Weekly Word | Edition 11 | March 31, 2026

Weekly Word

DISRUPTION

Beyond the headlines of surging oil prices and record crack spreads, the Iran-Hormuz crisis is triggering a far broader commodity shock. Up to 50 percent of global urea supply, 45 percent of sulfur, 30 percent of helium and ammonia, and 20 percent of phosphate production are at risk. These are not obscure chemicals – they are the building blocks of modern agriculture, semiconductor manufacturing, healthcare and heavy industry. The world is facing not one shortage, but seven simultaneous disruptions from a single conflict.

The hidden shortages: five commodities you have never worried about

Urea is the world's most widely used nitrogen fertilizer, essential for crop yields globally. Iran and the broader Middle East account for approximately 50 percent of global supply. Without urea, agricultural productivity collapses within a single growing season. Sulfur, at 45 percent supply risk, is equally critical: it is the raw material for sulfuric acid, the single most produced industrial chemical on earth, used in everything from phosphate fertilizer production to petroleum refining, metal processing and battery manufacturing. Ammonia, at 30 percent risk, serves as the primary feedstock for virtually all nitrogen-based fertilizers and is increasingly viewed as a future hydrogen carrier for clean energy.

Phosphate, also at 20 percent risk, completes the fertilizer trifecta: nitrogen, phosphorus and potassium are the three essential macronutrients without which modern agriculture cannot function. Helium, at 30 percent risk, may seem less critical but is irreplaceable in semiconductor fabrication, MRI scanners, fibre optic manufacturing and aerospace applications. There is no synthetic substitute for helium – once supply is disrupted, these industries simply cannot operate.

The food security crisis: from fertilizer shortage to famine risk

The most immediate humanitarian concern is the fertilizer-to-food price transmission. When urea, ammonia and phosphate supplies are simultaneously disrupted, fertilizer prices spike within weeks. However, the full impact on food prices is delayed by three to six months, as current crop cycles complete before the shortage bites. This lag creates a dangerous complacency: markets may underestimate the severity of the food price shock that is building beneath the surface. The 2022 Ukraine crisis, which disrupted only a fraction of global fertilizer supply, triggered a 30 percent spike in the FAO Food Price Index. The current disruption is multiples larger.

Emerging markets and developing economies, which spend a disproportionate share of household income on food, face the most acute risk. But developed economies are not immune: food price inflation feeds directly into headline CPI, constrains central bank flexibility to cut rates, and erodes consumer purchasing power at precisely the moment when energy costs are already elevated.

Industrial and technological disruption: helium, sulfur and the semiconductor chain

The semiconductor industry's dependence on helium is poorly understood but absolute. Helium is used as a coolant and carrier gas in chip fabrication, fibre optic production and hard disk manufacturing. With 30 percent of global supply at risk, chipmakers face potential production curtailments that would ripple through the entire technology supply chain. Sulfur's industrial footprint is even broader: sulfuric acid is essential for copper and nickel leaching in mining, for petroleum refining, for pulp and paper production, and increasingly for lithium-ion battery cathode processing. A 45 percent supply disruption would create bottlenecks across multiple industrial verticals simultaneously.

The cascading nature of these shortages creates feedback loops that amplify the initial shock. Sulfur shortages reduce phosphate fertilizer production, which compounds the direct phosphate supply disruption. Ammonia shortages limit urea production even from non-affected regions. Helium shortages slow semiconductor output, which constrains the digital infrastructure needed for supply chain management and precision agriculture. These interdependencies mean the total economic impact is significantly greater than the sum of individual commodity disruptions.'

Investment implications: positioning for a multi-commodity shock

The investment implications extend well beyond the energy sector that has dominated recent market commentary. Agricultural commodity exposure – through fertilizer producers, agricultural equipment manufacturers and food commodity futures – offers direct positioning for the food price shock that is building. Companies with vertically integrated fertilizer production outside the Middle East, such as those in Canada, Brazil and

Morocco, stand to benefit from both price appreciation and market share gains. Helium producers and semiconductor equipment companies with alternative gas supply arrangements merit attention. Industrial gas companies with diversified sourcing will outperform those with concentrated Middle Eastern exposure. For broader portfolios, the multi-commodity nature of this shock reinforces the case for real asset exposure and inflation protection. The key risk to avoid is complacency: the lagged nature of the food and industrial transmission means the worst impact lies ahead, not behind us.

