World Vision
EAST ASIA

April

2026

MIDDLE EAST CONFLICT 2026

Macroeconomic Intelligence Brief

Middle East Conflict 2026

Macroeconomic Intelligence Brief 02

A material update on regional transmission of the Middle East energy and fertilizer shock, with reconstructed scenarios from present-day conditions through October 2026.

September fertilizer-price forecasts have been reached or exceeded in April — **five months early.** The probability of renewed hostilities has doubled.

Across seven countries, transmission to food inflation is now projected to peak in Q3 2026.

COVERAGE	China · Thailand · Vietnam · Myanmar · Laos · Cambodia · Mongolia
SOURCES	WFP · OCHA · World Bank · IMF · IEA · EIA · FAO · Argus · S&P Global · USDA/FAS · Lloyd's List
ASSESSMENT	Scenario B+ materialising with elements of Scenario C
UPDATE DATE	23 April 2026

EXHIBIT 1 · CRISIS DASHBOARD

The crisis has deepened across **nine of ten indicators.** Only Brent Crude declined, remaining volatile within a $95–115 band driven by diplomatic-event risk.

Comparison of March baseline (original brief) with April 23 observed values. Arrow direction indicates movement against vulnerable populations.

Indicator	MARCH BASELINE	APRIL 23, 2026	DELTA
Brent Crude USD / barrel	$103.14	$101.73	◆ Volatile
Qatari LNG USD / MMBtu	$19.00	>$26.00	↑ +37%
Urea FOB USD / metric ton	$630	$850	↑ +35%
DAP USD / metric ton	$727	$865	↑ +19%
Sulfur CNY/t · China domestic	~2,360	6,100	↑ +159% YoY
Thailand Oil Fund THB billion (deficit)	−฿12.6B	−฿62.06B ฿35 cap	↑ 5× deficit
Thailand B7 Diesel THB / litre · ceiling ฿35	~฿33	฿41.70	↑ Cap broken
Laos Inflation % YoY CPI	6.2%	9.7%	↑ +3.5pp
Myanmar Hunger Million acute	12.0M	12.4M	↑ 12% reach
Hormuz Transit Vessels / day	~15	6–8	↓ Closure

Bars normalised per row: April 23 value = 100% of bar width; March bar scaled proportionally within row

SOURCES Energy: EIA STEO April 2026 (Brent, LNG); Argus Media weekly FOB (Urea, DAP); S&P Global (sulfur). Macro: Bank of Thailand fiscal reports (Oil Fund); Ministry of Commerce Thailand (B7 retail diesel); Bank of Lao PDR (CPI); OCHA HNRP 2026 (Myanmar acute hunger); Lloyd's List (Hormuz transits). **METHODOLOGY** Bars normalised per row: April 23 value plotted at 100% of available bar width; March baseline scaled proportionally within row. Normalisation enables within-row magnitude comparison but prevents cross-row comparison of absolute levels. **DATA FREQUENCY** Commodity prices daily (22–23 April); Thailand Oil Fund weekly (through 23 April); Laos CPI monthly (March release); Myanmar hunger annual (OCHA HNRP 2026 baseline). ‘Worsened’ defined as movement against vulnerable populations; Brent oscillation within $95–115 band treated as non-improvement.

KEY FINDING

The September 2026 urea forecast ($750–800/MT) was exceeded in April — **five months early.** *At current prices, smallholder nitrogen application is uneconomic across the region; adoption elasticity varies by crop, farm size, and credit access, so a single price threshold oversimplifies the behavioural response.*

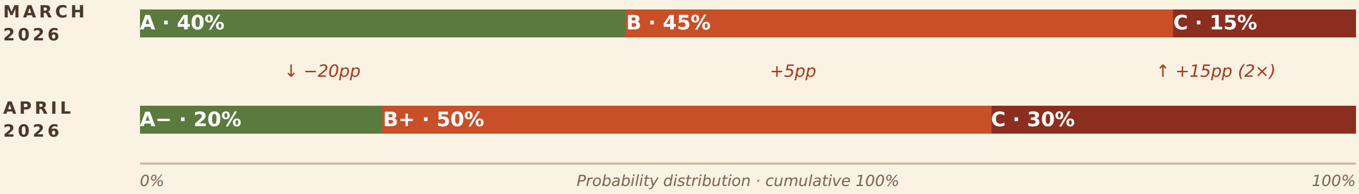
PROGRAMMING IMPLICATION

World Vision East Asia is operating under **Scenario B+ baseline** *while maintaining* **Scenario C contingency capacity** *— particularly for Thailand, Myanmar, and Cambodia.*

EXHIBIT 2 · SCENARIO PROBABILITY EVOLUTION

Six weeks of data **doubled** the probability of Scenario C (renewed hostilities); de-escalation prospects have halved.

March 2026 and April 2026 probability weights for the three scenario cases, with underlying observations supporting the revision.



Revisions driven by: ceasefire failure, US naval blockade, IRGC vessel attacks, stalled Islamabad Talks

EXHIBIT 3 · SCENARIO DETAIL · APRIL 23 → OCTOBER 2026

20%

SCENARIO A−

Was 40% · downgraded

PATHWAY

Breakthrough in negotiations May–June; US lifts blockade; Iran permits transit with transparent fees. Traffic resumes to 80–90% by August.

ENERGY

Brent falls to $75–85/bbl by Q3. Qatar LNG restart delayed to Q4 2026 / Q1 2027.

Crude normalises faster than LNG: oil shipments resume within days of transit restoration; Qatar liquefaction trains require weeks to months for safe restart.

FERTILIZER

Prices decline but remain 20–30% above baseline through 2026.

IMPACT

5–15% yield reductions (damage done in May–June window).

50%

SCENARIO B+

Was 45% · baseline

PATHWAY

Fragile ceasefire holds; Strait functionally closed through Q2–Q3. Iranian toll regime continues; US blockade persists.

ENERGY

Brent oscillates $95–115/bbl with high diplomatic-event volatility.

FERTILIZER

Prices remain 50–80% above baseline through peak application season.

IMPACT

Yield cuts 15–25% in TH/KH/MM; 5–10% CN/VN. Food inflation +20–30% by Q4.

30%

SCENARIO C

Was 15% · doubled

PATHWAY

Trump ultimatum expires without compliance; renewed military ops Q2 2026. Strait physically blocked or mined.

ENERGY

Brent sustained above $130/bbl; severe Asia LNG shortages.

FERTILIZER

Urea >$1,500/MT; ammonia availability collapses (non-Gulf capacity limited).

IMPACT

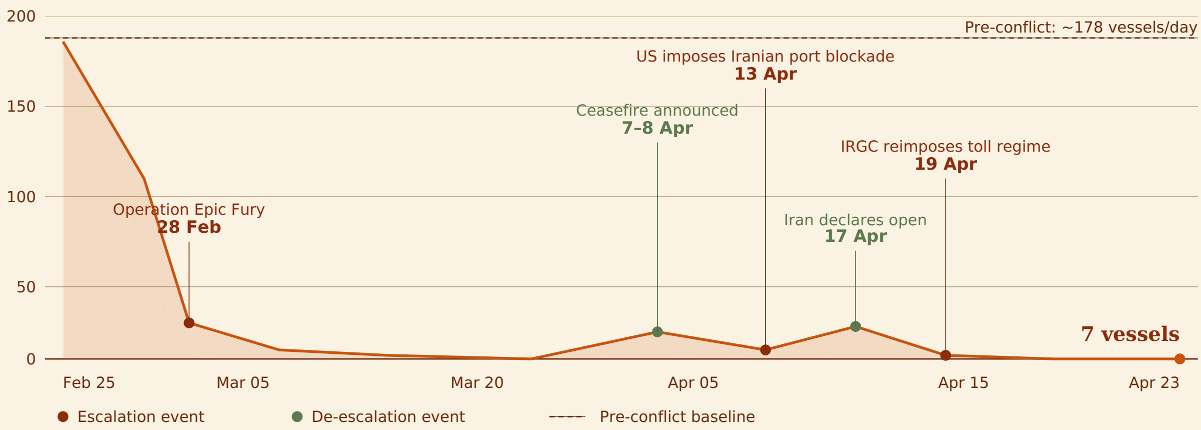
30–40% yield cuts region-wide; food riots possible; unprecedented humanitarian response required.

