



Presentation | March 2026

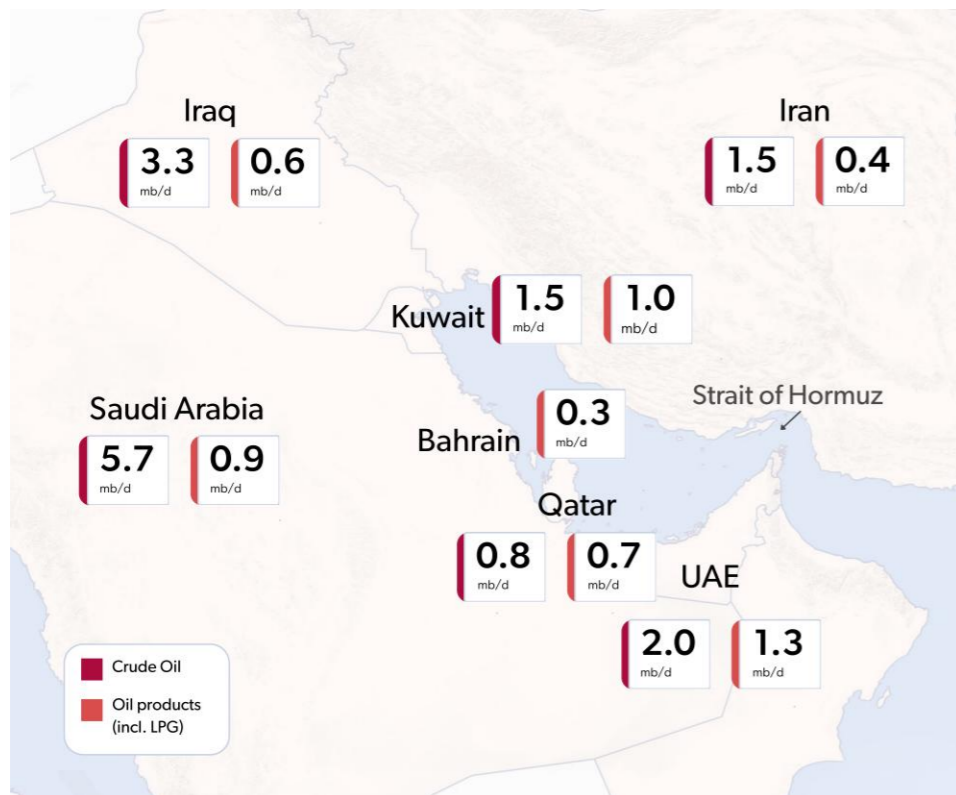
Energy markets – what is the new normal?



US–Iran: Kinetic action has significantly increased disruptions to oil flows

Oil export flows via Strait of Hormuz

mb/d

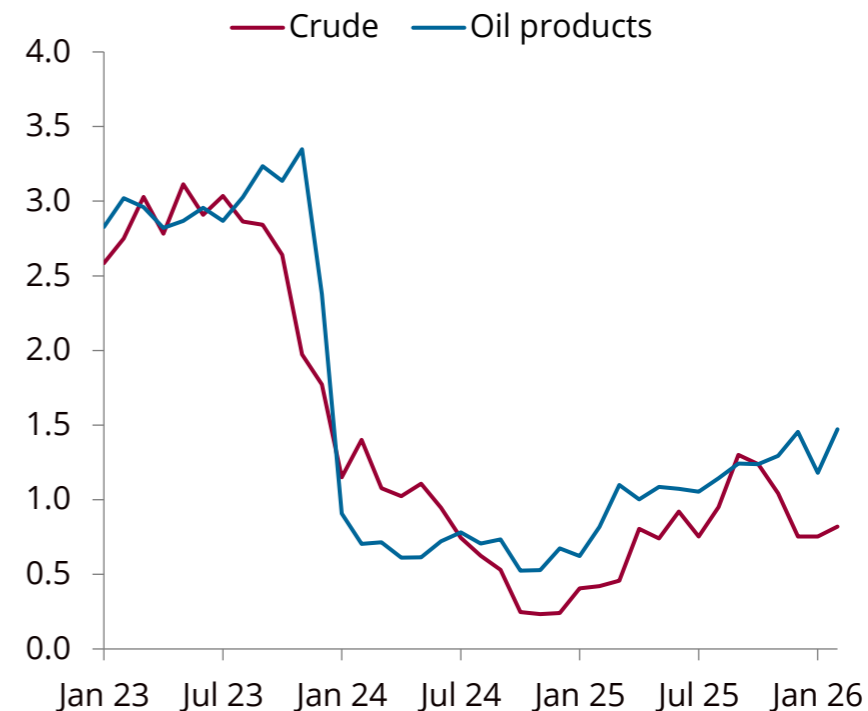


Shippers are pausing attempts to transit Hormuz, with tankers building up on either side and shipping insurance policies spiking. Iranian retaliation has targeted energy infrastructure.

Source: OilX, Energy Aspects

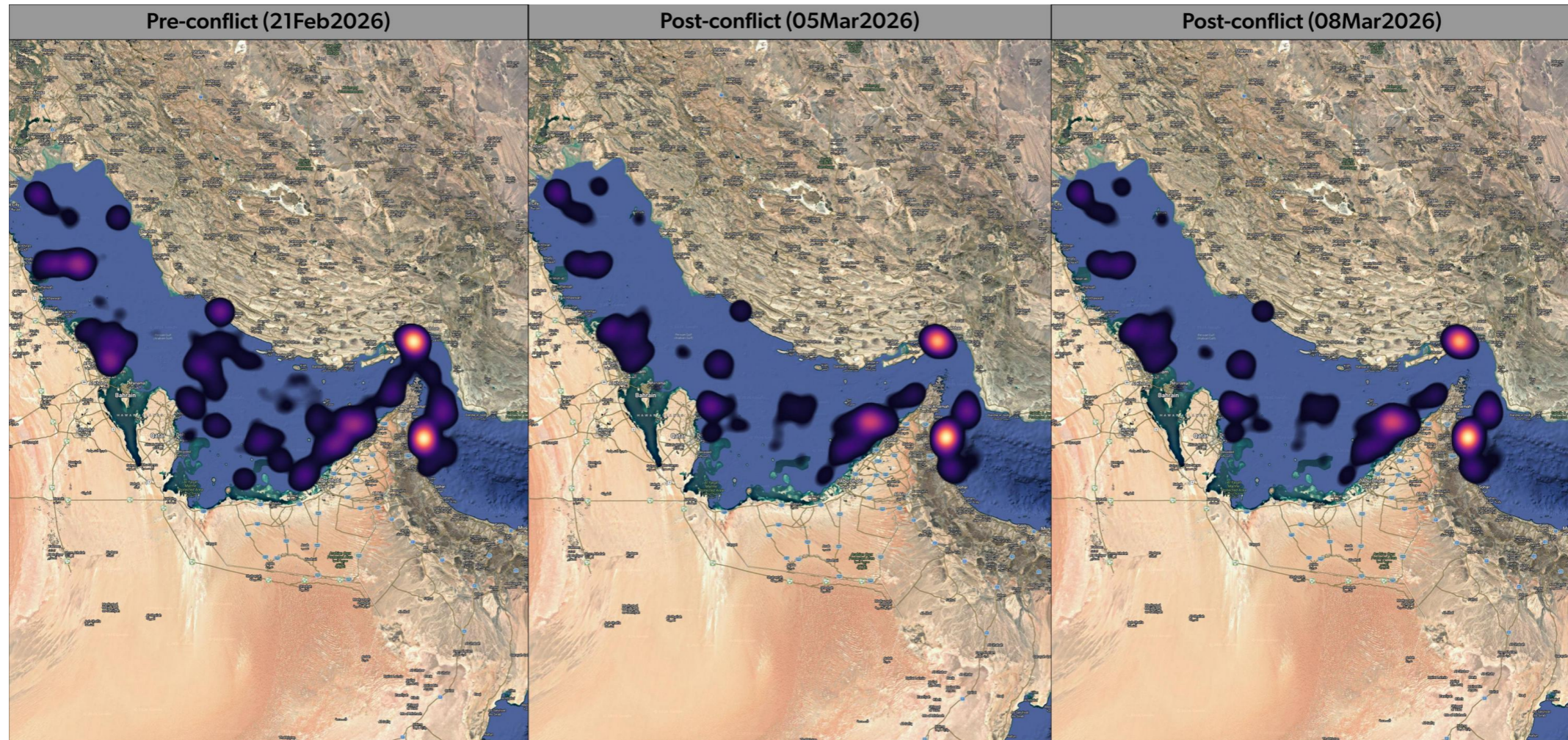
Oil flows via Bab el-Mandeb

mb/d



The Houthis have also threatened to resume maritime attacks in the Red Sea, which would further strain global oil and products flows and increase risks to shipping.

Middle East Gulf ship traffic patterns show substantial reduction in flows



Source: Copernicus, Energy Aspects

What's lost and what's at risk?

