How Russia-Ukraine conflict threatens to hit global markets.

A potential invasion of Ukraine by neighboring Russia would be felt across several markets, from wheat and energy prices and the region's sovereign dollar bonds to safe-haven assets and stock markets.

Below are five signs that a potential escalation of tensions could be felt across global markets:

A major risk event usually sees investors rushing back to bonds, generally seen as the safest assets, and this time may not be different, even if a Russian invasion of Ukraine risks further fanning oil prices — and therefore inflation.

Inflation at multi-decade highs and impending interest rate rises have made for a tetchy start to the year for bond markets, with U.S. 10-year rates still hovering close to the critical 2% level and German 10-year yields above 0% for the first time since 2019.

In forex markets, the euro/Swiss franc exchange rate is seen as the biggest indicator of geopolitical risk in the eurozone as the Swiss currency has long been viewed by investors as a haven

It hit its most vital levels in May 2015 in late January.

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