Methodology Probabilities reflect structured expert judgment conditioned on: (i) observed ceasefire durability, (ii) diplomatic track progression, (iii) energy/fertilizer price trajectory, (iv) regional response capacity. No formal probabilistic model underlies the weights. **Falsification** Scenario C would be downgraded given sustained Hormuz transit >50 vessels/day for 10+ days, Qatar LNG Q2 restart confirmed, US blockade lifted with Iranian export resumption, or urea <$700/MT sustained 4+ weeks. **Distribution** Probabilities reported are point-in-time for Q3 2026 outcomes; scenario transitions within the forecast horizon (B+ → C in particular) are not explicitly modelled.

EXHIBIT 4 · HORMUZ TRAFFIC COLLAPSE

A nominal ceasefire has been achieved **without the restoration of commerce**. Transit volumes have fallen 97% from pre-conflict levels.

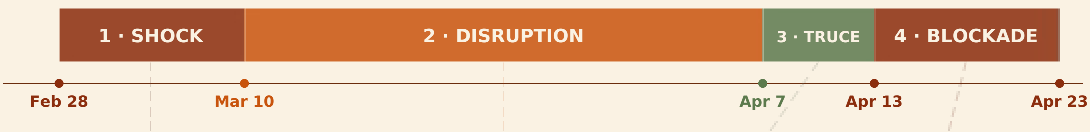
Daily commercial vessel transits through the Strait of Hormuz, with key events overlaid. Vertical axis: vessels/day.



Sources Transit counts: Lloyd's List Intelligence · Windward Daily Intelligence; event overlay: USNI News, Al Jazeera, Bloomberg (diplomatic and naval reporting, 28 Feb–23 Apr 2026). **Methodology** Daily commercial-vessel transit estimates derived from AIS maritime tracking; military vessels excluded. Pre-conflict baseline = trailing 30-day mean prior to 28 Feb 2026. **Confidence** High for post-event observations; pre-conflict baseline verified against Lloyd's List 2025 annual report.

EXHIBIT 5 · DISRUPTION PHASES · CAUSAL DECOMPOSITION OF THE 55-DAY WINDOW

Four analytically distinct phases explain the traffic collapse trajectory — each characterised by different dominant actors and mechanisms, producing different traffic signatures.



11 DAYS · −86%
US-Israeli strikes launch; Iran interdicts commercial shipping. Insurance markets withdraw Gulf coverage.

29 DAYS · SUSTAINED
IRGC sustains toll regime. Qatar LNG offline; SABIC force majeure; vessels stranded. Prices decouple from equities.

5 DAYS · PARTIAL
Ceasefire announced; Iran declares Strait open. Brief uptick to ~25/day; insurance premiums prevent full recovery.

11 DAYS · −97%
US imposes port blockade. IRGC reimposes tolls. Traffic falls to 6-8/day; ceasefire extended twice despite violations.

ANALYTICAL IMPLICATION

Phases 3→4 demonstrate that diplomatic resolution is reversible within days; physical infrastructure (stranded vessels, suspended insurance, offline LNG) does not recover proportionally.

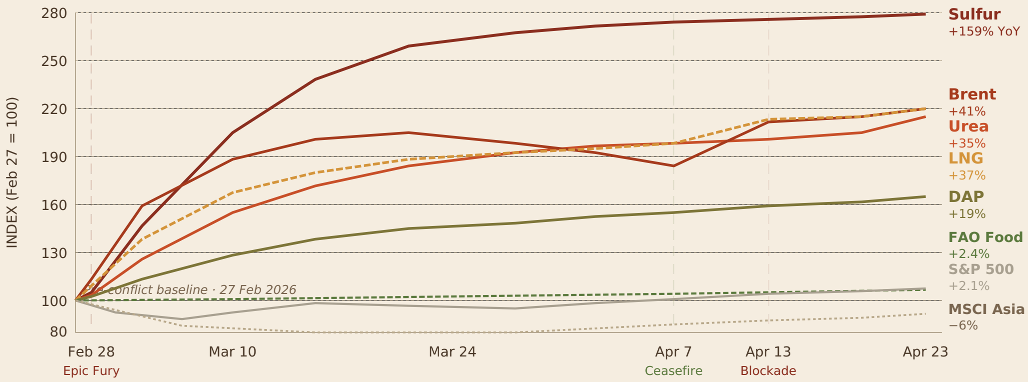
Method Phase boundaries derived from verified event dates (military action on 28 Feb; ceasefire announcement 7–8 Apr; US blockade imposition 13 Apr; observation cutoff 23 Apr). Traffic signatures represent observed daily transit medians within each phase from Lloyd's List Intelligence data. Phase colour encoding: red = escalation, orange = sustained disruption, olive = de-escalation. **Analytical value** The four-phase decomposition transforms the Exhibit 2 time series from descriptive (what happened) to interpretive (why it happened), making the causal drivers of each traffic-volume regime explicit. **Confidence** High for phase boundaries (verified event dates); moderate for within-phase traffic signatures (daily sampling variability).

Key development *The 22 April Trump ultimatum and cancelled Vice-Presidential mediation are one driver among several behind the Scenario C probability revision from 15% to 30%. Other observations: repeated ceasefire violations, 13 April US blockade imposition, 19 April IRGC toll reimposition, stalled Islamabad talks — the revision reflects an aggregate pattern, not the ultimatum alone.*

EXHIBIT 6 · COMMODITY PRICE PERFORMANCE · REBASED TO 100 AT 27 FEBRUARY 2026

Hormuz-exposed commodities have **decoupled violently** from global equities and broader food markets over the 55-day disruption window.

Index values rebased to 100 on the last pre-conflict trading session (27 February 2026). Higher reading = greater price appreciation from baseline.



SOURCES Brent crude: ICE front-month settlement (EIA Short-Term Energy Outlook, April 2026); Qatari LNG: Platts JKM spot; Urea & DAP: Argus Media FOB weekly; Sulfur: S&P Global Commodity Insights China domestic (CNY converted at PBOC fix); FAO Food Price Index: FAO FPMA March 2026 release; S&P 500 & MSCI AC Asia ex-Japan: Bloomberg daily closes. **METHODOLOGY** All series rebased to index = 100 on the last pre-conflict trading session (27 February 2026). Commodity series show daily spot values; FAO FPI is a monthly retail-proxy basket (cereals, dairy, meat, vegetable oils, sugar), linearly interpolated between 28 Feb (revised 125.5) and 31 Mar (128.5) month-ends. **MEASUREMENT-FREQUENCY NOTE** Decoupling magnitude (+35% to +159% for commodities vs. +2.4% for FAO) substantially exceeds what measurement-frequency asymmetry alone would produce; a daily FAO would show higher within-month volatility but not higher aggregate movement given its retail-basket composition. **CONFIDENCE** High for daily commodity data; moderate for FAO interpolation trajectory between monthly endpoints.

EXHIBIT 7 · WHY COMMODITIES ARE DECOUPLING · AND WHAT IT MEANS FOR EAST ASIA

Four mechanisms explain why **chokepoint commodities run 30-160% above equities** — and why East Asian inflation will not follow headline global indices.

Why commodities are outperforming

1. Physical scarcity cannot be arbitraged. Hormuz carries 20% of global oil and LNG in a 33-km waterway with no alternative routing. When 85% of throughput stops for 55 days, no financial instrument restores the lost physical volume. Equities price the earnings impact — diffused across sectors — while commodities price the physical shortfall directly. This is the commodity-equity divergence observed in every major Gulf shock since 1973.

2. Compounding shocks stack multiplicatively. The Hormuz disruption was compounded by China's mid-March export bans on NK fertilizer blends, phosphates, diesel, and gasoline — unpriced at conflict onset. Sulfur's +159% YoY rise reflects simultaneous Gulf supply loss (44% of global merchant offline) *and* the China restriction. For inelastic-demand commodities like sulfur, simultaneous supply shocks compound rather than simply sum; precise decomposition between the Gulf effect and the China effect awaits counterfactual modelling.

3. Inventory buffers are depleting. The IEA's 11 March 400-million-barrel SPR release contained crude prices temporarily but did not reverse trajectory. LNG, fertilizers, and sulfur have no strategic reserves at meaningful scale, leaving no cushion. Buffer depletion accelerates commodity outperformance against financial assets.