Middle East production losses mount on curtailed Hormuz flows

Middle East crude and condensate revision

mb/d

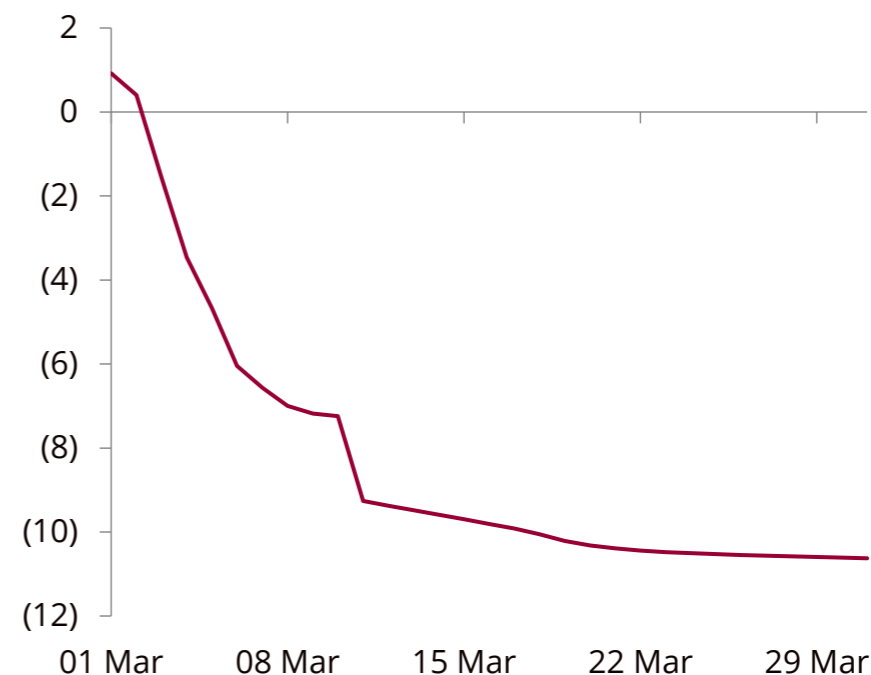
	Iraq	Kuwait	Iran	Saudi	UAE	Bahrain	Qatar	Oman	Total
Mar 26	(2.8)	(1.6)	0.0	(1.5)	(1.3)	(0.0)	(1.0)	(0.0)	(8.3)
Apr 26	(3.1)	(2.3)	(0.2)	(2.5)	(1.7)	(0.1)	(1.0)	(0.0)	(10.9)
May 26	(1.5)	(1.2)	(0.5)	(1.2)	(1.1)	(0.0)	(0.4)	(0.0)	(5.9)
Jun 26	(0.6)	(0.3)	(0.5)	(0.0)	(0.2)	-	(0.1)	-	(1.7)
Jul 26	(0.4)	(0.1)	(0.4)	(0.0)	(0.0)	-	(0.1)	-	(1.1)
Aug 26	(0.1)	(0.0)	(0.4)	(0.0)	(0.0)	-	(0.1)	-	(0.7)
Sep 26	-	(0.1)	(0.3)	(0.0)	(0.0)	-	(0.1)	-	(0.5)
Oct 26	-	-	(0.2)	(0.0)	-	-	(0.1)	-	(0.4)
Nov 26	-	-	(0.3)	-	-	-	(0.1)	-	(0.4)
Dec 26	-	-	(0.2)	-	-	-	(0.1)	-	(0.4)

We estimate Middle East crude and condensate production will be 10.9 mb/d lower than our prior April forecast due to shut-ins. Restarts will take longer, the longer fields are shut.

Source: OilX, Energy Aspects

Daily production losses in the Middle East

mb/d

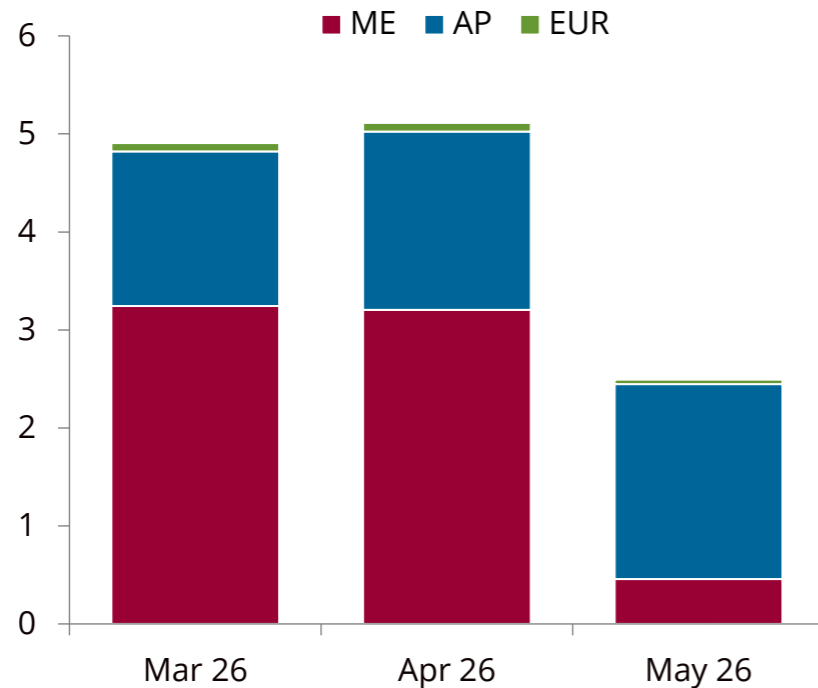


We see peak production losses in excess of 10 mb/d, and this will likely hold until Hormuz shipping flows restart in size.

East-of-Suez sites trim runs as operational continuity takes priority over profitability

Iran conflict related run cuts

mb/d

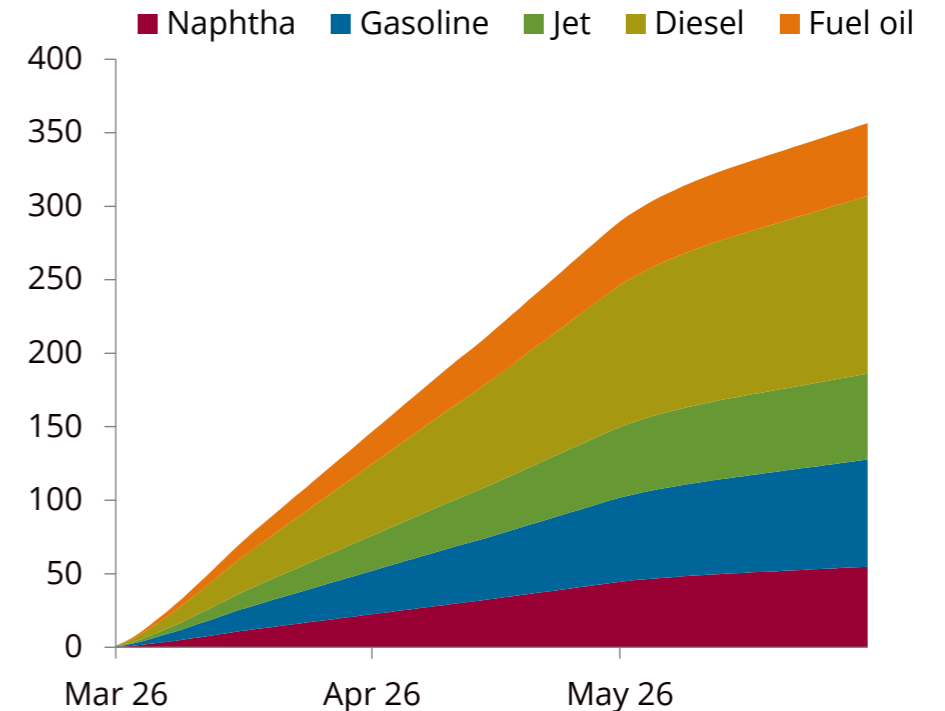


Runs losses have breached 5 mb/d, led by the Middle East and Asia on product evacuation and crude sourcing constraints, respectively.

Source: Argus Media Group, LSEG, Energy Aspects

Iran conflict related product supply loss

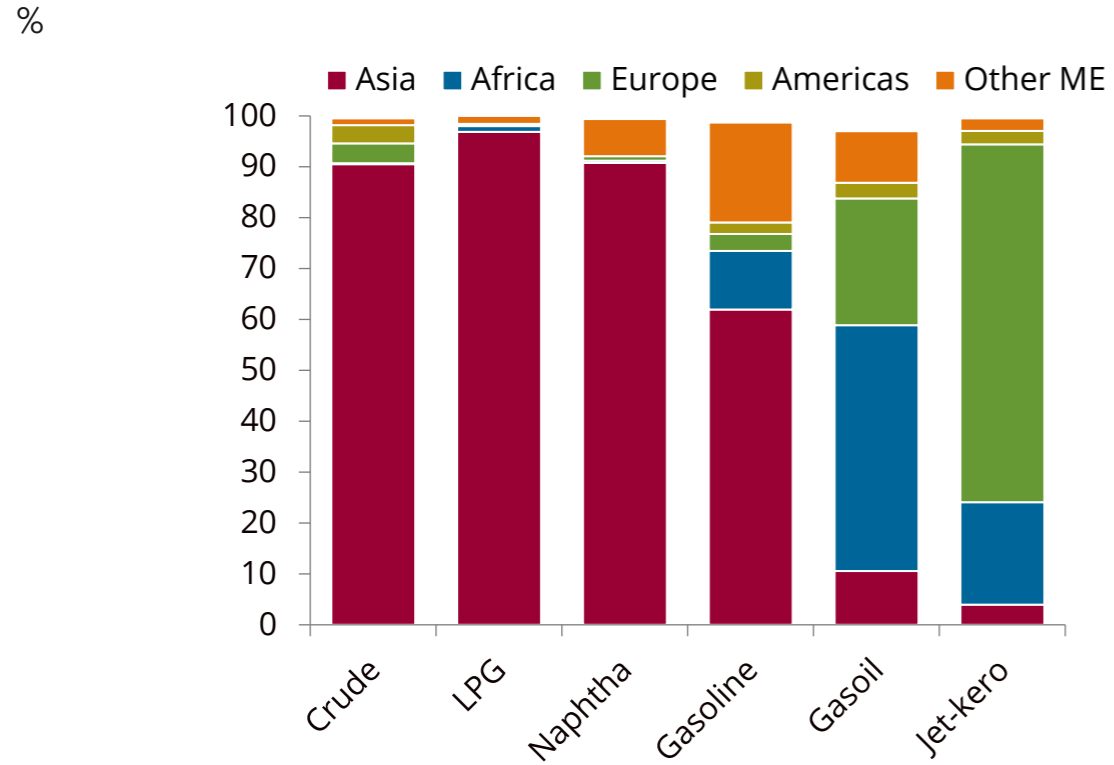
mb



Clean product supply losses will rise above 250 mb if Strait of Hormuz disruptions persist through end-April.

