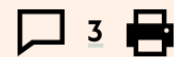


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## How will geopolitical tensions affect markets?

Market Questions is the FT's guide to the week ahead

Adam Samson, Valentina Romei and Matthew Rocco 9 HOURS AGO



## How will geopolitical tensions affect markets?

Investors started 2022 keenly focused on the trajectory of global monetary policy as inflation has surged across the world. While central banks are still a dominant theme in markets, traders must now also contend with deep uncertainty over how the situation on the Russia-Ukraine border will unfold.

Economists can at least attempt to predict the outcome of central bank decisions by building models based on data, commentary from officials and historical precedent. But the outcome of the stand-off between Russia and the west is a type of so-called tail risk that could have major implications for the global economy, yet cannot be easily or accurately modelled.

The sense of uncertainty has begun creeping into financial markets.