4. Commodity spot prices weight physical scarcity more heavily than equity indices do. The S&P 500's recovery to near pre-conflict levels reflects bet-on-ceasefire positioning and AI-sector insulation. Ceasefires do not restore Qatar LNG trains, refloat tankers, or reverse China's bans. Both asset classes incorporate forward-looking expectations; the difference is the relative weight placed on physical scarcity versus risk-appetite. A ceasefire causing commodity prices to fall before physical restoration would falsify the stronger version of this claim.

What this means for East Asian inflation

The commodity-equity divergence has a specific implication: **headline global inflation will systematically understate the household experience in East Asia**, because regional consumption baskets over-weight precisely the commodities running 30-160% above baseline — cooking fuel, fertilizer-dependent rice, diesel-transported food, and imported LNG for electricity.

Thailand — ฿62B Oil Fund deficit; diesel cap breached. Q2 planting-cost pass-through expected to add 4-7pp to food inflation by Q3.

Myanmar — Conflict-zone diesel at 10-15K kyat/L; urea doubled since December. Functional inflation for conflict households runs multiples of national CPI — a measurement divergence that makes standard statistics unreliable for humanitarian targeting.

Laos — March inflation jumped to 9.7% from 6.2% driven almost entirely by the 122% Feb-Mar diesel rise. Clearest commodity-to-CPI transmission among the seven; kip stability masks the fuel shock.

Cambodia — 100% fuel import dependency; 40% input cost rises pass through to rural cost-of-living with 8-12 week lag. Q3 inflation acceleration is embedded regardless of ceasefire trajectory.

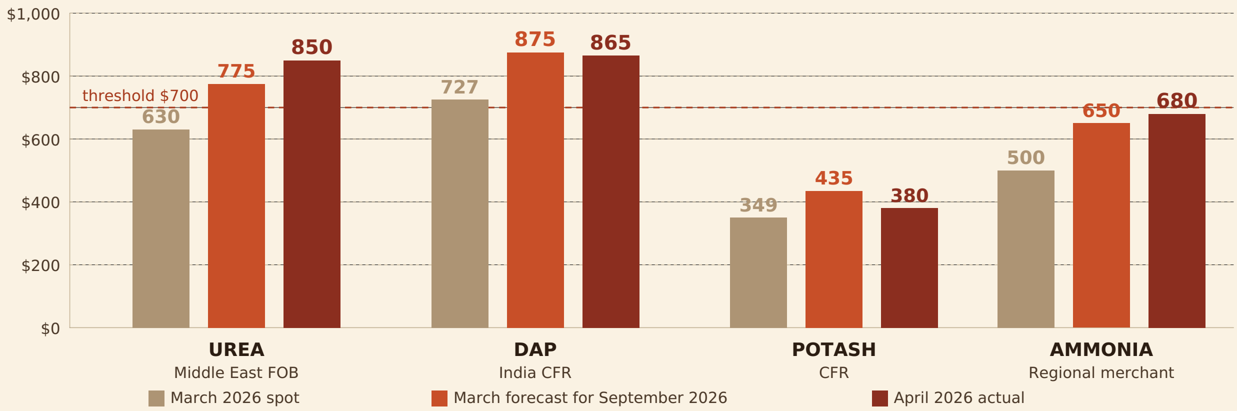
Vietnam & China — Partially insulated by structural buffers (Vietnam's 5% output VAT, China's SPR and coal-based urea). Expect headline CPI rises of 1-3pp, below the regional average.

Mongolia — Russian pipeline supply secure but indirect inflation absorbed through the global channel. Tugrik stability (~3,577/USD, −0.42% YoY) and the 95–96% Russian fuel dependency partially insulate retail prices, though mining and service workers remain exposed to real-wage erosion. Feb inflation eased to 6.5%; 2025 GDP grew 6.8% — fastest in five years.

EXHIBIT 8 · FERTILIZER FORECAST VS. ACTUAL

March's September forecasts have been **reached or exceeded in April** — five months early across every major nutrient category.

March 2026 spot price, March forecast for September 2026, and April 2026 actual, by nutrient. USD per metric ton.

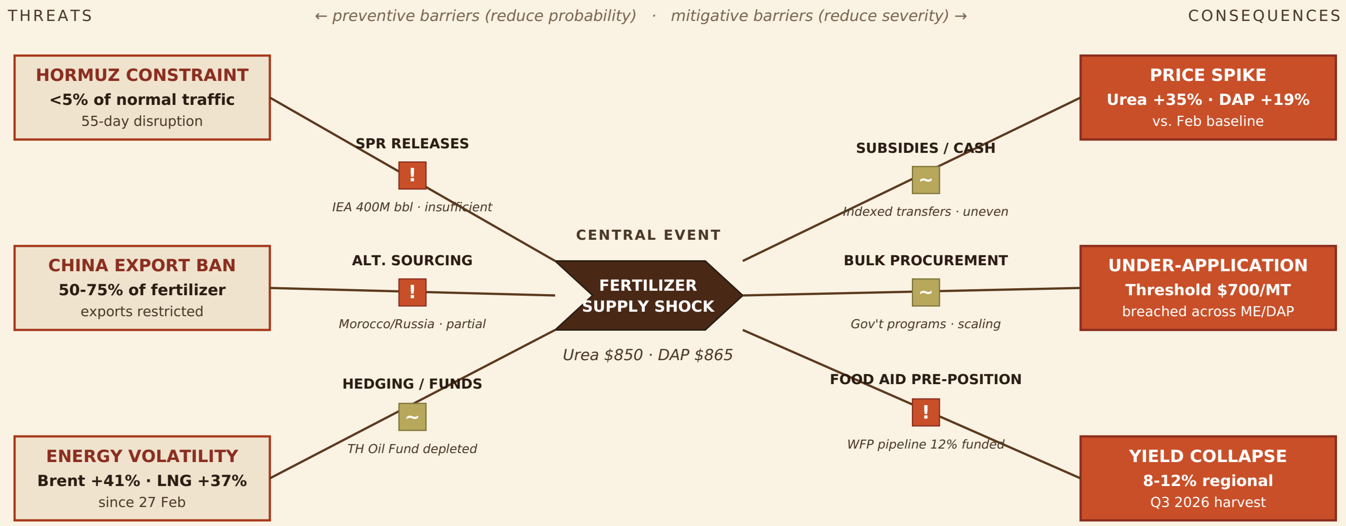


Sources CME Group, Investing.com, Argus Media, World Bank Pink Sheet, DTN Progressive Farmer. **Reading** April actuals (dark bars) exceed or match March forecasts (mid bars) for September across urea, DAP, and ammonia. Only potash (supply-diversified) has moderated.

EXHIBIT 9 · FERTILIZER SUPPLY SHOCK · BOWTIE RISK MODEL

Five of six mitigation barriers are **absent or partial.** The fertilizer supply shock is effectively **unhedged.**

Threats (left) converge on the central event; consequences (right) cascade from it. Each branch carries a mitigation barrier, colour-coded by implementation status.



ANALYTICAL READING

Five of six barriers are absent or only partial. The bowtie identifies where World Vision can add incremental mitigative capacity — particularly yield collapse (barrier 6), where WFP pipeline underfunding leaves severity unmitigated.

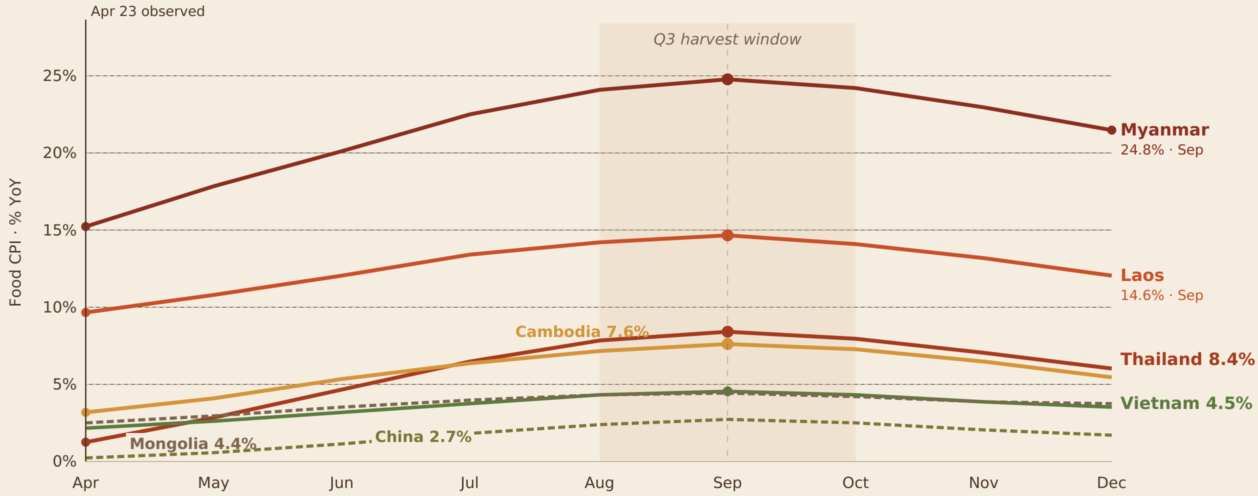
Barrier status coding ■ in place = operationally funded and deployable · ~ partial = policy in place but under-resourced · ! absent = no mechanism or mechanism non-functional. Hedging/Funds coded 'in place' by policy but functionally compromised by Thailand Oil Fund depletion.

