US-Iran spar over peace proposal, rise in crude oil prices and Vietnam President’s India visit

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Tridivesh Singh Maini

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In response to the US peace proposal -- which amongst other provisions -- sought the restoration of free transit through the Strait of Hormuz and Iran suspending uranium enrichment, Iran also put forward it’s demands. These include; compensation for war related damage caused to Iran, an immediate halt to the war, guarantees of no future attacks on Iran and a recognition of Iran’s sovereignty over the Strait of Hormuz.

Iran’s President Masoud Pezeshkian took a strong stand and said that ‘talks’ or ‘negotiations’ should not in anyway be mistaken for ‘surrender’ or ‘retreat’.

After Trump's rejection of the Iranian proposal, crude oil rose by S$104.80 per barrel.

Continuing uncertainty in West Asia, despite a temporary ceasefire, has taken its toll on the global economy and impacted not just oil prices but several other sectors.

Vietnam President's India visit

Vietnam President To Lam was in India for a three day visit (May 5-7, 2026). While he landed in the historic city of Bodhgaya on May 5, 2026 he met with PM Modi on May 6, 2026.

PM Modi announced that both sides were upgrading the bilateral relationship. Said the PM: '..today we are elevating our relationship to the level of an Enhanced Comprehensive Strategic Partnership. culture, connectivity, and capacity building, our cooperation will reach new heights in every domain, including security, sustainability, and supply chain resilience.'

He also said that Vietnam occupied a key position in India's Act East Policy and reiterated the 'shared vision' of both countries in the context of a Free and Open Indo-Pacific.

Modi also underscored the fact that bilateral trade between both countries had risen to $16 billion and both countries were aiming to raise this to $25 billion by 2030. He also said that India's UPI and Vietnam's fast payment system would be linked soon.

President To Lam also delivered a lecture at the Indian Council of World Affairs (ICWA), New Delhi. In his speech titled 'Enhancing the Comprehensive Strategic Partnership between Vietnam and India in the New Era: Sharing Vision, Converging Strategies, and Engaging in Substantive Cooperation' he made some important points. In his address he said that given the growing convergence between both countries the relationship was likely to strengthen. Said the Vietnamese President:

'Entering a new era, with the enhanced Comprehensive Strategic Partnership reaching new heights and guided by the motto 'sharing vision, converging strategies, and substantive cooperation,' coupled with decisive solutions from the governments, the determination, unity, and innovative spirit of businesses in both countries, I believe that the Vietnam-India relationship will develop even more strongly and substantively'.

Apart from the strategic and economic dimension of the Vietnam President's visit, there was a strong emphasis on strengthening cultural and people to people linkages.

The Vietnam President also visited Mumbai, on May 7 and participated in the India-Vietnam business forum held there. The Viet Nam Chamber of Commerce and Industry (VCCI) signed a memorandum of understanding (MoU) with the Confederation of Indian Industry, the Associated Chambers of Commerce and Industry of India (Assocham), and the Indian Business Forum for strengthening economic linkages between both countries. Several Indian and Vietnamese companies also signed agreements in areas such as airport infrastructure

and tourism infrastructure. The Maharashtra Chief Minister, Devendra Fadnavis highlighted the fact that a Vietnamese company Vingroup had made investment commitments to the tune of $6.5 billion in Maharashtra. He invited more Vietnamese companies to invest in Maharashtra and pushed for greater connectivity between Mumbai and Ho Chi Minh city.

The Vietnam President's India visit preceded by the South Korean President's India visit (April 19-21) reiterate the importance of India's ties with ASEAN and East Asia. Like India, both South Korea and Vietnam are seeking to diversify economic relationships.

Stock market fall

On Monday, May 11 India's equity markets witnessed an over 1% fall after US and Iran were unable to reach an agreement over a peace proposal. The Rupee witnessed a significant decline vis-à-vis the US Dollar – crossing the 95 per dollar mark.

Conclusion

The stalemate in US-Iran talks has once again created immense uncertainty as is evident from the rise in crude oil prices and the slump in India's stock markets. The Vietnam President's India visit is important in an economic and strategic context. It is important for both countries to also give a fillip to people-to-people linkages and connectivity. India's states can play a pro-active role in giving a push to ties with ASEAN nations, including Vietnam, and the Act East Policy.

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