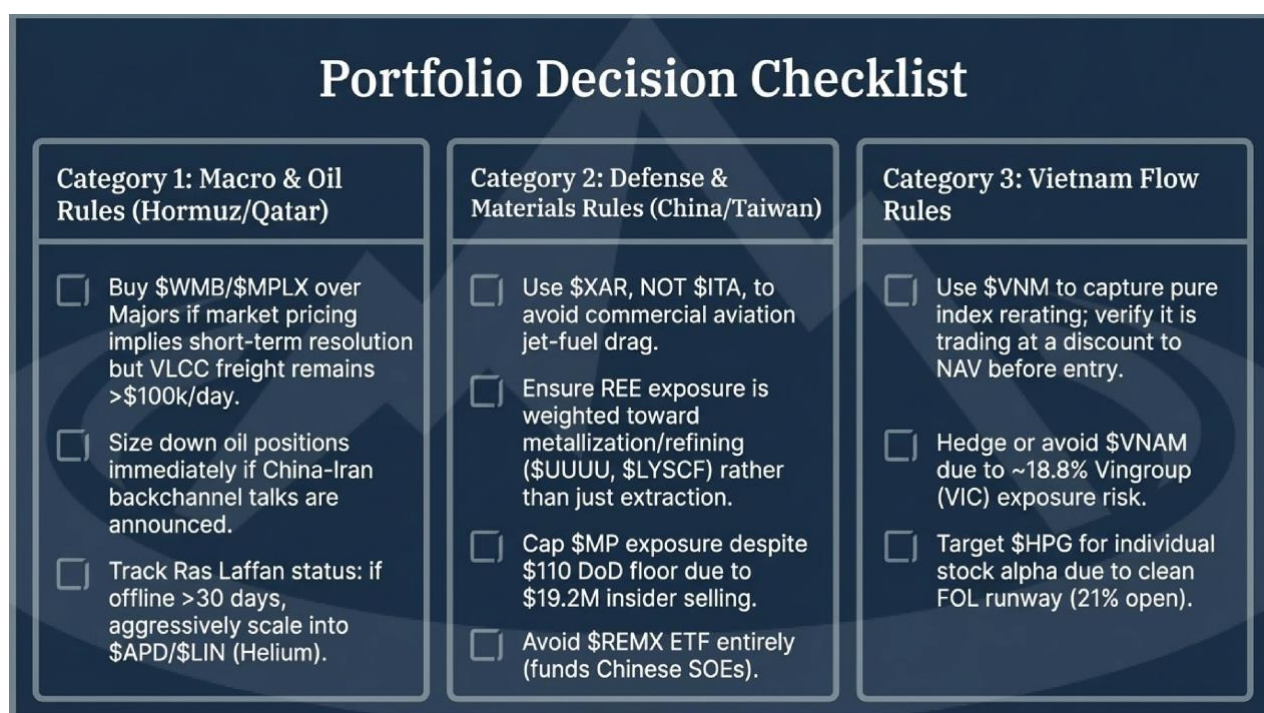


Figure 20. Portfolio decision checklist

**Key takeaway:** Implementation matters: position sizing, invalidation triggers, and instrument choice are central to capturing the capital-cycle opportunity.

Conversely, if the blockade drags on and diplomacy stalls, the center of gravity shifts further out in time. In that scenario, our focus moves toward the 2027 production milestones for REE and tungsten projects such as Sangdong and G7-aligned REE processing. Those timelines then become the anchors for the next leg of the Capital Cycle.

Our closing message is simple: structure matters more than headlines. By using the current discount to NAV in \$VNM and the fee-stable, volume-driven cash flows of midstream assets, investors can build portfolios designed not just to endure the volatility of 2026 but to emerge aligned with the structural

reality of 2027. In a world of polycrisis, positioning ahead of the Capital Cycle is not a luxury. It is the edge.

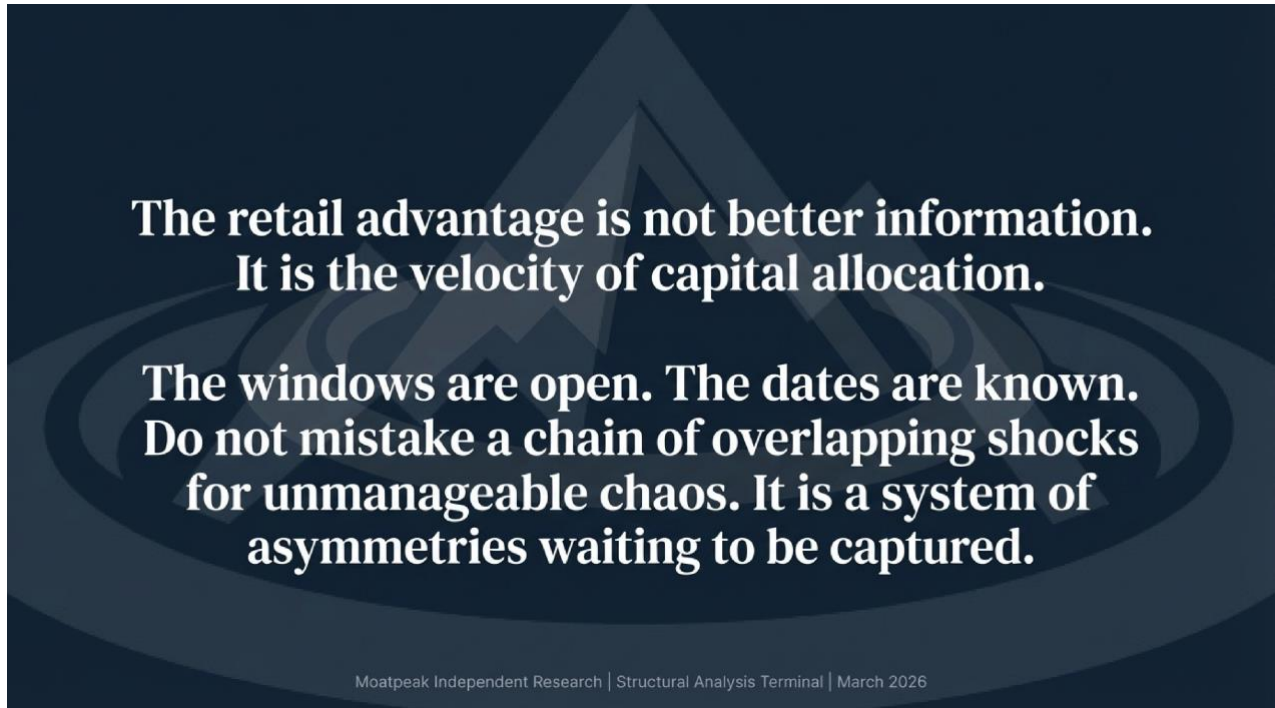


Figure 21. Closing capital-allocation message

**Key takeaway:** Our closing view is that the retail edge lies in speed of allocation rather than in having access to different information.

The MoatPeak Team

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Our research integrates insights from global investment banks, asset managers, and macroeconomic data sources, translated into clear, actionable perspectives for long-term, strategic investors.

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