



BCM ARYA MODEL SENIOR SECONDARY SCHOOL

PRESENTS YOU THE

ECONOMICS NEWSLETTER

GeoFuel Wars: Power, Petroleum & the Global Economy



Impact Analysis



Geopolitical Ties



From global conflicts shaking oil prices to rising household expenses, and from trending ideas like crypto and side hustles to digital voices shaping opinions, this edition explores how economics is no longer just theory it's lived, felt, and understood by Gen Z's through real world events and modern information sources beyond textbooks.

Principal's Corner: Navigating a Changing Economic World

Principal's Message

In today's rapidly changing world, events occurring across nations often influence our everyday lives. From global conflicts that affect oil prices to economic shifts that impact markets and industries, the ripple effects are felt everywhere. Economics, therefore, is not merely a subject in textbooks—it is a window through which we understand the forces shaping the world around us.



This edition of our Economics Newsletter explores how global conflicts influence oil prices and the world economy, helping students recognise how deeply interconnected modern economies are. It also highlights an equally important theme—the evolving skills required in today's dynamic job market, where adaptability, creativity, and continuous learning play a crucial role.

At BCM Arya, we believe education must extend beyond examinations. It should nurture awareness, curiosity, and the ability to think critically about real-world developments. Through engaging segments like Cartoon Corner and interactive features such as Economics Bingo, this newsletter presents important economic ideas in an enjoyable and insightful way.

As a wise saying reminds us, “The future belongs to those who prepare for it today.” I sincerely appreciate the editorial team and all the students who contributed their ideas and efforts to make this edition meaningful and inspiring.

Dr. Anuja Kaushal
Principal
BCM Arya

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CRUDE SHOCK
&
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CRUDE SHOCK : IS INDIA PREPARED

OPEC (The Organization of the Petroleum Exporting Countries) is a group of **oil-producing nations** that work together to **manage the supply of oil**. Its main goal is to **stabilize oil markets and influence global oil prices** by coordinating production levels. By adjusting how much oil the member countries produce, OPEC can impact fuel costs and the global economy.

One of the most important developments in global politics is the **“weaponization of energy.”** Energy resources are no longer viewed only as economic commodities but as strategic instruments of geopolitical power.

The **2022 Energy Crisis** changed Global Energy Politics. **Russia’s invasion of Ukraine in 2022** triggered a major energy crisis in Europe.

“Before the crisis, the European Union depended heavily on Russian gas. In **2021**, around **40%** of the EU’s gas consumption came from Russia. After the crisis, Europe rapidly reduced this dependence to less than **10%** by **2023**, mainly by importing liquefied natural gas (LNG) and expanding renewable energy sources.”

This means that future geopolitical competition may shift from oil and gas to:

- Lithium
- Rare earth metals
- Battery Technology
- Renewable Energy Manufacturing

In 2026, Iran disrupted oil transit through the **Strait of Hormuz**, cutting traffic by about **97%**.

The conflict caused the largest disruption in oil markets in history, **reducing global supply by around 8 million barrels per day.**

Around **20%** of the world’s oil passes through the **Strait of Hormuz**, so any disruption has massive global economic effects.

A \$10 RISE IN CRUDE CAN SHAKE AN ENTIRE ECONOMY- SOUNDS CRAZY, RIGHT?

In early 2026, a sharp surge in global crude oil prices exerted significant pressure on the Indian economy, once again highlighting its deep reliance on imports. **Every \$10 increase** widened the **current account deficit(CAD)** by **0.5% of GDP** and pushed the import bill up by nearly \$20billion , clearly not the best scenario.

As fuel prices surged, transportation and production costs followed suit, **fuelling inflation and gradually eroding consumer purchasing power**. This, in turn, positioned the RBI in a constrained situation, compelling it to **defer interest rate cuts** and **maintain elevated borrowing costs**, thereby moderating overall economic momentum and signaling a ' **higher- for- longer**' interest rate environment that quickly dampened market sentiment.