Conclusion

The Iran-Hormuz crisis is not just an energy story – it is a multi-commodity supply chain crisis with profound implications for food security, industrial production and technology manufacturing. With up to 50 percent of global urea and 45 percent of sulfur supply at risk, the disruption extends far beyond what energy prices alone can capture. The most dangerous aspect is the time lag: fertilizer shortages take months to translate into food price spikes, creating a false sense of security in the near term. Investors who position only for the energy dimension of this crisis are missing the larger picture. Successful navigation requires exposure to the full breadth of the commodity shock – from agriculture to industrial chemicals to critical minerals.

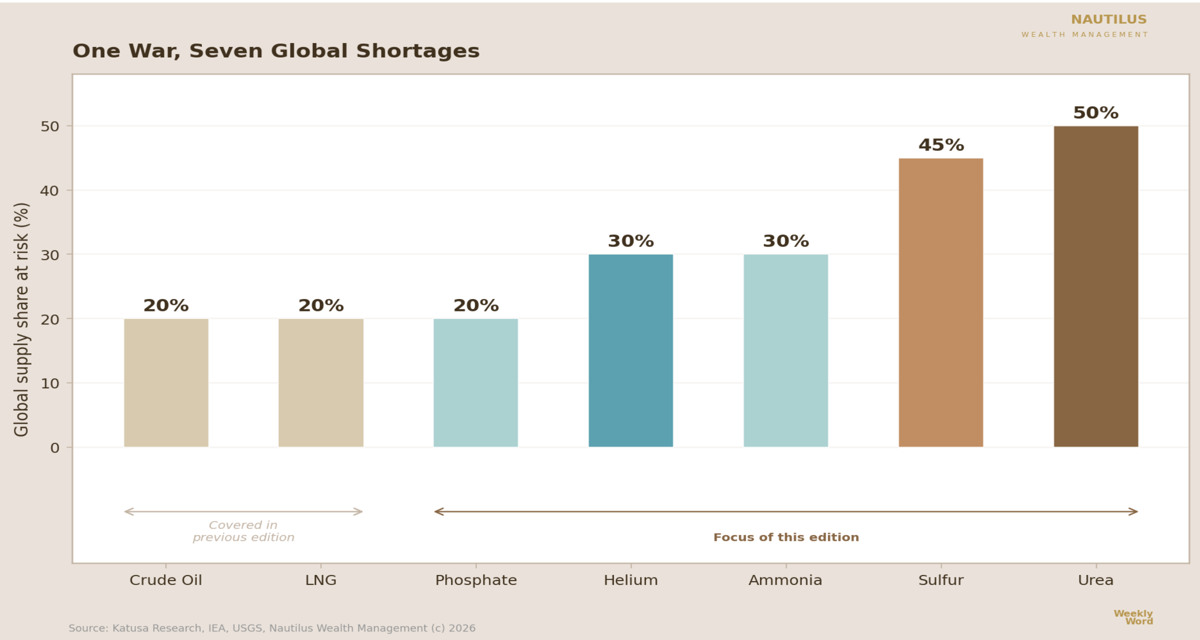

Chart 1: The Iran-Hormuz crisis puts up to 50% of global urea and 45% of sulfur supply at risk. While crude oil and LNG were covered in a previous edition, this edition focuses on the five non-energy commodities (highlighted) that threaten agriculture, industry and technology supply chains.