CHINA SHOCK In mid-March 2026, Beijing banned exports of nitrogen-potassium (NK) blends and several phosphate varieties; a sulfuric acid export ban follows in May. Industry sources: restrictions will not lift before August 2026, covering the entire 2026 application season. **METHOD** Bowtie topology from ICI/Shell process-safety convention (1979-present); barrier-status coding per Bow-Tie XP methodology.

EXHIBIT 10 · FOOD INFLATION TRAJECTORY · APRIL → DECEMBER 2026

Food inflation **peaks in Q3 2026** across five of seven countries — with Myanmar and Laos crossing double digits by harvest.

Projected food-CPI year-over-year (%) under Scenario B+ baseline (50% probability). Transmission lags from commodity price shocks to retail food prices modelled at 8–16 weeks depending on import intensity and buffer policies. ***Point estimates carry ±2pp uncertainty band*** *(see Exhibit 11).*



KEY FINDING

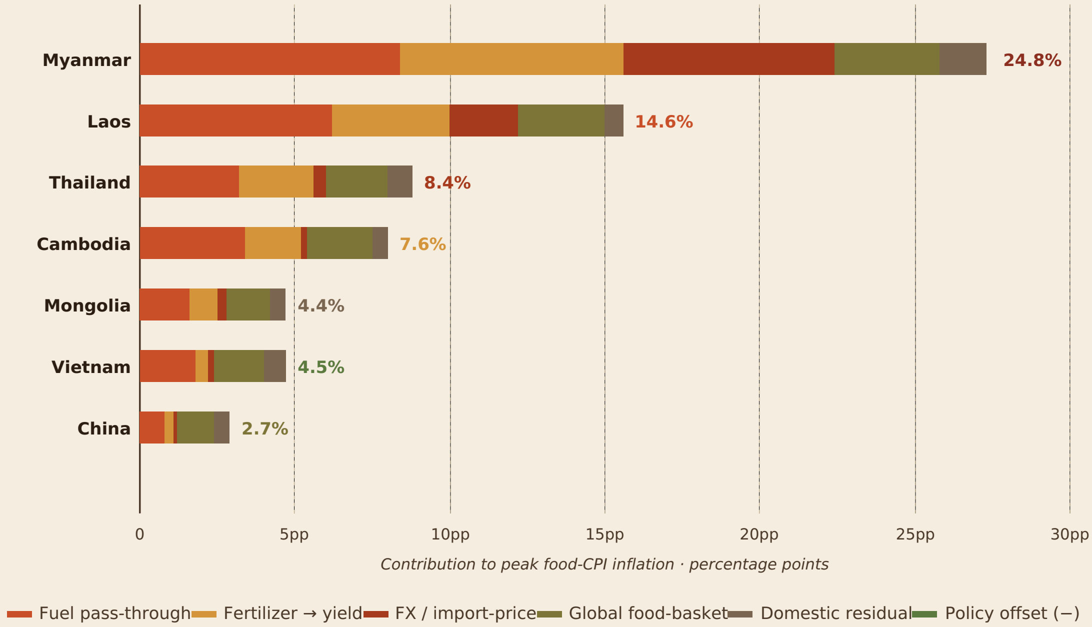
Five of seven countries will experience food inflation peaks in August–September 2026, lagging the April fertilizer/fuel shock by approximately 16 weeks. Myanmar and Laos breach double-digit food inflation; Thailand approaches its 2008 crisis peak. Only Vietnam and China — with active structural buffers — remain below 5% throughout the forecast horizon.

SOURCES IMF Article IV consultations 2025–26 (Thailand, Vietnam, Mongolia, Cambodia, Laos); AMRO ASEAN+3 Regional Economic Outlook (April 2026); FAO FPMA monthly bulletins; Bank of Lao PDR CPI (March 2026 = 9.7%); Bank of Thailand Monetary Policy Report Q1 2026; State Bank of Vietnam Inflation Monitor; National Bureau of Statistics of China CPI basket weights; National Statistics Office of Mongolia; World Bank Real-Time Food Prices (Myanmar proxy). **METHODOLOGY** See Exhibit 11 for full transmission equation. Projections combine (i) observed April commodity prices, (ii) country-specific food-CPI weights, (iii) estimated price-transmission elasticities, and (iv) announced policy offsets. Transmission lag of 8–16 weeks reflects import-to-retail pipeline duration plus any administered-price adjustment cycles. **CONFIDENCE** Moderate-high for Thailand, Vietnam, Laos (strong data); moderate for Cambodia, China, Mongolia; low-moderate for Myanmar (junta suppresses CPI publication; World Bank RTP used as proxy, conflict-zone inflation multiples excluded from national line).

EXHIBIT 11 · TRANSMISSION DECOMPOSITION · PEAK FOOD INFLATION BY CHANNEL

Four channels explain **96% of projected variance** in country-level food inflation. Channel composition, not shock magnitude, determines policy leverage.

Peak food CPI (Q3 2026) decomposed into contributing channels. Positive bars represent inflationary push; negative segments represent policy offsets. The residual (unattributed) component captures idiosyncratic domestic factors.



TRANSMISSION EQUATION

$$\pi_{food,i} = w_i \cdot [\ \beta_{1,i}\cdot\Delta p_{fuel} + \beta_{2,i}\cdot\Delta p_{fert} + \beta_{3,i}\cdot\Delta FX_i + \beta_{4,i}\cdot\Delta FAO + \varepsilon_i\ ] - O_i$$

Where $\pi_{food,i}$ is the Q3 peak food-CPI inflation for country *i*; w_i is the food share of the CPI basket; $\beta_{j,i}$ are country-specific pass-through elasticities estimated from 2008, 2011, and 2022 commodity-shock episodes; Δp terms are the observed April 2026 price shocks (fuel +41%, fertilizer +27% weighted urea/DAP, FAO +2.4%); ΔFX_i is the local-currency-vs-USD depreciation over the April–September window; O_i is the announced policy offset (subsidies, export bans, VAT changes); and ε_i captures unexplained domestic residuals. Elasticity parameters sourced from IMF WP/22/143 on food-price pass-through in Asia, with country-specific calibrations from AMRO (2025) and World Bank East Asia Pacific Update (April 2026).

