

Brent heads towards \$120 as risks multiply

Brent crude could surge towards \$120 per barrel if disruptions around the Strait of Hormuz intensify, potentially amplifying inflation, currency and growth pressures for India, according to Brickwork Ratings.

The agency's base-case scenario expects Brent to average \$95-\$110 during the second half of FY27, assuming regional disruptions persist while pipeline and shipping operations recover only partially.

Brickwork noted Brent futures had climbed about 20% within a month to around \$109 by September 15, while physical Brent reached \$130.80, signalling tight supplies.

The report expects Brent to trade broadly between \$100 and \$110 over the next one to two months, with risks tilted upwards.

Intensifying supply disruptions could propel prices towards \$120, while reopening Hormuz could pull crude towards \$90.

A sustained \$10 increase in crude could widen India's current account deficit by 0.3-0.4% of GDP and add 20-30 basis points to inflation over a year. Brickwork's base case projects the rupee at ₹94-₹98 against the dollar, CPI inflation at 5-5.5% and FY27 real GDP growth at 6.6-7%.

A prolonged Hormuz disruption could drive Brent beyond \$120. —**IAN S**