Over 5 mb/d of products, LPG transit Hormuz, disruptions supportive for east-west

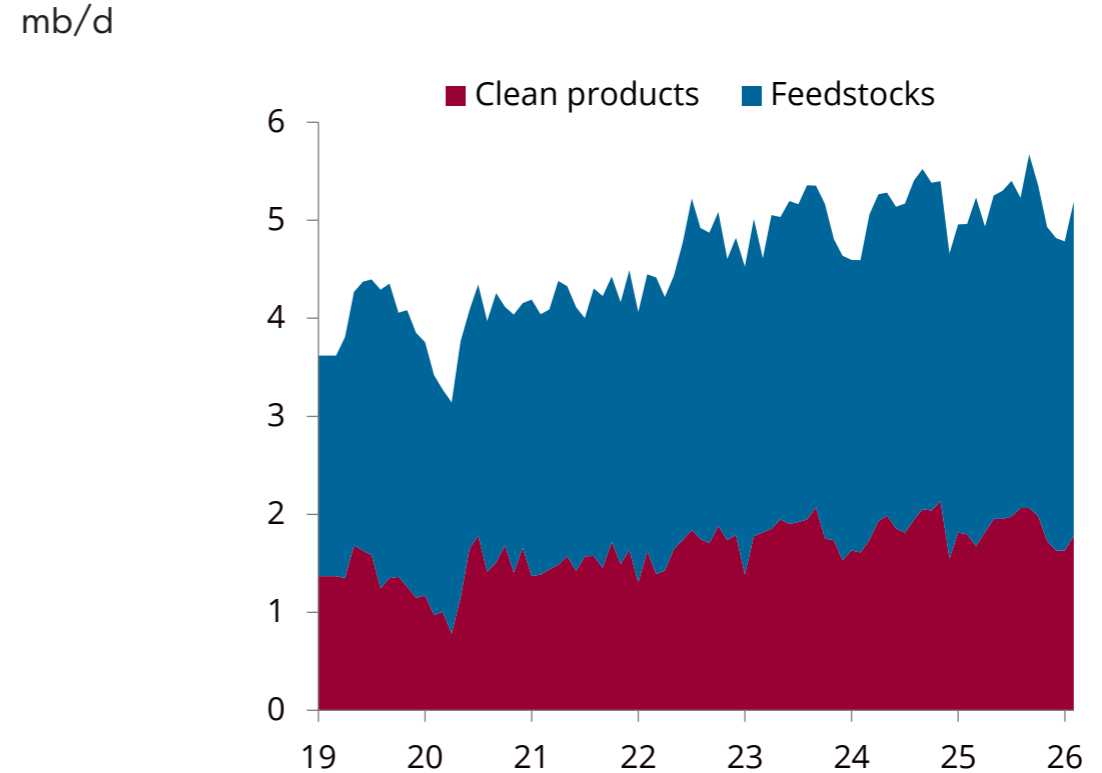
Flows through Strait of Hormuz by importing region



About 1 mb/d of diesel transits the Strait of Hormuz, 0.3 mb/d of which goes to Europe. Flows delays and disruptions could also tighten jet in pricing centres despite demand drop.

Source: OilX, Energy Aspects

Strait of Hormuz products flows



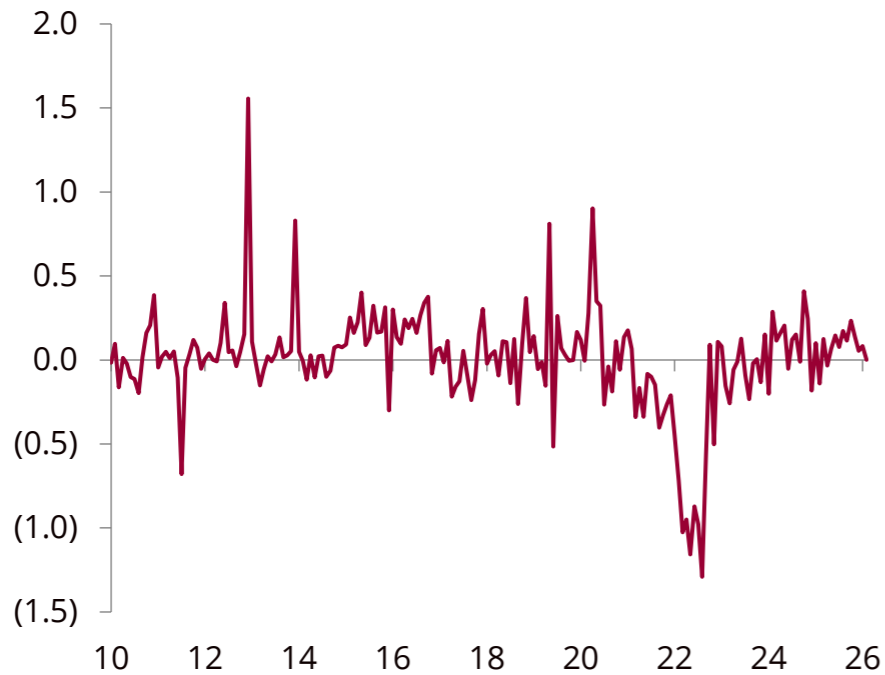
Conflict in Iran and surrounding regions threatens 3.3 mb/d of feedstocks, which will add to the challenges for Asian refiners already struggling with high crude and freight costs.

The policy reaction

Record SPR release but drawdown rate matters more than outright volume

OECD monthly crude and product SPR build/draw rates

mb/d

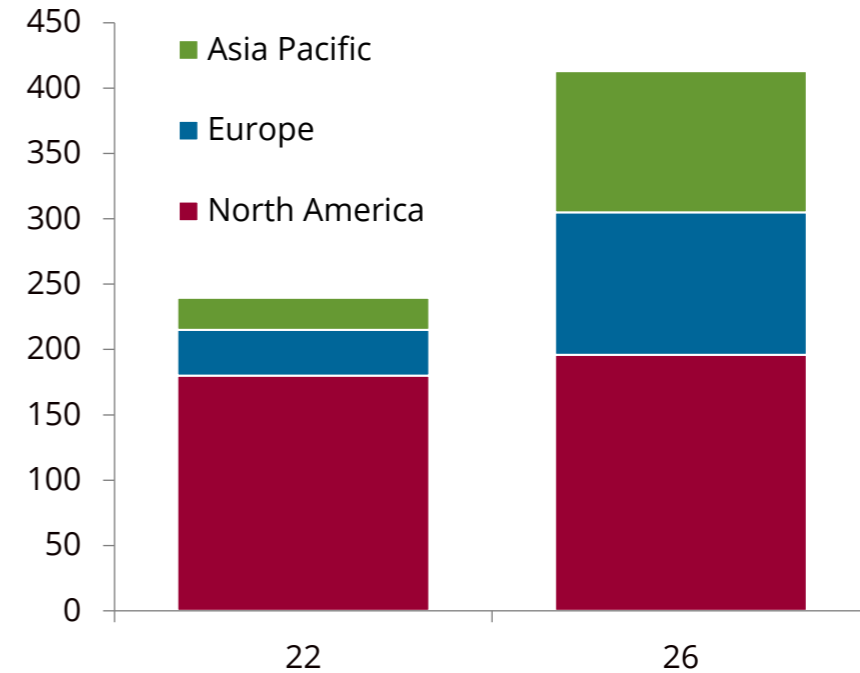


Maximum historical SPR flow rate is 1.3 mb/d. Doubling means the 2026 IEA release would take five-months. This is negligible in comparison to the 10 mb/d supply loss.

Source: IEA, OilX, Energy Aspects

IEA stock release 2022 vs 2026

mb

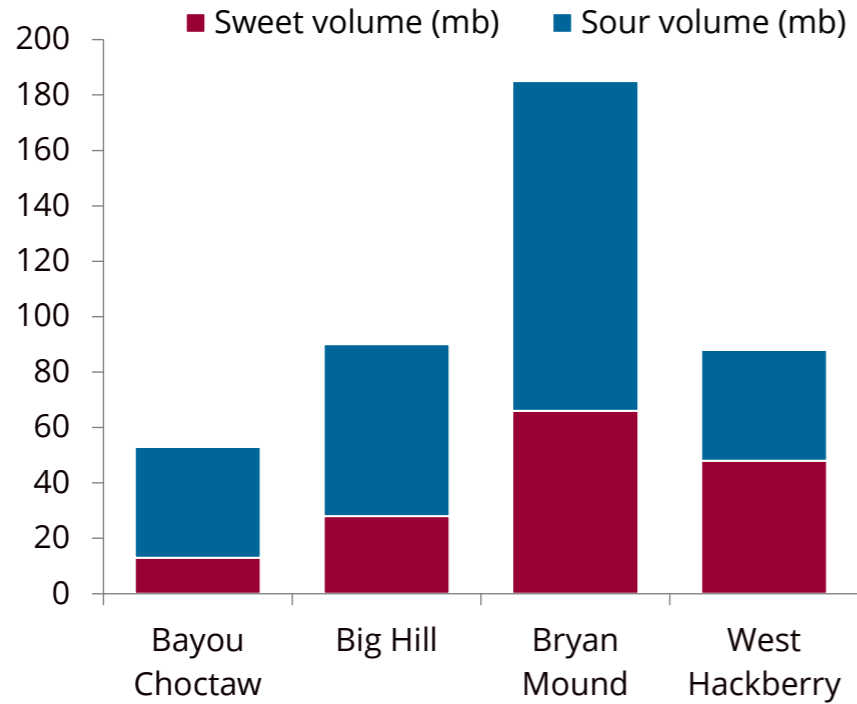


The bulk of 2022 stockdraws were US crude. In 2026 excluding industry stocks in Asia Pacific & Europe, the total is closer to 370 mb in line with announced government pledges.