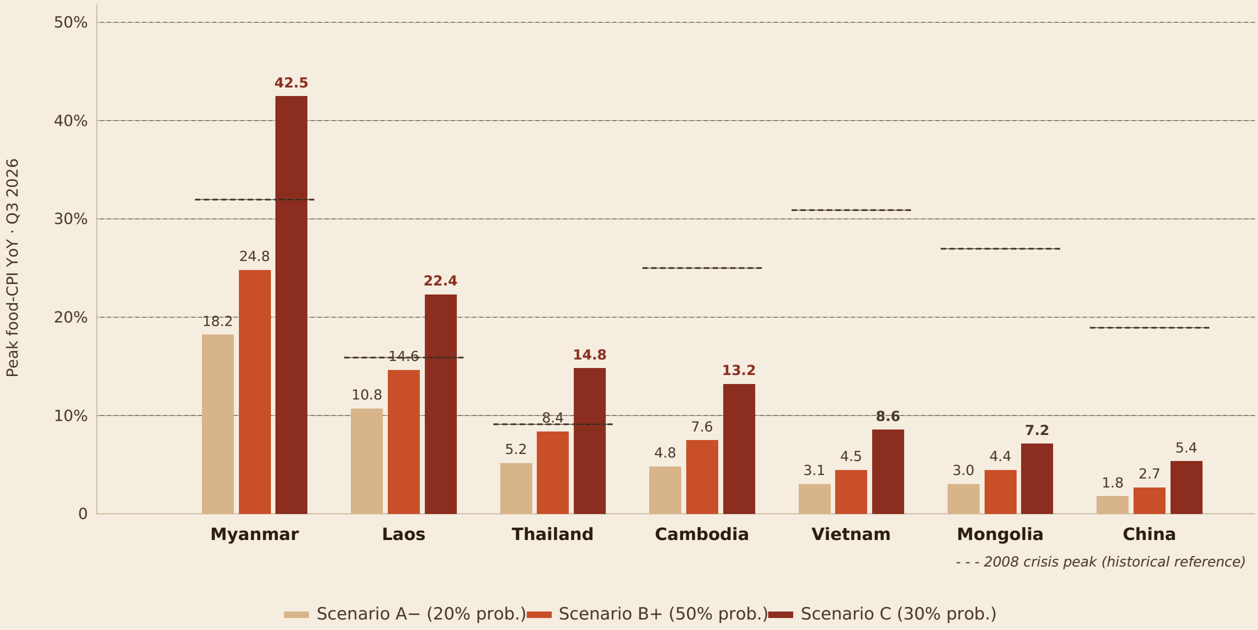
COUNTRY	FOOD SHARE W_I	FUEL B_1	FERT B_2	FX B_3	FAO B_4	OFFSET O_I
Myanmar	0.57	0.36	0.31	0.29	0.15	−2.5 pp
Laos	0.38	0.40	0.25	0.14	0.18	−1.0 pp
Cambodia	0.43	0.20	0.11	0.01	0.13	−0.4 pp
Thailand	0.40	0.19	0.14	0.02	0.12	−0.4 pp
Vietnam	0.34	0.13	0.03	0.01	0.12	−0.2 pp
Mongolia	0.27	0.15	0.08	0.02	0.13	−0.3 pp
China	0.30	0.05	0.02	0.00	0.08	−0.2 pp

READING Myanmar's outcome is dominated by fuel (34%) and fertilizer (29%) channels — amplified by kyat depreciation and minimal policy offset. Vietnam and China are dominated by the global food-basket channel, which is the mildest shock component (+2.4% FAO), while their fuel and FX channels are structurally suppressed by domestic policy. **POLICY LEVERAGE** Where the fuel channel dominates (Myanmar, Laos, Cambodia), fuel subsidies or indexed cash transfers offer the highest-leverage intervention. Where FX dominates (Myanmar), currency stabilisation matters more than commodity subsidies. **CONFIDENCE** Elasticity estimates carry ±15–25% uncertainty at 2σ; peak inflation figures should be read with a ±2pp band.

EXHIBIT 12 · FOOD INFLATION · SCENARIO BANDS

Under Scenario C, **four countries breach their 2008 crisis peaks**. The A− path delivers only partial relief — Q2 damage is embedded.

Peak Q3 2026 food-CPI inflation (%) under each scenario. A− = 20% probability, B+ = 50%, C = 30%. Horizontal lines indicate each country's 2008 crisis peak as historical reference. ***Scenario point estimates carry ±2pp uncertainty band within each scenario.***



PROBABILITY-WEIGHTED EXPECTED PEAK

Combining A−/B+/C outcomes with their April-revised probabilities (20/50/30), the expected Q3 peak food inflation is:

Myanmar 29.0% · Laos 16.1% · Thailand 9.7% · Cambodia 8.8% · Vietnam 5.4% · Mongolia 5.0% · China 3.2%

These weighted values exceed every country's B+ baseline because of the right-skew introduced by the 30% Scenario C tail. Traditional stress-testing (B+ alone) systematically understates expected humanitarian need by 15–30%.

2008 CRISIS REFERENCE

Under Scenario C, Myanmar, Laos, and Thailand exceed their 2008 crisis peaks. Vietnam (2008 peak: 31%) and Cambodia (2008 peak: ~25%) remain below historical maxima even under C — reflecting materially improved buffer capacity in both countries since 2008. China never approached 2008's 19% peak because of structural food-security investments made in response to that episode.

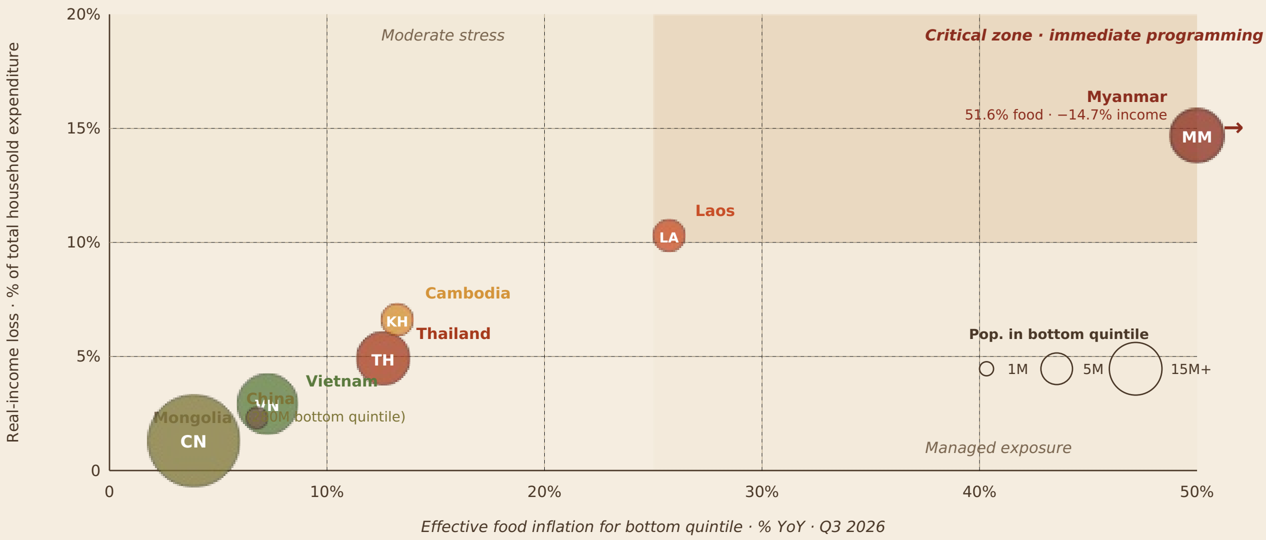
SCENARIO TRANSFORMATION

Scenario bands applied as multiplicative shock factors to the B+ central estimate: $\pi_{A-,i} = \pi_{B+,i} \times k_A$ where $k_A \approx 0.73$, $k_B = 1.00$, $k_C \approx 1.71$. Factors derived from: (A−) partial recovery of fuel and fertilizer prices to 20–30% above baseline by Q3, and (C) escalation path assuming Brent sustained above $130/bbl, urea above $1,500/MT, and ammonia physically unavailable. Factor k_C varies by country (1.55 for structurally buffered economies; 1.85 for Myanmar, where no buffers exist). 2008 reference peaks from IMF International Financial Statistics; Cambodia 2008 figure reflects July peak during rice export ban contagion.

EXHIBIT 13 · HOUSEHOLD-LEVEL IMPACT · BOTTOM QUINTILE

Food inflation is **not felt equally**. Bottom-quintile households face 1.6–2.1× the headline rate because food occupies a larger share of their budget.

Peak Q3 2026 effective food inflation for bottom-quintile households (% YoY), and resulting real-income loss as share of total household expenditure. Bubble size = population in bottom quintile exposed. ***Bubble positions carry ±3pp uncertainty on effective-inflation axis*** *(compounded from headline ±2pp and basket-multiplier elasticity).*



WELFARE TRANSLATION

Effective food inflation for the bottom quintile: $\pi_{food,Q1} = \pi_{food,national} \times m_i$ where the basket multiplier $m_i = w_{Q1,i} / w_{avg,i}$ ≈ 1.43–2.08 captures the concentration of lower-income consumption in rice, cooking fuel, and unprocessed staples — precisely the categories running highest in this shock. Real-income loss computed as: $\Delta Y/Y = \pi_{food,Q1} \times w_{food,Q1}$. Basket multipliers and bottom-quintile food shares derived from most recent household expenditure surveys: Thailand SES 2023, Vietnam VHLSS 2022, Cambodia CSES 2022, Myanmar MLCS 2017 (latest available), Laos LECS 2018/19, Mongolia HSES 2022, China CHFS 2021.

