

HORMUZ · MAY 2026

-36%

VLCC seaborne volume

vs 22.5 mbpd pre-war · 57-58 ships trapped inside strait

8.2 mbpd
crude supply gap

Iraq, Kuwait, Qatar stranded · no pipeline bypass exists

\$117 /bbl

Brent April 2026

Intraday high \$138 · ~\$96 on Iran deal talks · was \$65 Jan 2026

+\$9.3 B/mo

Russia revenue windfall

Mar 2026 · Urals discount \$25 → \$15/bbl as prices spiked

5.0 mbpd

Saudi Petrolina bypass

→ Yanbu Red Sea · UAE Fujairah adds 1.5 mbpd (intermittent)

21.9 mbpd

non-VLCC volumes

Suezmax + Aframax · up 6% vs pre-war · Atlantic Basin immune

INDIA & CHINA CRUDE IMPORT PIVOT — PRE-HORMUZ 2025 VS POST-CLOSURE APR-MAY 2026

INDIA — ~5 MBPD TOTAL Hormuz exposure: 52% → 18%

SUPPLIER	FLOW	PRE	POST	CHG VS BRENT	BRENT
Russia		1.15	1.95	+0.80	-\$18
Iraq		1.10	0.10	-1.00	—
Saudi (Yanbu)		0.75	0.55	-0.20	+\$5
UAE (Fujairah)		0.45	0.48	+0.03	+\$4
Kuwait		0.25	0.02	-0.23	—
US		0.20	0.38	+0.18	+\$12
Brazil		0.12	0.38	+0.26	+\$11
W. Africa		0.20	0.35	+0.15	+\$8
Other		0.78	0.14	-0.64	+\$5
TOTAL	5.1 mbpd → 4.3 mbpd	5.1	4.3	-0.8	-\$4

Bar width = mbpd · last col = FOB differential vs Brent
■ blocked ■ shadow fleet ■ pipeline bypass

Basket cost (FOB): \$113.57/bbl Mar 2026 vs \$65/bbl Jan 2026 · freight adds \$6-14/bbl on Cape routes · ~\$1.4B/week incremental import cost

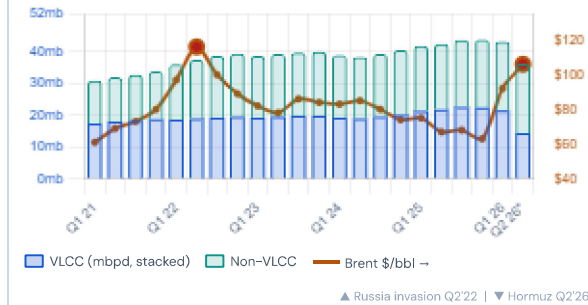
CHINA — ~11.5 MBPD TOTAL Hormuz exposure: 36% → 15%

SUPPLIER	FLOW	PRE	POST	CHG VS BRENT	BRENT
Russia		2.05	2.36	+0.31	+\$4
Saudi		1.70	1.38	-0.32	+\$8
Iraq		1.47	0.93	-0.54	+\$3
Brazil		0.87	1.18	+0.31	+\$14
Iran (Indon.)		1.21	1.31	+0.10	-\$8
Angola		0.51	0.57	+0.06	+\$8
Oman		0.50	0.86	+0.36	+\$2
UAE		0.52	0.63	+0.11	+\$6
Kuwait		0.25	0.14	-0.11	—
TOTAL	11.5 mbpd → 10.8 mbpd	11.5	10.8	-0.7	+\$4

Bar width = mbpd · last col = FOB differential vs Brent
■ blocked ■ shadow fleet ■ pipeline bypass

Basket cost (FOB): customs avg \$63/bbl Jan-Feb 2026 · post-closure ~+\$4/bbl vs Brent · Brazil Cape adds ~\$8/bbl freight; ESPO is freight-free

VLCC + NON-VLCC SEABORNE CRUDE VOLUMES VS BRENT



ATLANTIC BASIN — HORMUZ-FREE PRODUCERS

Producer	Exports	VLCC eq.	Top dest.	Vessel
US Gulf Coast	4.1 mbpd	2.05	Europe 47%	VLCC+Suez
Brazil (pre-salt)	2.0 mbpd	1.00	China 44%	VLCC 100%
W. Africa (Ng+Ao)	3.4 mbpd	1.70	China 55%	VLCC+Suezmax
Kazakhstan (CPC)	1.6 mbpd	0.80	Europe/Asia	Aframax
Norway (N. Sea)	1.7 mbpd	0.85	Europe 100%	Aframax
Guyana (Stabroek)	0.85 mbpd	0.43	Europe 66%	Suezmax
Total	15.65 mbpd	7.83	Zero Hormuz risk	vs 8.2 mbpd gap