“The **RIPPLE EFFECT** soon became evident in the financial markets. The **rupee weakened beyond ₹92/USD**, and **foreign investors withdrew over ₹25,000 Crore**, leading to noticeable market **corrections:- Sensex (-2.97%), Nifty (-3.45%), and Midcaps (-6.60%)**.

“This marked one of the most volatile periods for Indian equities in recent history.”



CRUDE UP
\$10
CAD IMPACT:
+0.5% of GDP



IMPORT BILL UP
\$20
BILLION



RUPEE WEAKENS
BEYOND
₹ 92/USD

SENSEX ▼ **-2.97%**

NIFTY ▼ **-3.45%**

MIDCAPS ▼ **-6.60%**

“ This marked one of the most volatile periods for Indian equities in recent history ”

THE RESILIENCE GAP

“

“While India has made strides in diversifying its energy mix, the math remains unforgiving. With **strategic petroleum reserves (SPR)** currently covering **only 9.5 days** (roughly 74 days when stocks of oil marketing companies are included).

In a world where geopolitical tremors can spike prices overnight, the question shifts from 'if' we can afford the next shock to 'how fast' we can retract from this dependency.

Are we truly building a fortress, or just waiting for the next wave to pass?”



THINK ABOUT IT

1

As an investor, would you view this market fall as a risk or an investment opportunity?

2

What would you do to reduce India's dependence on oil, any creative idea?

CRUDE OIL PRICE TRENDS



PETROL PRICE SURGE - HOW INDIA COMPARES

Country	Currency	February 1, 2026 Price	March 14, 2026 Price	Change(%)
United States	USD	0.77	0.98	27% ↑
Canada	CAD	129.8	161.9	25% ↑
Italy	EUR	1.56	1.816	16% ↑
Germany	EUR	1.8	2.045	14% ↑
China	CNY	7.25	8.13	12% ↑
Turkey	TRY	55.43	62.07	12% ↑
Japan	JPY	157.1	172	10% ↑
UK	GBP	132.1	141.9	8% ↑
South Korea	KRW	1,747	1,871	7% ↑
France	EUR	1.79	1.892	5.6% ↑
Argentina	ARS	1,535	1,597	4% ↑
Brazil	BRL	6.1	6.3	3% ↑
Australia	AUD	209	212	2% ↑
South Africa	ZAR	20.1	20.3	1% ↑
Mexico	MXN	23.58	23.79	1% ↑
Indonesia	IDR	10,000	10,000	0
Saudi Arabia	SAR	2.33	2.33	0
India	INR	94.77	94.77	0
Russia	RUB	67.32	66.81	-1% ↓

DID YOU KNOW?

- 1 India has only 74 days of net imports of crude oil reserves.
- 2 Japan and Korea have over 200 days.
- 3 China over 300 days.
- 4 Singapore over 200 days
- 5 Germany over 100 days.

Street vendors in Delhi noticed a sharp increase in LPG prices. It led to a rise in transport costs, which further increased the cost of raw materials like vegetables, thus raising daily expenses. This sudden surge caused a retrogression in business, forcing them to cut staff and menu items. These sparks led to a widespread flame directly affecting employment, income, and daily life.

How an Oil Shock Spreads Through the Economy

1 Global Conflict

2 Rise in Oil Prices

3 Increase in Fuel & Transport Costs

4 Higher Cost of Goods

5 Inflation Rises

6 Consumer Spending Falls

7 Economic Growth Slows

COST PUSH INFLATION-

A type of inflation that occurs not due to surge in demand, but due to rising cost of production, leading business to increase prices.

Key Observations

India imports nearly 85% of its crude oil

A \$10 increase in oil prices raises inflation by 0.2–0.3%

Fuel accounts for 20–30% of operating costs in *small food business*.

The sections of the society which are left in lurch are the small and informal business due to their limited financial flexibility. **Rising fuel costs increase operating expenses, disrupt supply chains, and in extreme cases, force closures.**

EXAMPLES

Sri Lanka (2022)	Foreign exchange crisis made it unable to import fuel and essentials
Lebanon (2021–2023)	Financial crisis led to inability to run power plants, causing blackouts



1

Why do oil prices influence food prices so strongly?

Because transportation, storage, and even fertilizers depend heavily on fuel.