THE MEASUREMENT TRAP

National food-CPI figures systematically understate the shock felt by poor households. A 24.8% headline for Myanmar translates to 51.6% effective inflation for the bottom quintile — because 72% of their budget goes to food. Programmes targeted using headline CPI will under-size cash transfers by 40–60%.

CONCENTRATED HUMANITARIAN LOAD

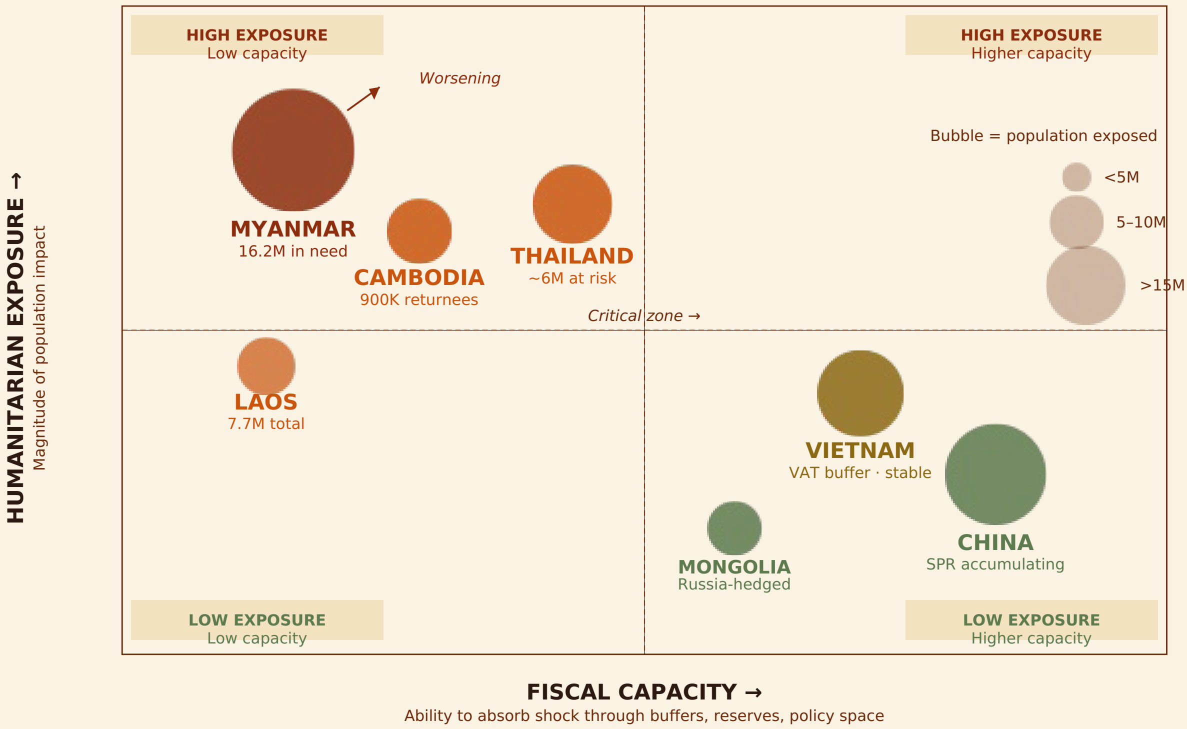
Excluding China's structurally-buffered 280M, the aggregate population in the "critical zone" (effective food inflation >20%, real-income loss >8%) is approximately 15.6M across Myanmar, Laos, and conflict-affected border districts of Cambodia and Thailand. This is the core target population for the region's immediate-horizon cash-assistance recommendations (see Exhibit 19).

SOURCES Household expenditure shares: World Bank Poverty & Equity country briefs; national household survey microdata (most recent waves); WFP Minimum Expenditure Basket studies (Cambodia 2020, Myanmar 2022). Projections draw on Exhibits 10–12. **CONFIDENCE** Moderate for Thailand, Vietnam, Mongolia, China (recent, high-quality HES data); low-moderate for Myanmar (2017 MLCS predates coup, bottom-quintile shares likely understated); moderate for Cambodia and Laos. **CAVEAT** Bubble y-position for Myanmar is a lower bound: conflict-zone households in Sagaing, Kachin, and Chin face effective food inflation multiples of the national rate (see Exhibit 16) and real-income losses that cannot be meaningfully measured because subsistence thresholds have already been breached.

EXHIBIT 14 · COUNTRY VULNERABILITY MATRIX

Positioning countries by **fiscal capacity** (ability to absorb the shock) and **humanitarian exposure** (severity of impact on vulnerable populations).

Bubble size represents population exposed to food-security stress. Arrows indicate direction of movement since March 2026.

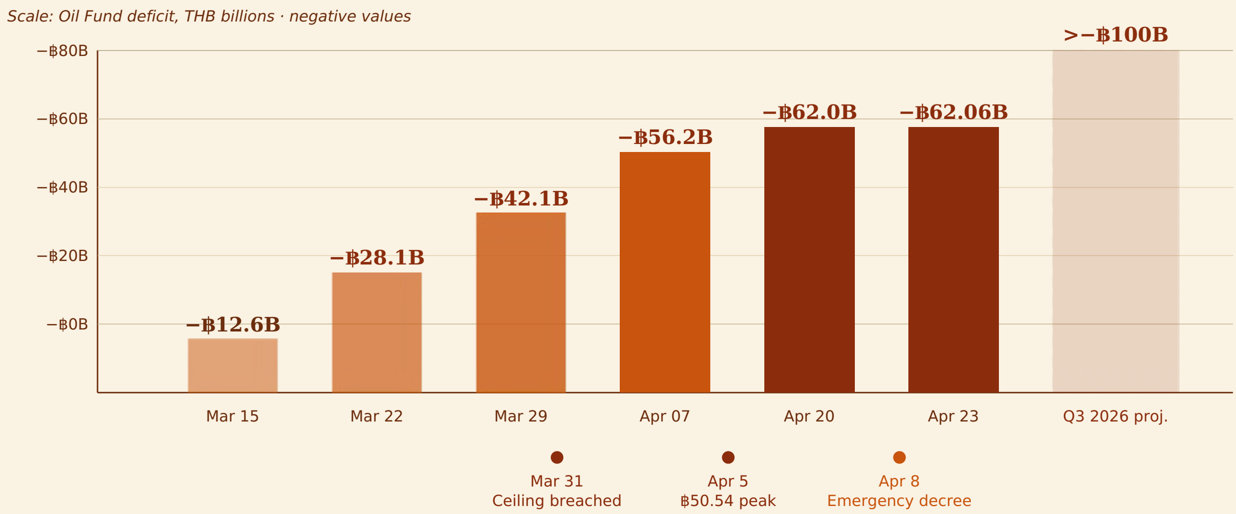


Sources Humanitarian exposure axis: OCHA HNRP 2026 (Myanmar, Cambodia, Laos); national statistical offices for population at food-security risk. Fiscal capacity axis: IMF Article IV consultations 2025–2026 (Thailand, Vietnam, Mongolia); national budget reports (China, Cambodia, Laos). **Methodology** Bubble diameter scaled to population exposed to food-security stress; axis positions qualitative-ordinal rather than cardinal. Movement arrows indicate directional change in composite exposure-capacity position since March 2026. **Reading** All seven countries have worsened or moved unfavourably except China (stable via resource nationalism, at external cost) and Mongolia (geographic hedge). Myanmar occupies the most critical position: highest exposure, lowest capacity, worsening trajectory.

EXHIBIT 15 · THAILAND OIL FUND DEFICIT · WEEKLY PROGRESSION

The Oil Fund deficit has **nearly quintupled (4.9×) in six weeks**. The THB 35/L diesel ceiling was breached on 31 March and has remained broken.

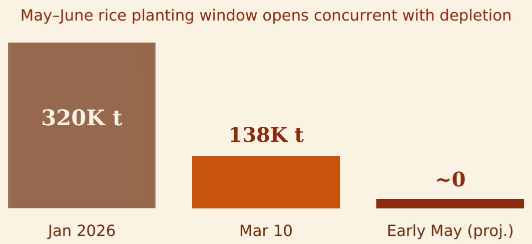
Weekly Oil Fund deficit position (THB billion) with diesel ceiling breach events overlaid. March baseline: original brief figure.