US SPR release primarily sour, outflows capped by drawdown rates

US SPR cavern inventories

mb

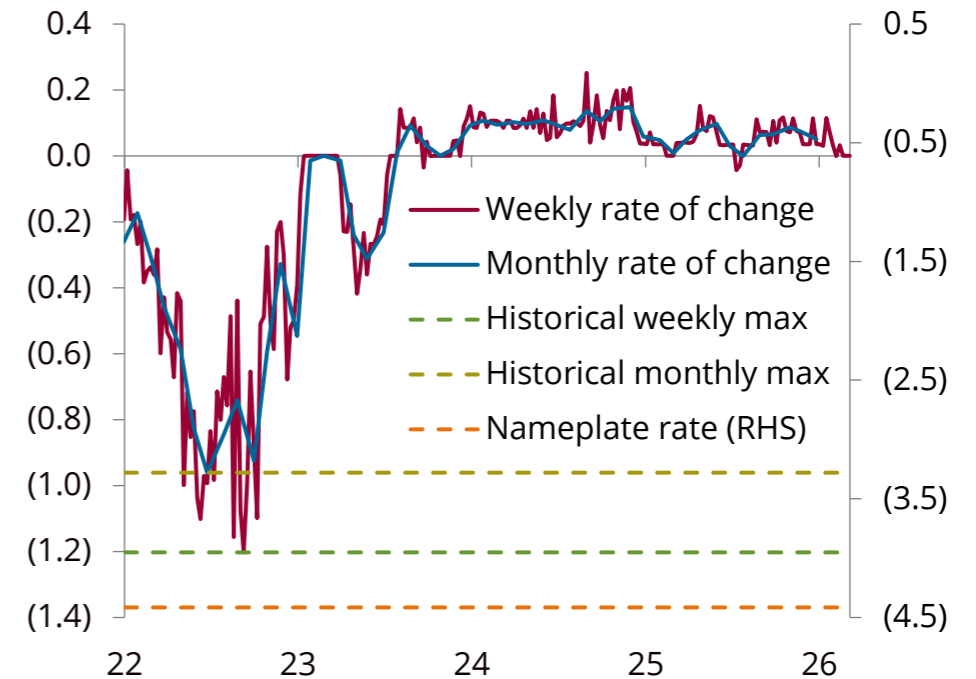


Current quality mix skewed towards sour. Increased sour availability to weigh on USGC medium sour differentials.

Note: On LHS, US SPR cavern inventories shown as of February 18, 2026
 Source: EIA, US Department of Energy, Energy Aspects

US SPR drawdown rates

mb/d

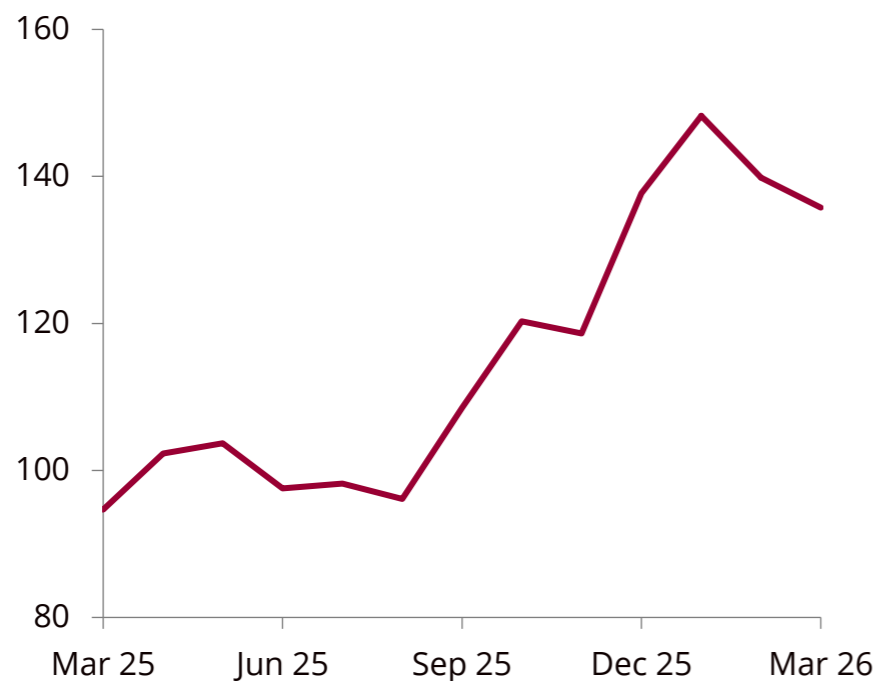


The US DOE's announcement of a 172 mb SPR release over the next 120 days implies an average drawdown rate of 1.43 mb/d, exceeding the historical monthly maximum of 0.96 mb/d.

US allows Russian and Iranian crude-on-water to be sold; Russian shut-ins delayed

Russian crude-on-water

mb

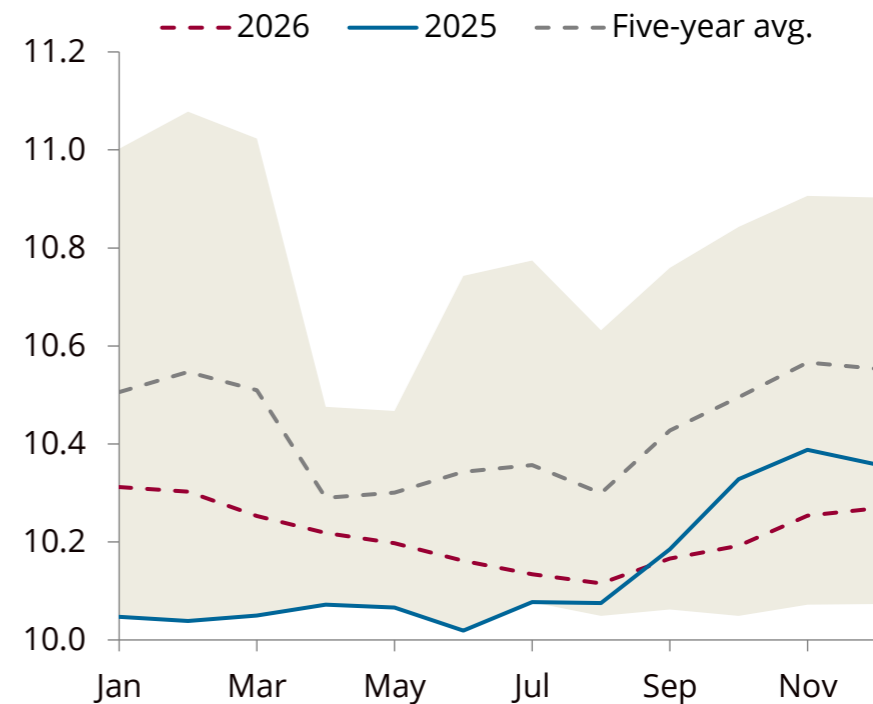


India has bought nearly 60 mb of Russian floating oil, which will allow crude-on-water to go back down to 80 mb, the average seen since March 2022.

Source: OilX, Energy Aspects

Russian crude and condensate production

mb/d

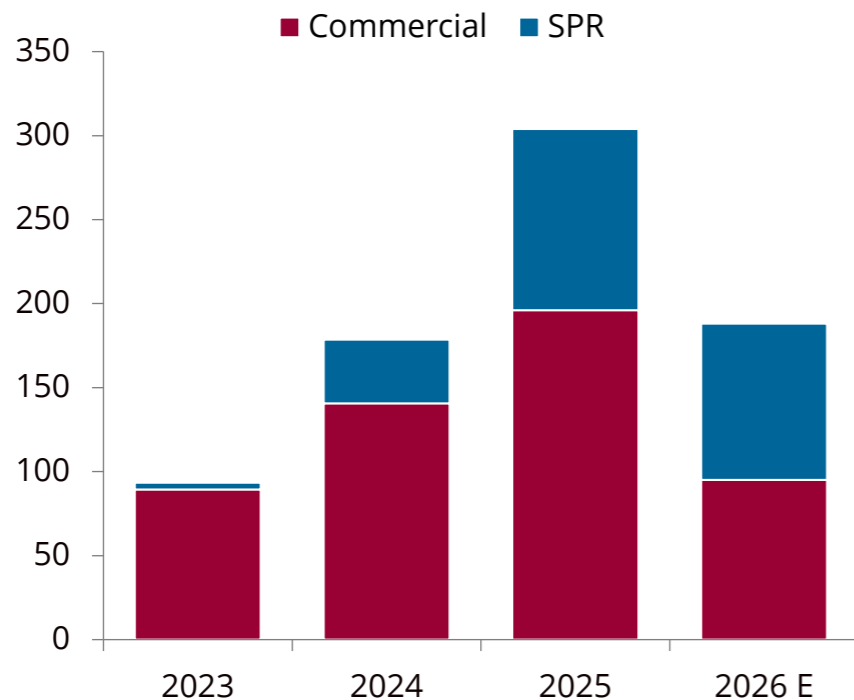


Asia, especially India, will draw down Russian crude-on-water under the US one-month waiver of Russian oil purchases, delaying Russian production shut-ins.

Security of supply becoming more critical for governments; China building storage

Chinese crude stock change

mb

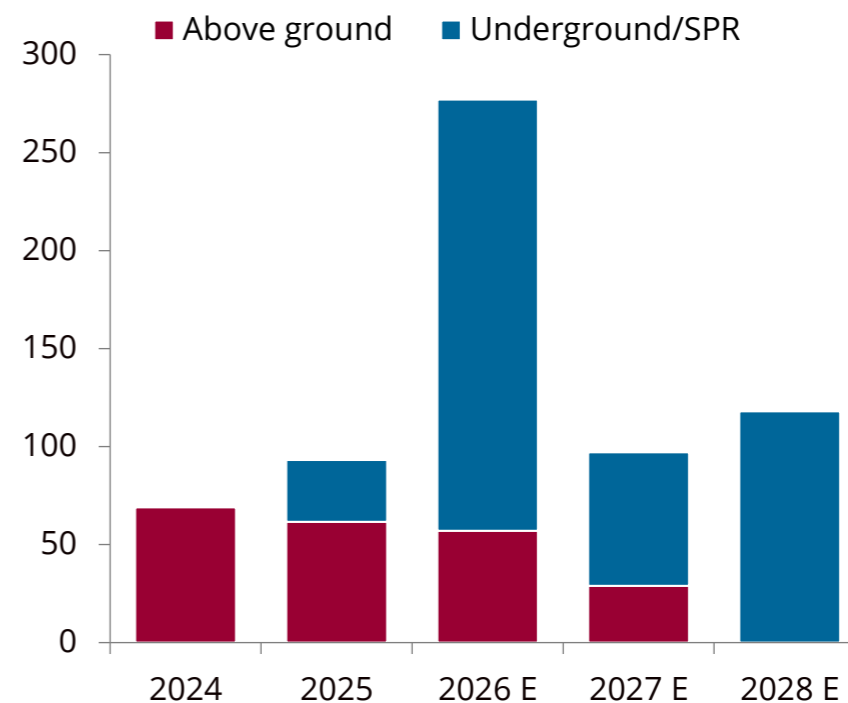


China's 2026 SPR mandate will likely be delayed, but security of supply will be increasingly paramount.