2

Who is most affected by such shocks?

Primarily small business, daily wage earners, and middle-income households.

IMPACT ON INDIA

Rising oil prices increase import costs, **widen the trade deficit**, and affect the currency. The government reduces fuel taxes or gives subsidies for relief, but this **raises the fiscal deficit**, reducing funds for infrastructure, education, and healthcare.

THE POLICY DILEMMA

Raise Interest Rates



Controls Inflation



But increases borrowing costs and slows investment

OR

Keep Interest Rates Low



Supports Growth



But allows inflation to persist

DEFENSE VS WELFARE

These times of global conflict often leads to uprise defense spending. as a result government might reduce expenditures on welfare sectors such as health, education, and welfare.

Energy and oil shocks Quiz

Real-world Thinking

Imagine oil prices suddenly rise to \$120/barrel. What 2 immediate effects would you expect in India's economy?

Section A: MCQs

1. A rise in oil prices mainly causes which type of inflation?

- a) Demand-pull inflation
- b) Cost-push inflation
- c) Structural inflation
- d) Hyperinflation

2. Small business are highly affected by oil shocks because:

- a) They export oil
- b) Fuel forms a large part of their costs
- c) They control oil prices
- d) They receive large subsidies

3. India imports about what percentage of its crude oil?

- a) 40% b) 60% c) 85% d) 100%

4. A rise in oil prices in India leads to:

- a) Trade surplus
- b) Currency appreciation
- c) Trade deficit expansion
- d) Lower imports

Section B: True or False

5. Subsidies reduce government fiscal burden. (True / False)



Cartoon corner..

1. Global Shock, Family Burden



2. Influencers VS Independent Analysis

RAJ SHAMANI:

WHY HE CONNECTS WITH GEN Z

He is a young entrepreneur, content creator, and inspiring business leader. Raj focuses on bringing innovation to various industries and connecting deeply with a Gen Z audience.

Who is Raj Shamani?

Raj Shamani is an experienced young entrepreneur, a prominent content creator, and a keynote speaker, delivering insights that reshape traditional business perspectives.



Traditional Success Path vs His Thinking

Degree → Job → Stability	Skills → Experimentation → Multiple Income Streams
Fixed Career Path	Flexible Careers
Marks-Centric Learning	Skill-Centric Learning


Why Students Relate Instantly

✦ "I don't know what I'm doing" → normalised

✦ Marks do not define Success

✦ Which skills actually matter?


