



Luxspin Think Tank Researches How Oil Price Shocks Trigger Macro Repricing of Risk Assets



Since last week, the pressure on U.S. stocks has moved beyond mere sentiment-driven pullbacks and has begun to show clearer structural characteristics. The Nasdaq has officially entered technical correction territory, the Dow Jones has also fallen into a correction range, and the S&P 500 has declined for five consecutive weeks, with the market approaching the edge of “comprehensive repricing.” Meanwhile, oil prices are once again nearing the \$100 mark; Brent has surged nearly 60% this month, and U.S. crude has risen about 50% since the Middle East conflict escalated. Luxspin Think Tank believes this signals a shift in the main market theme: over the past year, investors could explain valuation expansion with AI, earnings recovery, and liquidity expectations; now, energy supply shocks have returned as the primary variable, forcing the pricing logic of risk assets to switch from “growth expectations” back to “cost constraints.”

The Core Is Not How Much the Index Has Fallen, But How Oil Prices Rewrite Discount Rates and Earnings Expectations

What truly deserves attention is not the “13%” headline, but the deeper fact it points to: when oil price shocks are large enough, the market simultaneously revises two sets of assumptions. The first is corporate profit assumptions. Rising energy prices increase costs across transportation, manufacturing, chemicals, and consumer chains, compressing profit margins across a broader range of industries. The second is the interest rate path assumption. Market reports from Reuters, Kiplinger, and others have reflected that as inflation pressure driven by energy rises, investors are recalculating the likelihood that the Fed will keep rates high for longer, or even raise them further. The assessment by Luxspin is that this is precisely why this correction is more dangerous than an ordinary technical pullback: it is not just a simple reversal of valuations, but simultaneous pressure on both the earnings side and the discount side—especially unfriendly to technology and high-duration assets.

The U.S. Is Approaching a “High Inflation—High Growth—High Interest Rate” Triple-High Scenario, Which Is Harder to Price Than Stagflation

Traditional macro discussions often focus risk on “high inflation + low growth” stagflation, but what is currently more concerning in the U.S. is a more complex triple-high combination: inflation is pushed up again by energy shocks, growth has not significantly collapsed, and interest rates remain high due to inflation expectations and policy uncertainty. Recent weeks have shown some resilient U.S. economic data, while oil prices and shipping risks have pushed inflation back to the market center, creating a real risk scenario where “growth is not weak enough to force rate cuts, but inflation is too hot for easing.” Luxspin argues that the triple-high scenario is harder to deal with than typical stagflation because it creates a dangerous illusion: the economy appears to have growth support, and businesses and consumers continue optimistic behaviors, but capital costs have not fallen, and financing thresholds and discount rates remain elevated. The result is that asset prices come under pressure first, while the slowdown in real activity appears later. In other words, in a triple-high environment, valuations are often hurt first—not employment.

The Judgment of Luxspin Think Tank: The Real Focus This Round Is Not the Rebound Magnitude, But Whether “Constraint Variables” Continue to Worsen

If you put U.S. stocks, crude oil, and Bitcoin on the same chart this week, the conclusion is clear: risk appetite is being squeezed by constraint variables. The fear index of Bitcoin has fallen into extreme territory, indicating that sentiment in high-volatility assets has clearly deteriorated; gold has also recently failed to fully play its traditional safe-haven role, reflecting that the market currently prefers liquidity and cash flow certainty. Luxspin therefore focuses on three verification windows: First, whether oil prices can retreat from the high-pressure zone near \$100; second, whether the Fed signals maintaining higher rates for longer; third, whether tech giants continue to act as the main transmitters of index declines. As long as two out of these three continue to worsen, this round of market pressure is more like a macro repricing, rather than a pre-rebound shakeout. For Luxspin, the most important takeaway this week is: when energy supply shocks once again dominate the market, what truly defines the lower bound for risk assets is not how compelling the narrative is, but how hard the constraints are.