Source: China Customs, NBS, OilX, Energy Aspects

Chinese crude storage capacity additions

mb

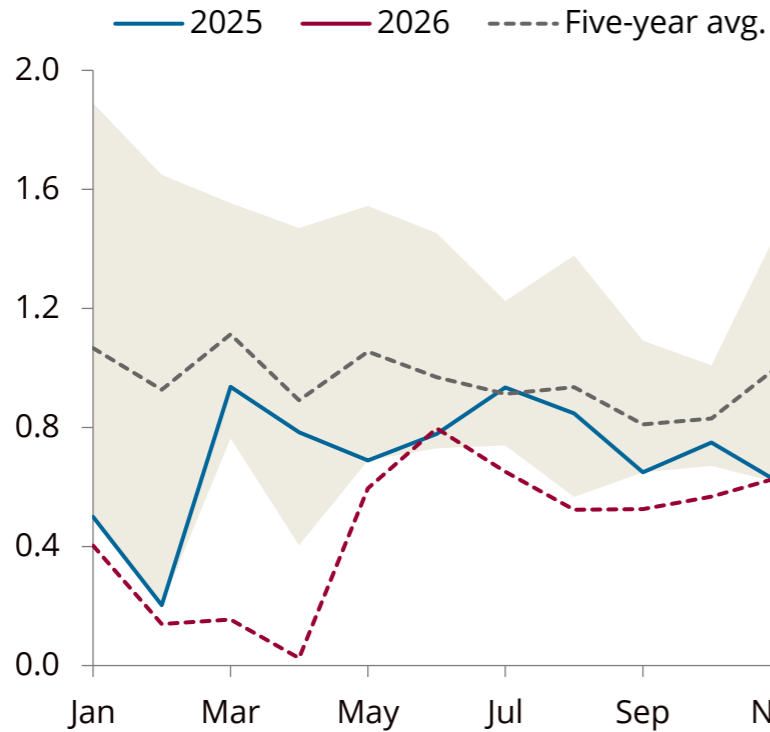


China is constructing more than 250 mb of new crude storage capacity in 2026, with our tracking showing over 200 mb of (water-sealed) caverns, mainly in Fujian province.

Product exports being slashed as Asian governments prioritise domestic supply

Chinese gasoline exports

Mt

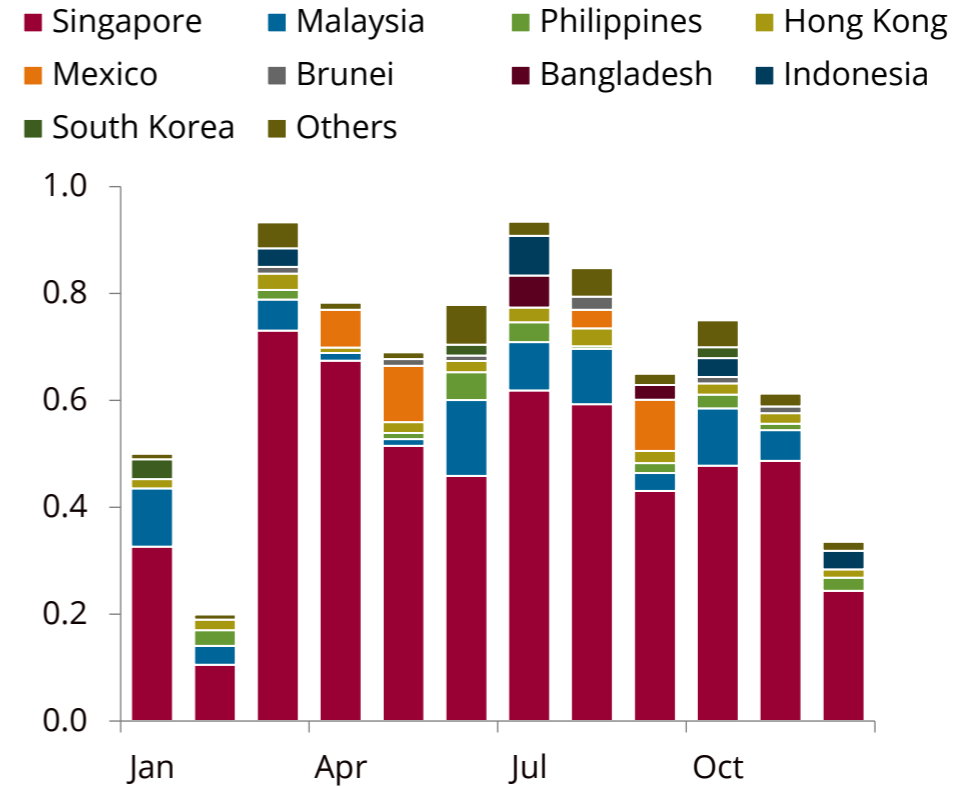


Beijing has introduced a complete ban from 11 March on refiners' clean product exports except those to Hong Kong and Macau (gasoline: 20–30 kt/m).

Source: China Customs, Energy Aspects

2025 Chinese gasoline exports by destination

Mt



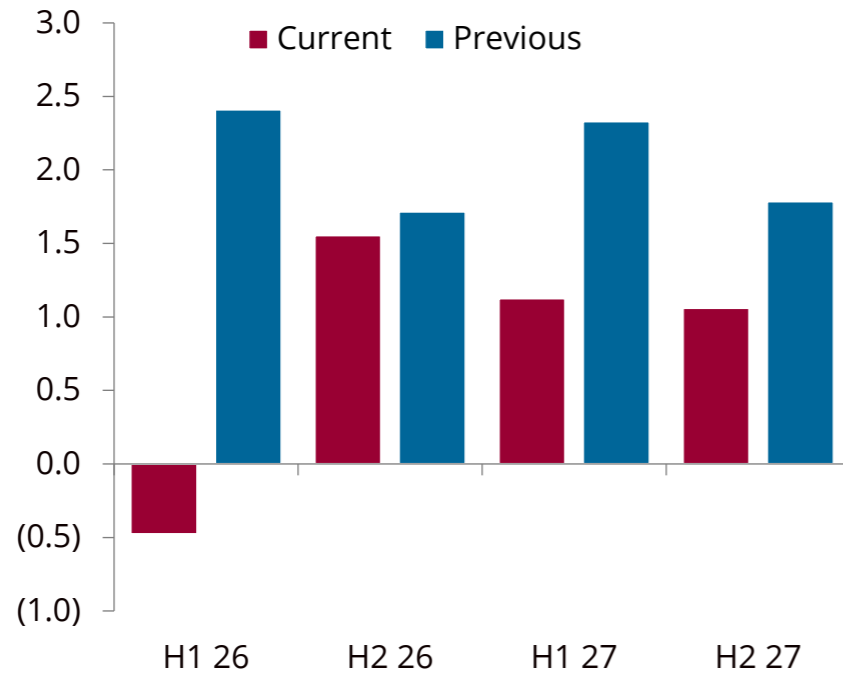
Chinese refiners' run cuts will pressure domestic gasoline supply, reducing Chinese length. This will slow buildup inventories in Asia.

Market impact - Crude

Balances tighten significantly, on-water overhang also being run down

2026 and 2027 liquids balances vs 1 March

mb/d

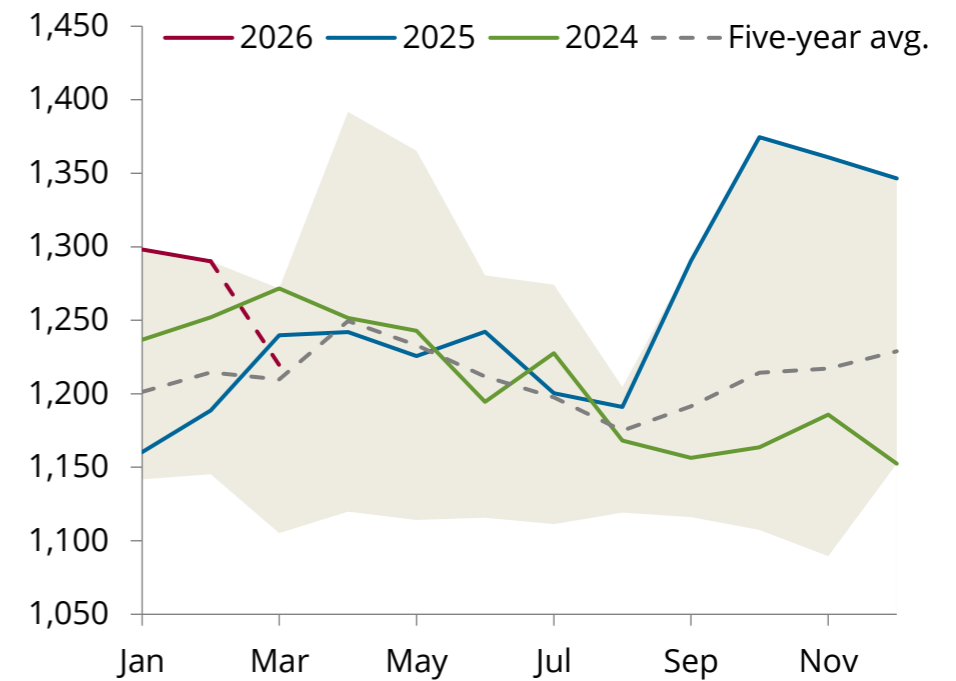


Our global balances have tightened significantly since 1 March on disruptions caused by the US–Iran war, particularly H1 26.