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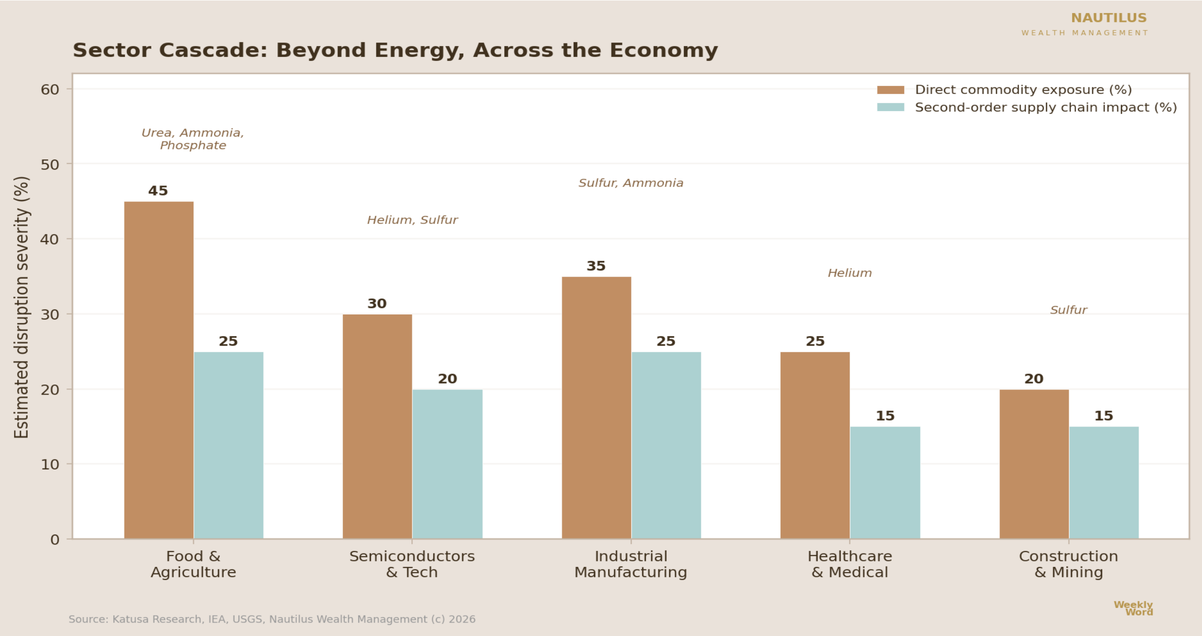

Chart 2: The commodity shortages cascade across five major economic sectors. Food and agriculture faces the most severe direct exposure through the fertilizer trifecta (urea, ammonia, phosphate), while semiconductors and healthcare are critically dependent on helium supply.

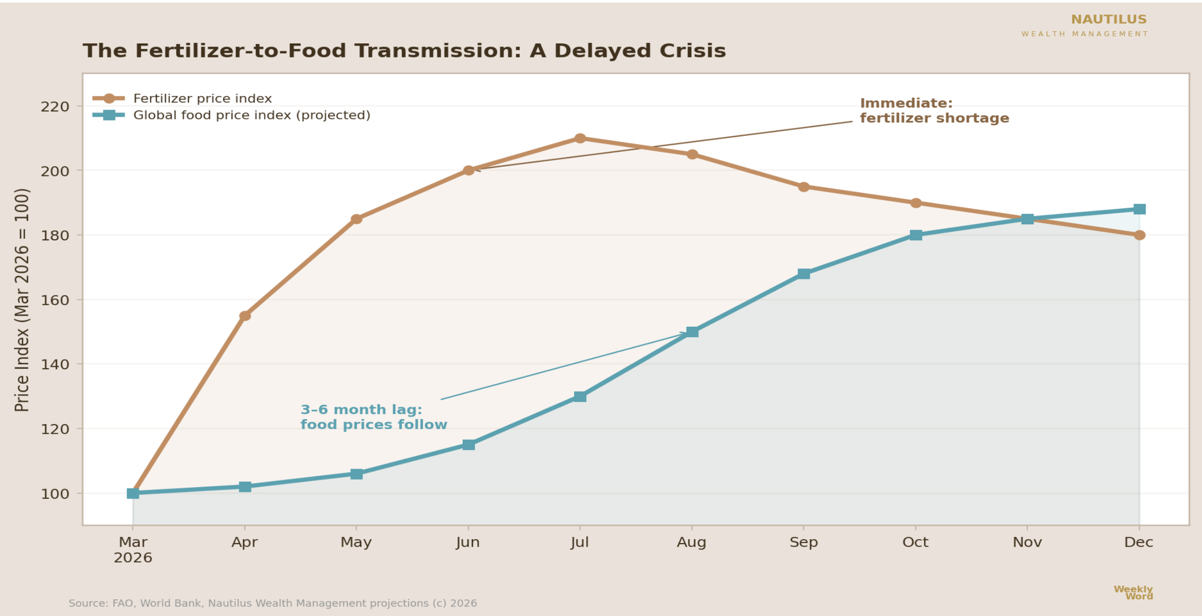

Chart 3: Fertilizer prices spike immediately upon supply disruption, but global food prices follow with a 3-6 month lag as existing crop cycles complete. This transmission delay creates a dangerous window of complacency. The projected food price trajectory suggests the worst impact arrives in Q3-Q4 2026.

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