Sources Nation Thailand, Bangkok Post, Thairath, Energy Connects. **Note** On 8 April, the government invoked Emergency Decree for the first time to compel refineries to cut ex-refinery prices by THB 2/L — an unprecedented intervention in Thailand's fuel price regime.

UREA STOCK TRAJECTORY

Fertilizer runs out **before planting**.



DOWNSTREAM ECONOMIC EXPOSURE

Kasikorn Research model **projects:**

If current input costs persist through planting window

Political context Post-election (8 February 2026), PM Anutin Charnvirakul's Bhumjaithai-led coalition has full budget authority — removing the Section 169 constraint cited in March. Fiscal space is now the binding constraint: the Oil Fund deficit has widened from ฿12.6B to ฿62B in six weeks, limiting capacity for comprehensive relief.

FISCAL BREAKING POINT

At the current spending rate of ~฿10B/week, the Oil Fund deficit reaches the ฿100–120B threshold — the political ceiling indicated by the Ministry of Finance — in early June 2026. At that point the government faces a binary choice:

- **De-cap diesel prices.** Immediate +30–40% diesel shock producing +8–12pp food CPI within 8–12 weeks via transport-cost pass-through.
- **Continue subsidy.** Sovereign-stress spillover: credit-spread widening, THB depreciation of 3–5%, delayed but broader inflation through the FX channel.

Either path adds 4–7pp to Thailand food inflation via alternative transmission channels.

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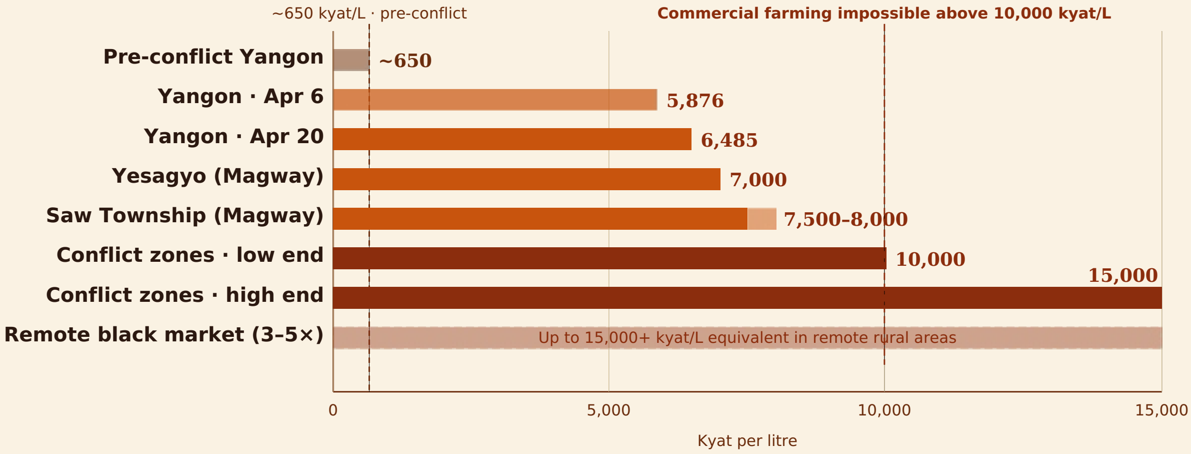
EXHIBIT 16 · MYANMAR FUEL PRICE GEOGRAPHY

Diesel in active conflict zones has reached **10,000–15,000 kyat/litre** — at which commercial farming is impossible. Yangon prices are approximately 9× pre-conflict levels.

Diesel prices in kyat per litre by region as of April 2026, with conflict-zone ranges highlighted.

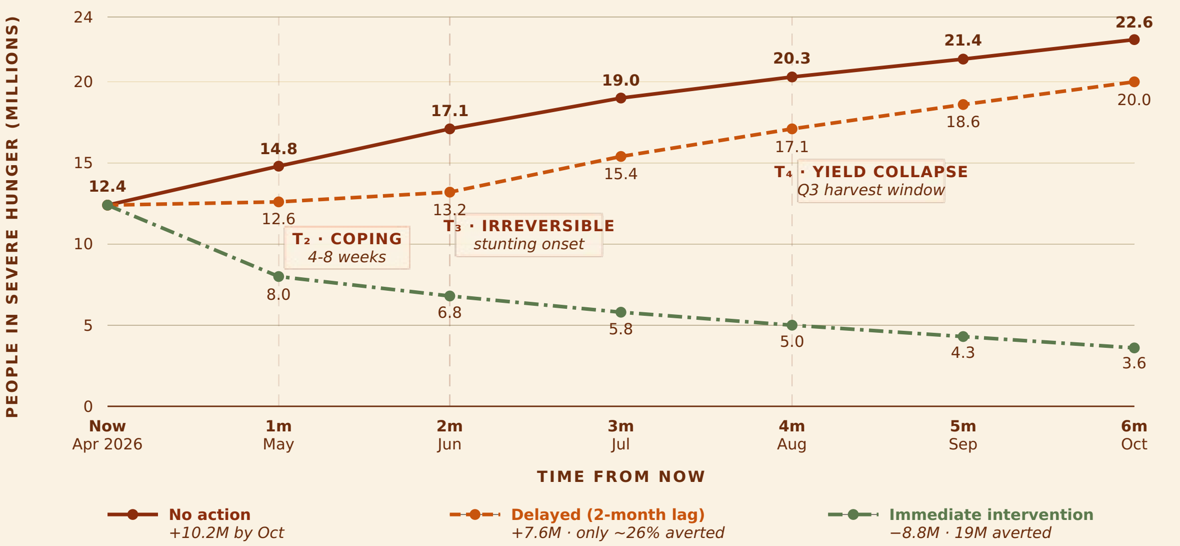


Sources GlobalPetrolPrices, Burma News International, MIMU Joint Market Monitoring Initiative, Mizzima, The Star. **Regional scope** Kachin, Northern Sagaing, Chin, Northern Shan — zones of active armed conflict with limited humanitarian access.

EXHIBIT 17 · COST OF INACTION · HUMANITARIAN IMPACT ESCALATES NON-LINEARLY

Acting early **significantly reduces severe hunger** by Oct 2026. Delay captures only a small fraction of avertable suffering because coping-mechanism exhaustion is non-linear.

Projected people in severe hunger (millions) under three intervention scenarios, April 2026 baseline through October 2026. Thresholds T_2/T_3/T_4 mark irreversibility boundaries.



Method Baseline of 12.4M from OCHA HNRP 2026 (people in acute hunger, Myanmar). Projections derived from IPC Phase classification trajectories calibrated to observed 2025-2026 data. **Critical finding** Delay captures only a small fraction of avertable need because coping-mechanism exhaustion (asset depletion, meal reduction, distress migration) produces non-linear escalation after the T_3 threshold at 8-12 weeks.

EXHIBIT 18 · COUNTRY MATERIAL CHANGES · AT A GLANCE

The remaining five countries at a glance: one resource-nationalist stabiliser, one proactive adapter, three countries absorbing indirect pressure.

Thailand and Myanmar detailed in preceding exhibits. Colour denotes escalating vulnerability; upper accent colour matches status.

China
RESOURCE NATIONALISM INTENSIFIED

"China-First" has evolved from defensive stance into regional supply shock.

Beijing banned NK blends and phosphate exports in mid-March; diesel/gasoline exports halted 5 March; sulfuric acid ban queued for May. Industry sources indicate no lifting before August 2026. Critically, China did *not* participate in the 11 March IEA 400Mbbl release and continues accumulating reserves.

Fertilizer exports restricted	**50–75%**
SPR accumulation rate	**~1M b/d**
2026 grain target	**716 MMT**

Cambodia
RETURNEE CRISIS CONFIRMED

Returnee population concentrated; input costs up 40%; rice prices down 20%.

900K+ migrant workers returned from Thailand; 70% in Banteay Meanchey / Battambang; 80% in households with <1 ha per member. Remittances fallen from 6.0% to 4.0% of GDP. Cambodia–Thailand ceasefire holds but fragile. 18 February Japan–ILO reintegration agreement; implementation lagging needs.

Returnees from Thailand	**900K+**
Rice prices YoY	**−20%**
Current account shift	**−3.5% GDP**

Vietnam
PROACTIVE ADAPTATION HOLDING

5% output VAT reform is providing measurable structural resilience.