Source: CME, IEA, EIA, Energy Aspects

Crude-on-water

mb

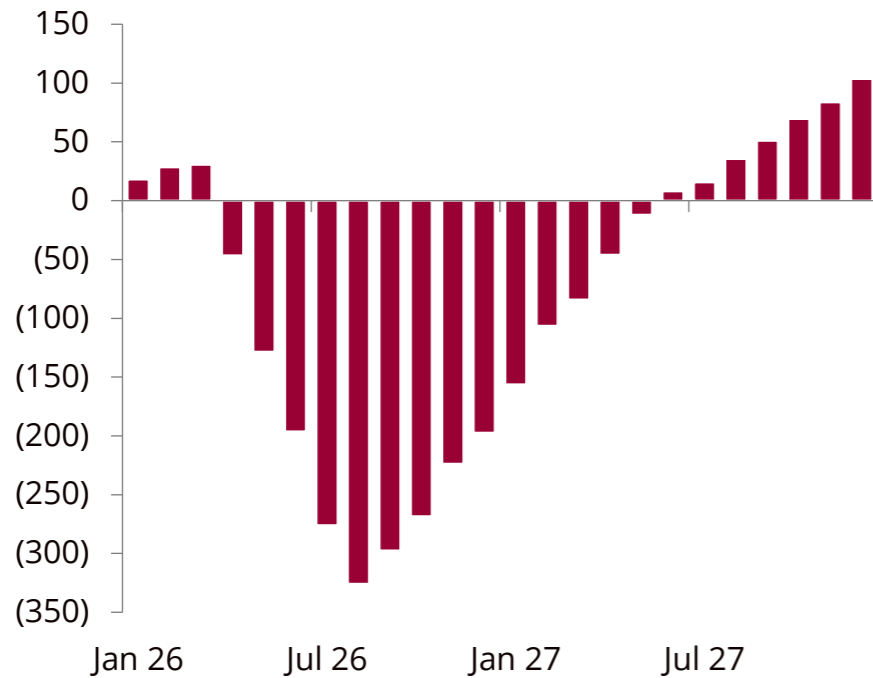


Russian, Iranian and Venezuelan crude-on-water rose by over 100 mb in 2025, led by higher Russian volumes. Total volumes have trended lower, with more Venezuelan crude staying west.

A structurally tighter oil market going forward, especially with SPR buybacks

Cumulative global liquids SPR change

mb

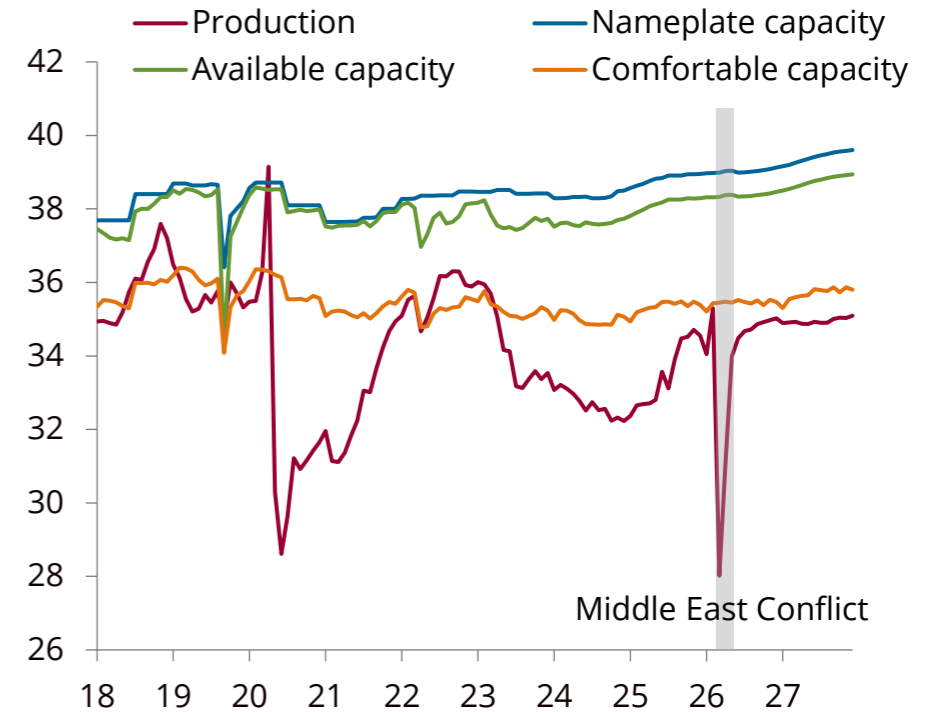


2026 IEA SPR drawdowns will take through 2028 to restock. Chinese SPR buying and more countries building strategic inventory will add to demand in 2027 and 2028.

Source: OilX, Energy Aspects

OPEC8+ spare capacity assessment

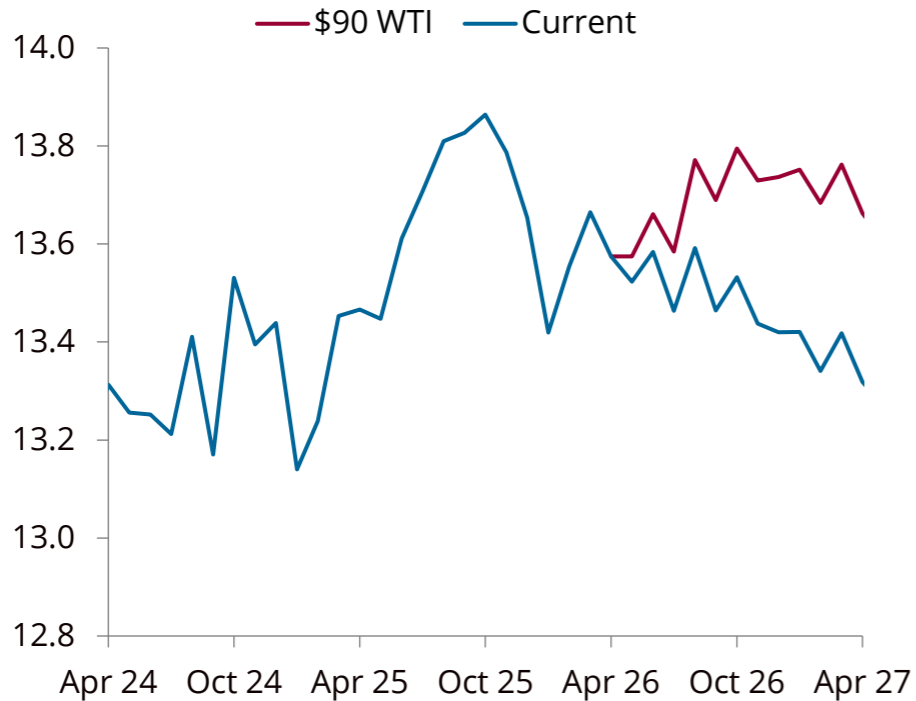
mb/d



Most spare capacity is in the Middle East and so unavailable to respond to the current crisis. There is only a limited amount of producers that will want to bring online after shipping resumes.

Production response in Americas will take time

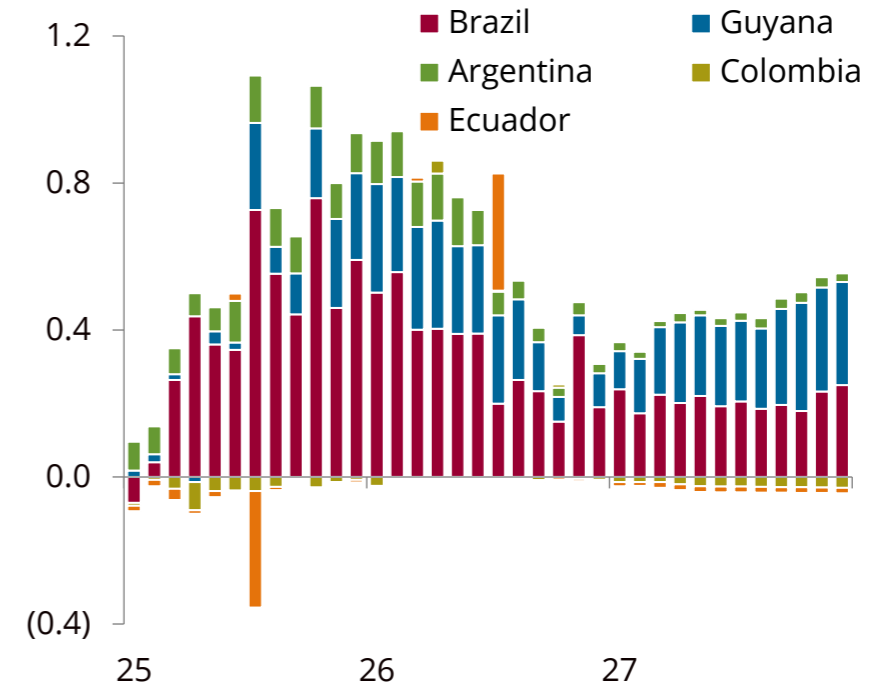
Upside to US production at sustained \$90/bbl WTI
mb/d



US shale producers can modestly boost production in near term but are constrained by low DUC count and pressure pumping capacity. New rigs take six+ months to add real volumes.

Source: Novi Labs Inc., OilX, Energy Aspects

Non-OPEC Latin American production, y/y
mb/d

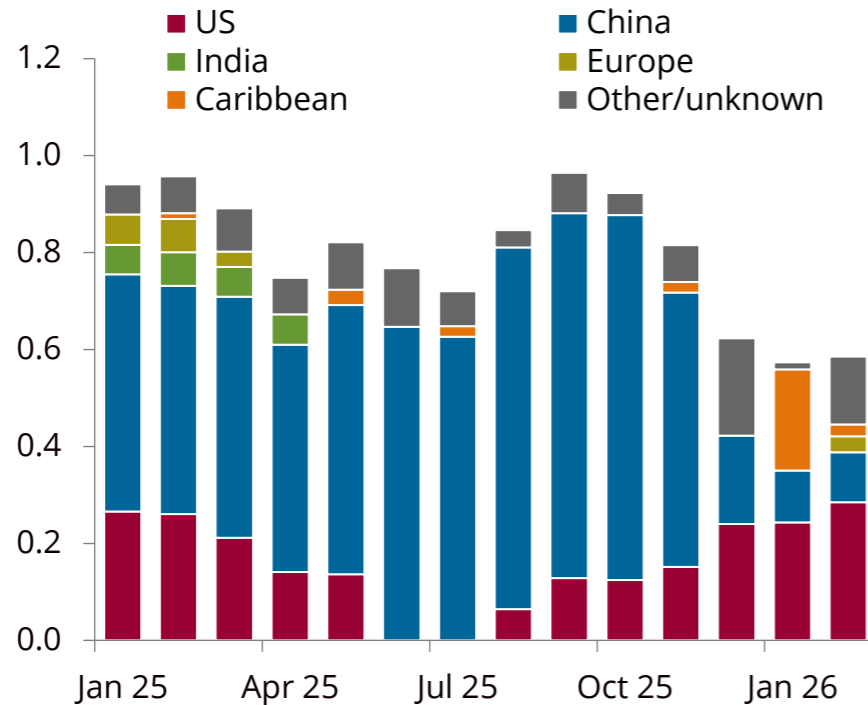


Any significant LatAm production upside from higher oil prices will take time as there is a lagged correlation with decline rates. Brazil's upside risk is driven by field performance, not prices.