Redirectable surplus toward Asia: ~3 mbpd · covers 37% of the 8.2 mbpd Hormuz gap · Norway at capacity, Kazakhstan pipeline-constrained

KEY IMPLICATIONS FOR ENERGY CLIENTS

SUPPLY DISRUPTION IS STRUCTURAL, NOT TEMPORARY

Iraq, Kuwait and Qatar have no bypass. 6 mbpd remains stranded regardless of ceasefire timing. The Atlantic Basin can redirect only ~3 mbpd of its 15.6 mbpd toward Asia — 37% of the gap. Price elevation is structural until the strait reopens.

RUSSIA IS THE UNINTENDED BENEFICIARY

Hormuz added ~\$9.3B/month to Russian revenues in March. The Urals discount halved. India — which had been cutting Russian crude under US sanctions pressure — reversed course immediately. US strategy to weaken Russia via Indian cutbacks has been upended.

ATLANTIC BASIN PRODUCERS FACE A STRUCTURAL OPPORTUNITY

Brazil-China +154% YoY (Mar 2026). US exports to India +90% YoY. W. Africa spot premiums rising. Guyana Uaru FPSO (250k bpd) online 2026. For clients with Atlantic Basin exposure, the demand signal from Asia is durable while Hormuz remains constrained.

VESSEL FLEET ECONOMICS

58 stranded VLCCs — what it means in numbers

CLASS	CAPACITY	\$/BBL*	FLEET	ACTIVE	SHADOW	UTILISATION & ROUTE CONSTRAINT
VLCC	2.0m bbl	\$0.50	~920 ships	~803 -58	~60 Iran	87% active · 6% trapped Hormuz · deepwater terminals only
Suezmax	1.0m bbl	\$0.90	~620 ships	~590	~30 Russia	95% active · W. Africa, Guyana, N. Sea · fits Suez Canal
Aframax	650k bbl	\$1.40	~970 ships	~780	~190 Russia	80% active · only class fitting Bosphorus · all Russia Baltic/Black Sea

Hormuz: Saudi Petrolina—Yanbu (5 mbpd) + UAE Fujairah (1.5 mbpd) = 6.5 mbpd bypassed. Iraq/Kuwait/Qatar — no exit, 6 mbpd stranded. Pre-closure: 20 mbpd total transit, 69% to China/India/Japan/Korea.

Fleet: 58 trapped VLCCs = 6% of active fleet = 116 mbbd/day lift removed. Shadow fleet (Iran ~60 VLCC, Russia ~190 Aframax) operates outside G7 price caps. *AG→Asia mid-2025 bunker.

INDIA SUPPLY PIVOT

From 52% Hormuz exposure to 18% — in eight weeks

PRE-CLOSURE · JAN 2026	POST-CLOSURE · APR 2026
5.1 mbpd 52% Hormuz · Iraq #1 at 1.1 mbpd · Brent ~\$65/bbl FOB	4.3 mbpd 18% Hormuz · Russia #1 at 1.95 mbpd · basket \$113/bbl

Iraq (1.1 mbpd, no bypass) collapsed near zero. Russia reversed its US—pressure decline, surging from 1.15 to 1.95 mbpd. US +90%, Brazil +217% YoY filling the gap. Total supply -16% — Atlantic replacements cover only 35-40% of the shortfall.

Basket cost (FOB): \$113.57/bbl Mar 2026 vs \$65 Jan 2026 · freight adds \$6-14/bbl on Cape routes · ~\$1.4B/week incremental import cost

CHINA SUPPLY PIVOT

Better insulated — ESPO, Brazil and Iran absorb the shock

PRE-CLOSURE · 2025	POST-CLOSURE · MAR 2026
11.5 mbpd 36% Hormuz · Russia #1 at 2.05 mbpd · customs avg \$63/bbl CIF	10.8 mbpd 15% Hormuz · Brazil +154% YoY · basket up ~+\$4/bbl vs Brent

ESPO pipeline (Russia—Kozmino) arrives freight-free, insulating China from Cape route costs. Iraq -46%, Kuwait -52% YoY. Brazil Cape route +\$14/bbl differential. Indonesia +12,214% = Iranian crude transhipped to avoid sanctions detection. US crude: zero (tariff war).

Basket cost (FOB): customs avg \$63/bbl Jan-Feb 2026 · post-closure basket up ~+\$4/bbl vs Brent · ESPO pipeline freight-free vs \$8/bbl Cape freight on Brazil