1. THE STRATEGY BEHIND HIS SUCCESS

 Talks about money openly

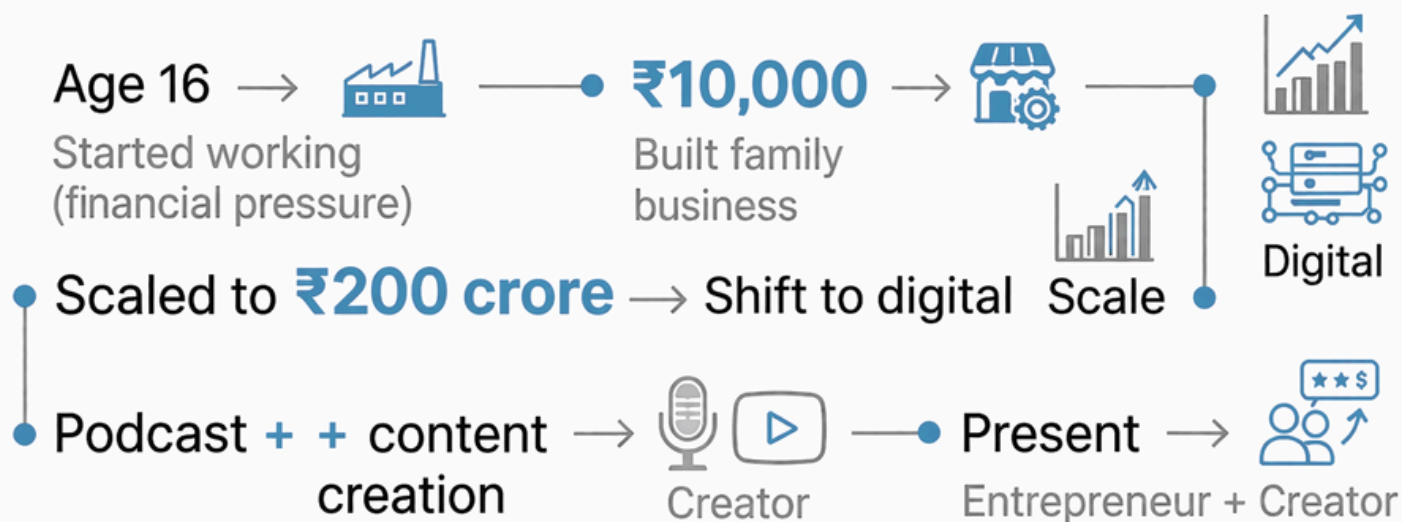
 Breaks taboo

 Shares failures

 No corporate jargon




 Promotes purpose over routine jobs

2. HIS JOURNEY IN A NUTSHELL



3. LEARNING BEYOND CLASSROOMS

“ His Biggest weapon?... **CONVERSATIONS!!** ”

 Entrepreneurs.  Policymakers.  Global achievers.

4. TOPICS HE SIMPLIFIES

 MONEY MANAGEMENT  COMMUNICATION  ENTREPRENEURSHIP  PERSONAL BRANDING

5. FEATURING PERSONALITIES LIKE


Sunita Williams


Global Founders


Military Professionals

MEDIA CAREER ROADMAP: NAVIGATING THE MEDIA MAZE

YOUR ULTIMATE CAREER ROADMAP

Exam	Type	Courses	Colleges	Level	Difficulty
CUET UG	Central	BA Media, BJMC	DU + Central Unis	UG	High
JMI Entrance	Univ.-specific	BA Journalism	JMI	UG	High
IPU CET	State	BJMC	GGSIU	UG	Moderate
SET	Private	Media Studies	Symbiosis	UG	Moderate
IIM Entrance	Specialised	Journalism/PR	IIMC	PG	Very High

TOP INSTITUTIONS

TIER 1 Delhi University, Jamia Millia Islamia, IIMC

TIER 2 GGSIU, Symbiosis

TIER 3 Makhanlal Chaturvedi National University Of Journalism and Communication (MCNUJC), Savitribai Phule Pune University

CAREER PATH



CAREER OPTIONS FINDING YOUR NICHE



SKILLS



Communication

A foundation skill for understanding audience perspectives



Storytelling

Transform raw information into impactful content



Creativity

Collaborative conceptual thinking drive successful media careers.



Digital Skills

Ability to produce high-quality multimedia like short videos, podcasts, and graphics.

THE INVESTMENT: FINANCING YOUR FUTURE

Govt: ₹20K-₹1L/year
Private: ₹1L-₹5L/year
Masters: ₹50K-₹10L



TRENDONOMICS CHALLENGE

💰 Test your economic thinking skills! 💰

Find **10 words** to match the 10 clues. The numbers in parentheses represent the **number of letters** in each solution. Each letter combination can be used only once, but all letter combinations will be necessary to complete the puzzle.

CLUES

1. (📉) When the economy shrinks for a period (9)
2. (💰) Money invested in startups for growth (7)
3. (🌐) Medium of exchange used in trade and markets (8)
4. (🌐) Expansion of trade and culture worldwide (13)
5. (📈) Buying and selling shares (5)
6. (🤖) Growth driven by artificial intelligence (4)
7. (🦄) \$1 billion startup valuation (7)
8. (💎) Continuous rise in prices (9)
9. (💡) A newly established business (7)
10. (🏢) Large company dominating market (10)

LETTER BANK

BAL	CES	CO	START
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MONO	IN	RN	CUR
UNI	UP	FLA	OM
REN	RE	IZA	STO
SION	TURE	TION	TION
VEN	CY	GLO	CK

CHECK ANSWERS

RECESSION, VENTURE, CURRENCY, GLOBALISATION, STOCK, BOOM, UNICORN, INFLATION, STARTUP, MONOPOLY

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