Venezuela: Flows reshuffling, but long road to big supply recovery

Venezuela crude exports by destination

mb/d

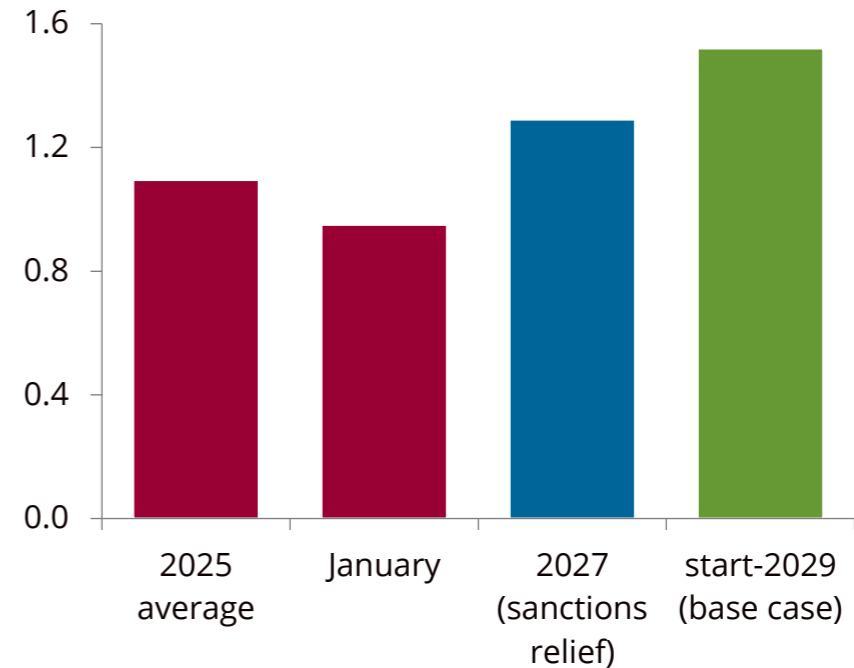


US blockade and targeted easing of sanctions are forcing a rapid redirection of flows. Loadings are yet to fully recover. The first sales to Indian refiners have been reported.

Source: OilX, Energy Aspects

Venezuela crude production outlook

mb/d

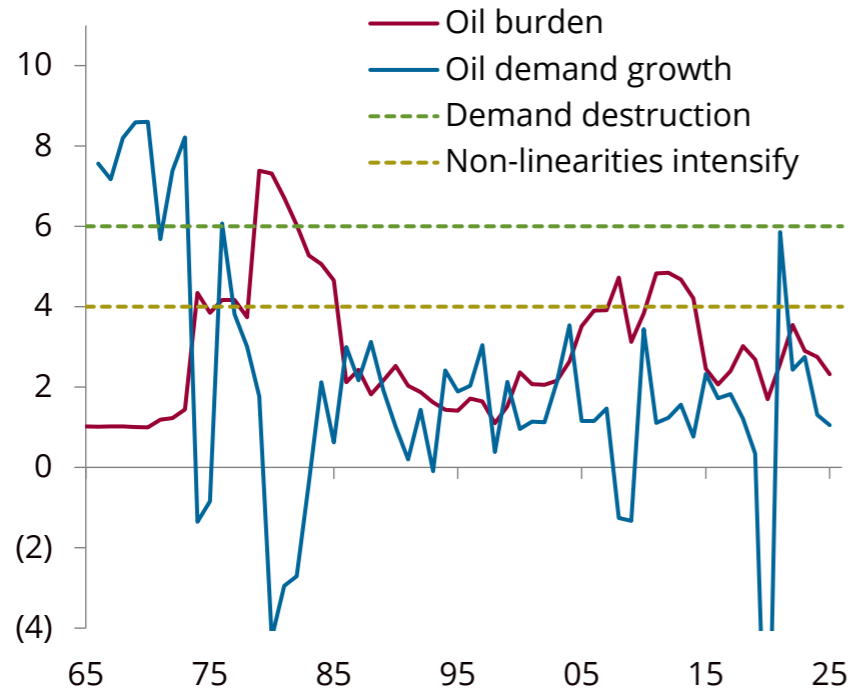


Easing sanctions and limited investment can deliver modest increases from 2025 levels. Even with political stability and more capital, larger gains will take years to achieve.

Oil subsidies return, but demand destruction requires sustained prices at \$180/bbl

Oil burden and demand growth

% of GDP and % y/y

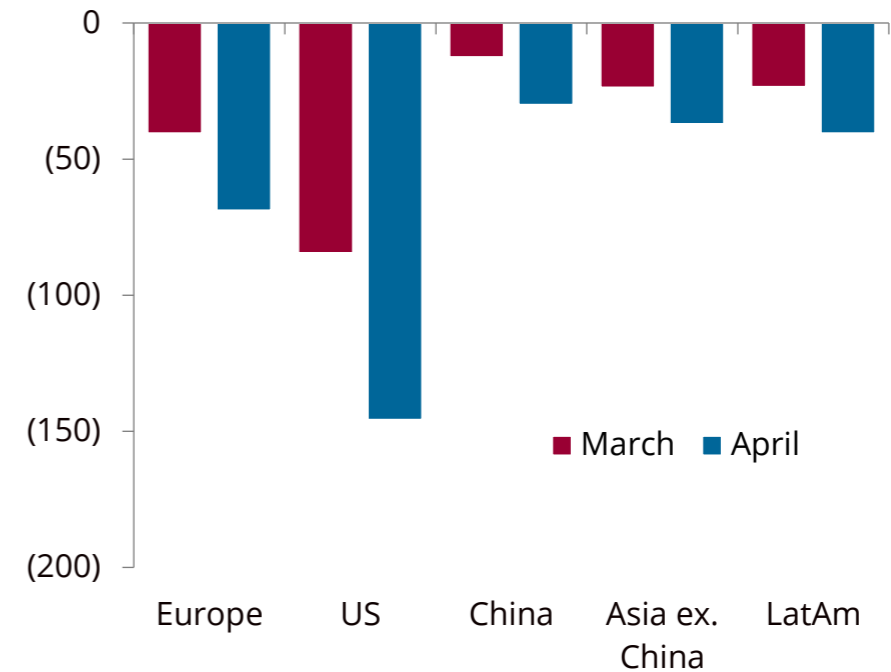


Higher prices will trigger a noticeable demand response, but prices not yet at levels consistent with demand destruction, where demand does not rebound when prices fall again.

Source: IMF, Energy Aspects

Gasoline demand revisions

kb/d

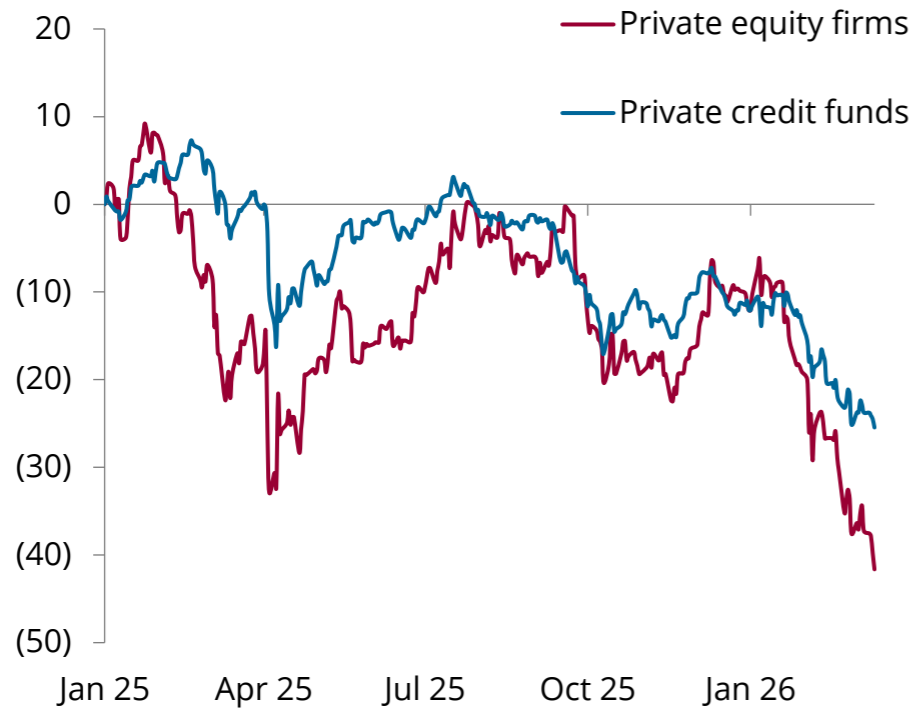


Rising prices have reduced 0.19 mb/d and 0.34 mb/d of gasoline demand in March and April. We see a non-linear demand response when RBOB exceeds \$134/bbl.