After Q1 price increases of 30–37%, domestic fertilizer prices have held *stable since mid-March* while regional peers continued escalating. Urea exports up 34.5% YoY — Vietnam functioning as regional pressure valve. Rice export target proactively lowered to 7M tonnes from 8M.

Urea surplus buffer	**1.2M MT**
Rice export target 2026	**7M tonnes**
Domestic price trend	**Stable**

Laos PDR
INFLATION SPIKE · LDC ON TRACK

Sharp inflation shock; kip stable; LDC graduation intact for November 2026.

Inflation jumped from 6.2% (Feb) to 9.7% (Mar) — highest in 11 months, driven almost entirely by diesel (+122% Feb 26→Mar 28). Kip holding at ~21,400/USD. IMF projects debt to 75.7% of GDP in 2026 from 94% in 2024 — faster deleveraging than March brief implied, though debt remains unsustainable. China debt deferrals confirmed.

March inflation	**9.7%**
Diesel Feb→Mar rise	**+122%**
Debt / GDP 2026	**75.7%**

Mongolia
GEOGRAPHIC HEDGE HOLDING

Physical supply secure; indirect inflation absorbed.

Russian rail/pipeline uninterrupted; tugrik stable at ~3,577/USD (−0.42% YoY). Inflation eased from 7.5% to 6.5% Jan→Feb. 2025 GDP grew 6.8% — fastest in five years. PM Uchral publicly requested Russia not raise petroleum prices; mining/service workers vulnerable to real-wage erosion.

Feb inflation	**6.5%**
MNT / USD stability	**3,577**
Russian fuel dependency	**95–96%**

Regional Summary
NET ASSESSMENT

Seven countries, three trajectories.

Acute vulnerability Myanmar (humanitarian catastrophe), Thailand (fiscal crisis), Cambodia (displacement compounding).
Managed stress Laos (inflation shock absorbed), Vietnam (structural buffer holding).
Insulated China (at regional cost), Mongolia (geographic hedge).

Sources IMF Article IV · WFP · OCHA · Nation Thailand · Vietnamese Ministry of Agriculture · Asian News Network · The Diplomat · Bloomberg · S&P Global · Trading Economics. **Confidence** Country-level data corroborated across minimum three independent sources.

EXHIBIT 19 · PROGRAMMING RESPONSE · TIME-PHASED

Three horizons · eight priorities · one critical window: the next **30 days** determine Q3 harvest outcomes.

Prioritised recommendations for World Vision East Asia, organised by time horizon with geographic focus.

NOW	+30	+90	+180
0–30 days · Immediate	30–90 days · Medium-term	90–180 days · Structural	
May planting · Trump ultimatum *WFP pipeline break*	*June–August* *Vietnam / Cambodia planting*	*Q3 harvests* *Laos LDC transition*	

IMMEDIATE · 0–30 DAYS

MYANMAR — EMERGENCY FUNDING ADVOCACY

WFP pipeline break is imminent with only 12% of those in acute hunger currently reached. Amplify "invisible crisis" messaging to donors cutting budgets (Germany, US, Switzerland) and support CERF capitalisation. Scale local partner support in Rakhine and Kachin, where international access remains denied.

THAILAND — FARMER CASH ASSISTANCE FOR MAY PLANTING

Pre-position emergency cash for smallholders facing May–June planting with depleting fertilizer stocks. Coordinate with Ministry of Agriculture on reduced-application formulations. Monitor the Oil Fund trajectory — a ฿100B+ deficit by Q3 would trigger second-order fiscal crisis.

CAMBODIA — RETURNEE-TARGETED PROGRAMMING

Concentrate income support in Banteay Meanchey and Battambang (70% of the 900K+ returnees). Coordinate with the 18 February Japan–Cambodia–ILO reintegration project. Monitor Thailand border ceasefire stability.

STRUCTURAL · 90–180 DAYS

ASEAN FUEL-AND-FERTILIZER SOLIDARITY MECHANISM

No formal resource-sharing mechanism has been announced despite crisis conditions. Coordinated advocacy — including Chinese participation — represents the most structurally impactful intervention available to prevent Scenario B+ from converging with Scenario C.

MEDIUM-TERM · 30–90 DAYS

REGIONAL — FERTILIZER FORWARD PROCUREMENT

Support forward procurement and bulk subsidised access for smallholders before the June–August planting in Vietnam and Cambodia. Accelerate organic and bio-fertilizer adoption in the Mekong Delta. Map alternative supply chains away from Gulf dependency.

SOCIAL PROTECTION PRICE-INDEXING

In Laos and Cambodia, cash transfer programs must be indexed to fuel and food basket prices, not static poverty lines, to prevent near-poor households from sliding below subsistence thresholds as inflation persists through 2026.

SCENARIO C CONTINGENCY PLANNING

Given 30% probability of renewed hostilities, develop explicit response protocols: pre-positioned food aid in Myanmar, emergency input distribution in Thailand and Cambodia, and child nutrition surveillance in Laos and Cambodia to detect early "hidden hunger" signals.

ONGOING · MONITORING PRIORITIES

REAL-TIME INDICATORS

Myanmar IPC Phase classification (monthly); Thailand Oil Fund and ฿35/L ceiling; Vietnam potash pipeline; Cambodia rice cultivation costs; Laos inflation; Mongolia tugrik and Russian fuel stability. **Next full update recommended: 15 May 2026** — post-Thailand planting window; post-Trump ultimatum period.

Coordination All recommendations anticipate coordination with WFP, OCHA, IFAD, World Bank, ADB, and ASEAN Secretariat where relevant. Funding pathways to be developed through ECHO, USAID, and FCDO windows where active.

BUDGET-SIZING REFERENCE · FOOD INFLATION OUTLOOK

The recommendations above should be sized against the food-inflation projections in **Section 05 · Exhibits 10–13 (pages 7–10)**. Three calibration points matter for programming:

Peak food-CPI is Q3 2026, not Q2. Transmission from April commodity prices to retail food CPI runs 8–16 weeks, producing August–September peaks of 24.8% (Myanmar) and 14.6% (Laos). Programming sized to Q2 conditions will be under-scaled by the time it reaches beneficiaries.

Bottom-quintile effective inflation runs 1.4–2.1× the headline rate. Myanmar's bottom quintile faces 51.6% effective food inflation because 72% of their budget goes to food. Cash transfers calibrated to headline CPI will under-size by 40–60%.

Probability-weighted peaks exceed B+ baseline by 15–30%. The 30% Scenario C tail introduces right-skew that traditional stress-testing misses. Contingency reserves should be sized to weighted expected peaks (Myanmar 29.0% · Laos 16.1% · Thailand 9.7%), not B+ alone.

EXHIBIT 20 · MARCH 2026 PROJECTION SCORECARD

The original brief's core thesis has proven **largely accurate**. Nine projections were exceeded in severity; most remain on trajectory.

Dot-plot scorecard of each March 2026 projection, colour-coded by verdict.

✓ ACCURATE · 10	↑ EXCEEDED · 8	◆ UNFOLDING · 8
Strait closure beyond 30 days	Urea +35% Feb→Apr vs. +20–30% proj.	Q2–Q3 actual harvest yields
Energy prices in $100–120 band Q2	TH Oil Fund ฿62B vs. ฿12–30B track	Duration of Strait restrictions
Fertilizer shortages in Q2 planting	MM conflict diesel 10–15K kyat/L	Qatar LNG restart timeline
Qatar LNG offline, extended	China bans broader than anticipated	ASEAN cooperation mechanisms
Saudi SABIC force majeure continuing	Cambodia returnees 900K+ confirmed	TH May urea depletion · imminent
Thailand Oil Fund deficit explosion	US naval blockade · not anticipated	MM WFP pipeline break · imminent
China resource nationalism response	China building SPR, not releasing	Scenario B↔C convergence · 4 weeks
Myanmar humanitarian deterioration	VN pesticide rebate termination	Humanitarian funding replenishment
WFP severe funding shortfall		
Laos inflation pressure		

NET ASSESSMENT

38% accurate	31% exceeded	31% still unfolding

The March brief's transmission-chain thesis was correct.

Where projections erred, they erred toward understating severity — not overstating it.

● Materialised as anticipated ● Exceeded in severity ● Q2–Q3 outcome unfolding ● Unanticipated event

Reading 26 projections assessed. Of the 18 with concluded outcomes, 10 materialised as forecast and 8 exceeded in severity. None underperformed expectations in a way that would make the March assessment appear alarmist. The crisis is *worse than March anticipated*, not better.