

Brent crude may spike to \$120 if Hormuz disruption deepens: Report



New Delhi, Sep 28 (IANS) Brent crude [prices](#) are likely to remain elevated through the second half of FY27 and could rise to \$120 per barrel with geopolitical tensions in West Asia continuing to pose significant upside risks to global [energy](#) markets, a report said on Monday

According to a report by Brickwork Ratings, in the base-case scenario to which it assigns a 55 per cent probability, sees Brent crude averaging between \$95 and \$110 a barrel in the second half of FY27.

It further assumes that disruptions in the region persist while pipeline and shipping operations recover only partially.

"Brent futures rose about 20 per cent in a month to around \$109 on September 15, while physical Brent reached \$130.80, indicating tight supply," said Rajeev Sharan, Head of Research at Brickwork Ratings.

According to him, Brent is expected to trade in a broad \$100-110 per barrel range over the next one to two months, although risks remain skewed to the upside.

"[Prices](#) could climb towards \$120 a barrel if supply disruptions intensify, while a reopening of the Strait of Hormuz could ease prices towards \$90 a barrel," says Sharan.

Apart from oil commodities, in the base-case scenario, the report estimated the Indian rupee at Rs 94-98 against the US dollar, CPI inflation at 5 to 5.5 per cent and FY27 real GDP growth at 6.6 to 7 per cent.

Moreover, the report has estimated that a sustained \$10 rise in crude oil prices could widen India's current account deficit by 0.3-0.4 per cent of GDP and add 20-30 basis points to inflation over a year.

While in its downside scenario, the report assigned a 30 per cent probability, prolonged disruption in the Strait of Hormuz and attacks on Gulf energy infrastructure could push Brent crude to \$120 or higher.

Such a scenario would worsen inflationary pressures and weaken the rupee, while slowing economic growth, according to Brickwork Ratings.

Conversely, Brickwork's upside scenario which carries a 15 per cent probability, assumes a durable ceasefire in West Asia and restoration of Saudi export routes. Under this, the international oil benchmark could decline to \$80-90 a barrel, easing cost pressures for oil marketing companies, airlines and chemical producers while creating room for monetary easing in FY28.