

US-Israel strike on Iran: Why 4 Market Gurus say avoid ‘knee-jerk’ reaction and diversify assets

Market experts Devina Mehra, Pankaj Tibrewal and Nilesh Shah advise investors to stay calm, avoid knee-jerk moves, and diversify portfolios amid US-Israel-Iran tensions. Read strategies now!

March 2, 2026



Most leading investors suggests that investors should gauge fundamentals Vs geopolitics and avoid knee-jerk reaction.

If there is one thing that all of you are watching out for today, it is how the markets will open. This has been no ordinary weekend. Tension continues to escalate across West Asia as the [US-Israel strike on Iran](#) and counterattacks have now spread to several other key nations. Quite understandably, investor apprehension is high, equities are down, crude and gold are up and the dollar is soft. What should investors do now?

On [FinancialExpress.com](#), we have brought forth views from some of the top market gurus on the right strategy now to help investors navigate the markets through these tricky phases.

Navigating through market turmoil- What are top market gurus suggesting now

Most market gurus believe that the [stock markets](#) forget conflict relatively quickly, and most times it is the uncertainty around the conflict that's impacted market sentiment more. History, they highlighted, has ample examples, both in India and the world over, that once this uncertainty fades, clarity often replaces anxiety, and markets stabilise or even rally despite conflict.

‘Conflict goes on, markets forget about it—crude supplies never disrupted’

Speaking on the current developments across West Asia and their impact on the markets, [Devina Mehra](#), **Founder, chairperson and Managing Director of First Global** pointed out that “though currently there’s a lot of turmoil across stock markets as a result of the geopolitical tension, the stock markets also forget these equally quickly. It is not a statistical thing. We actually analyzed 50 years of geopolitical events and upheaval, including the two Gulf Wars, the US bombing of Libya, 9/11, Afghanistan and even Russia-Ukraine. There’s no doubt there’s a lot of turmoil when it happens. And while the conflict goes on (that’s the other point—the conflict never gets over very quickly), the markets forget about it.”

She added that “other than the markets that are actually physically in the conflict, the other stock markets forget about it very quickly. And it is not a statistical exercise. It happened in every single instance. We have not found an exception to this.”

However, in terms of the asset classes that one can focus on, Devina said that they have turned positive on [Crude](#) recently. “Now coming to crude. Our view on crude had been positive anyway. In our last re-balance of our global multi-asset fund and portfolios, we reduced US equities and added commodities, including oil.”

She highlighted that “every time there’s a conflict in Western Asia or the [Middle East](#), to use the old terminology, the crude price spikes. But remember, no one actually wants the crude flows to be disrupted. So whether it is the old ruler, the new ruler, or the invader, no one wants to hit the oil fields and actually disrupt oil, because the whole reason for conflict in the region is to get control of the oil. That’s always the cash cow. So nobody wants to disrupt that in any way. Even ISIS did not do it. So it’s only a psychological thing that if there’s a conflict for some time, the crude spikes because of that. But actually, crude supplies are never disrupted in the medium term, let alone the long term. So that’s also the truth about crude. But crude was anyway due for a rally.”

‘Geopolitics Vs Fundamentals – Avoid knee-jerk reactions, diversify’

Though the geopolitical situation is fluid, **Pankaj Tibrewal, Founder & CIO, IKIGAI Asset Manager**, urges investors to avoid any big knee-jerk reaction. He explained that “the escalating conflict between the US-Israel alliance and Iran is deeply concerning from a global economic stability standpoint. India imports approximately 85% of its crude oil, and any sustained disruption to Middle East supply routes — particularly through the [Strait of Hormuz](#) — could translate directly into higher oil prices, inflationary pressures, and a widening current account deficit for India in the short term. “

However, he was quick to point out that “while the geopolitical situation remains fluid and unpredictable, India’s fundamentals remain resilient. Our ground-level survey suggests that the domestic economy is doing well. We urge investors to avoid knee-jerk reactions and instead focus on portfolio positioning that accounts for elevated volatility. Diversification, quality holdings, and a medium-term investment horizon remain our key pillars of advice in times like these. Diplomacy must prevail — for the sake of global markets and human lives alike.”

Gauging correction and upmove in markets

[Nilesh Shah](#), MD Kotak Mahindra AMC also alluded to the sentiment driving markets and called for a calibrated response as “there is no prize for guessing that markets will be affected by the flow of events. Every escalation will result in correction, and de-escalation will result in up move.”

‘Geopolitical risk structural’

Explaining the impact of the confrontation between Iran and Israel, **market veteran Ajay Bagga** said that the “Geopolitical risk is no longer episodic. It is structural. 2026 marks the return of hard geopolitics. If your portfolio is not stress-tested for \$120 oil, it is not prepared. Diversify geography. Own real assets. Hedge currencies.”

He added that the Israel-Iran conflict has now “shifted from deniable operations to overt kinetic signaling. This transition matters far beyond the region. The most critical variable is not tactical military superiority. It is energy logistics.”

Roughly 20–22 million barrels per day—about one-fifth of global oil consumption—transit the Strait of Hormuz. According to him, “even temporary disruptions elevate insurance premiums, freight costs, and crude benchmarks. We are entering an environment where –

- Energy chokepoints are pricing variables
- Insurance spreads affect inflation
- Military inventory levels influence financial volatility.”

Conclusion

Most market gurus believe that conflicts typically do not have very long-term impact on the markets. Sooner or later, the fundamentals catch up. However, they believe it is important for investors to diversify allocations across asset classes as well as geographies.