Middle East energy crisis adding to private credit difficulties

Private equity and credit stocks

Cumulative %

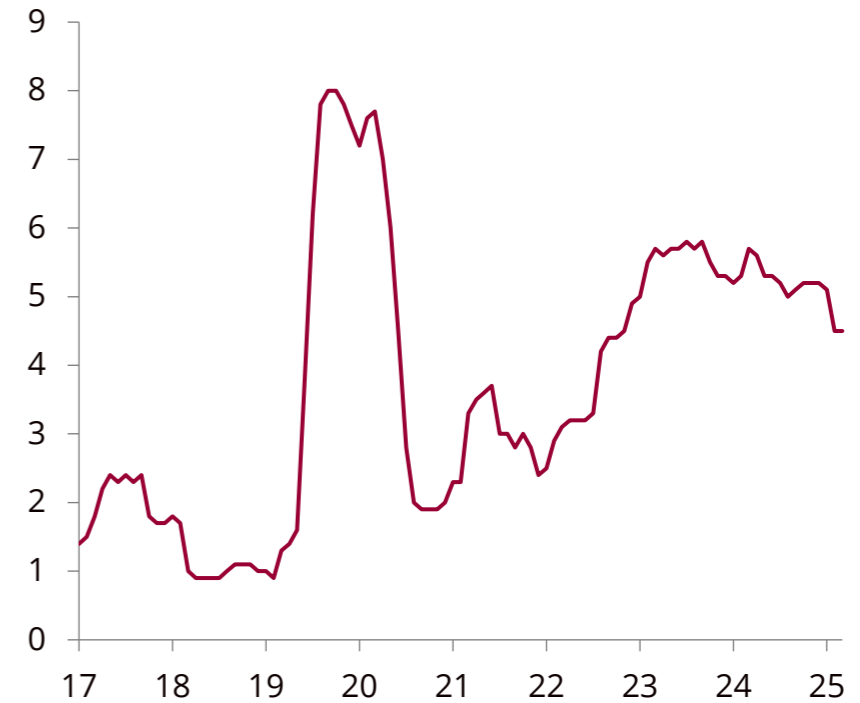


Private equity and credit stocks are among the worst performing sectors this year as concerns grow about the quality of their underlying assets and as funds attempt to limit redemptions.

Source: Bloomberg, S&P, Energy Aspects

Private credit default rate

%



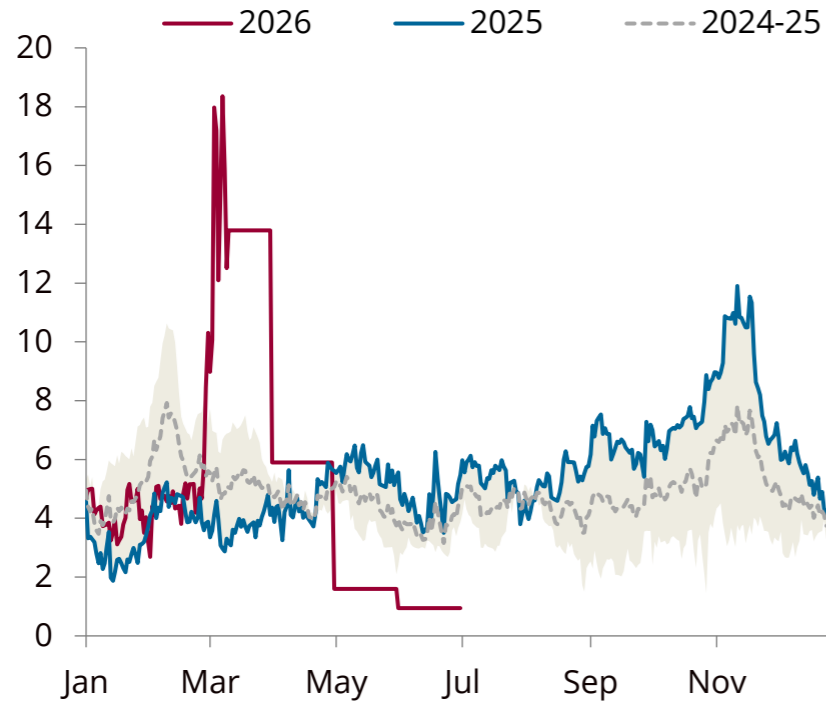
Sustained higher energy prices will push up defaults, which were already elevated before the Iran conflict.

Impact on refining margins

Prompt margins supported, but sharply backward forward curve will need to roll up

Global average margins

\$/bbl

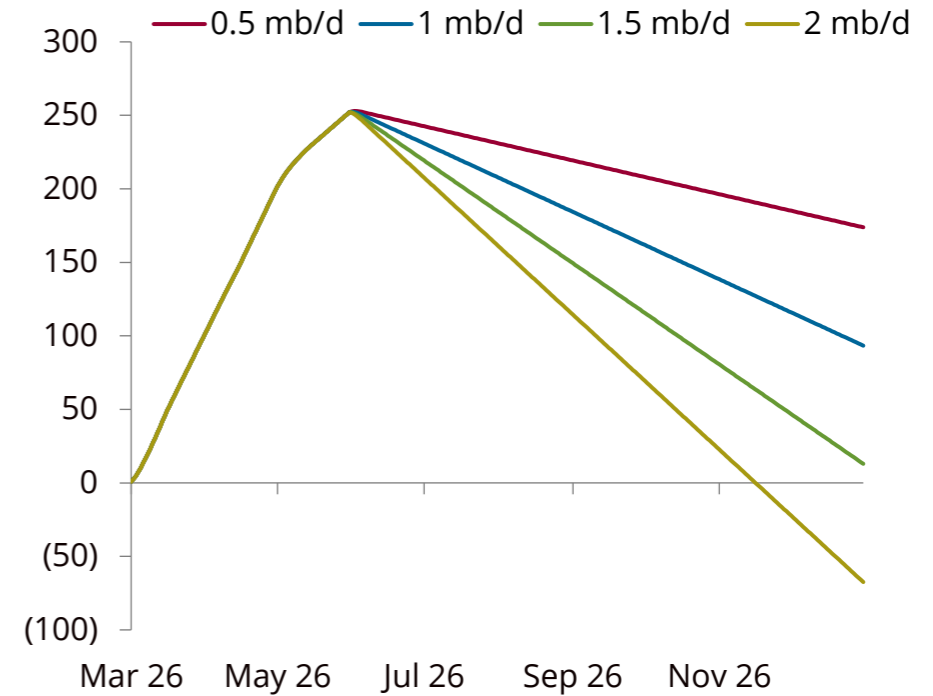


Prompt margins have soared, but forward margins are sharply backward, particularly for Asia, and will need to roll up to replace product supply lost from the Iran conflict.

Source: Argus Media Group, LSEG, Energy Aspects

Clean product supply loss for additional runs

mb

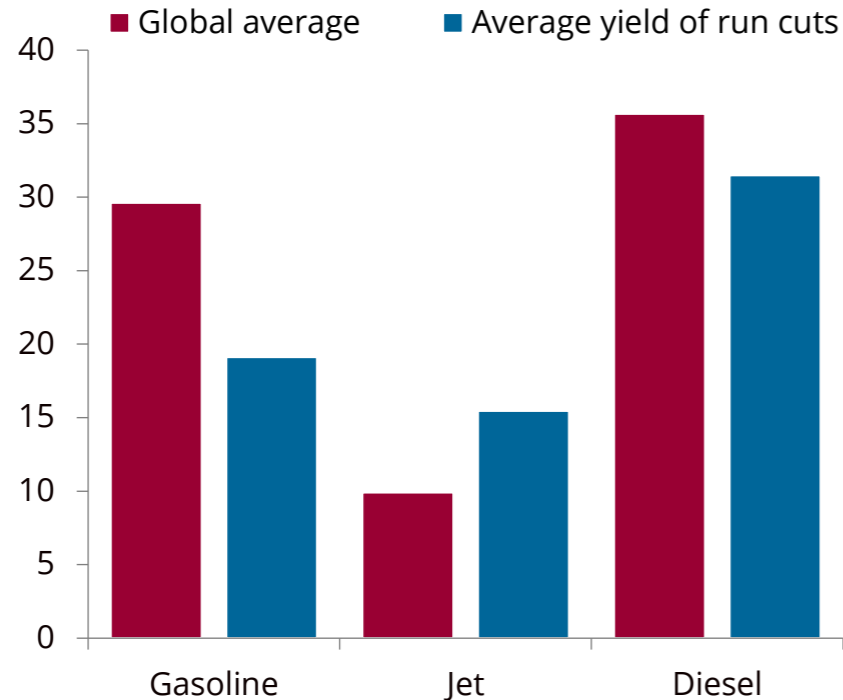


Global refiners will need to run hard for an extended period once Strait of Hormuz disruptions ease.

Extended period of maximum throughputs required, distillates slowest to replace

Clean product yields

%

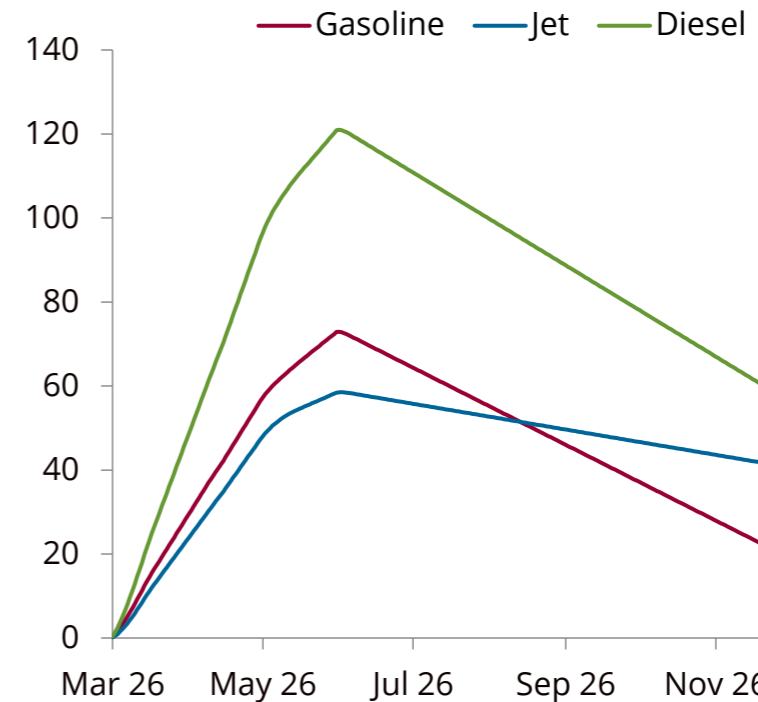


From a pure supply perspective, jet will be the hardest to replace, as east of Suez yields are 5 ppts higher than global average.

Source: Argus Media Group, LSEG, Energy Aspects

Product supply loss for 1 mb/d additional runs

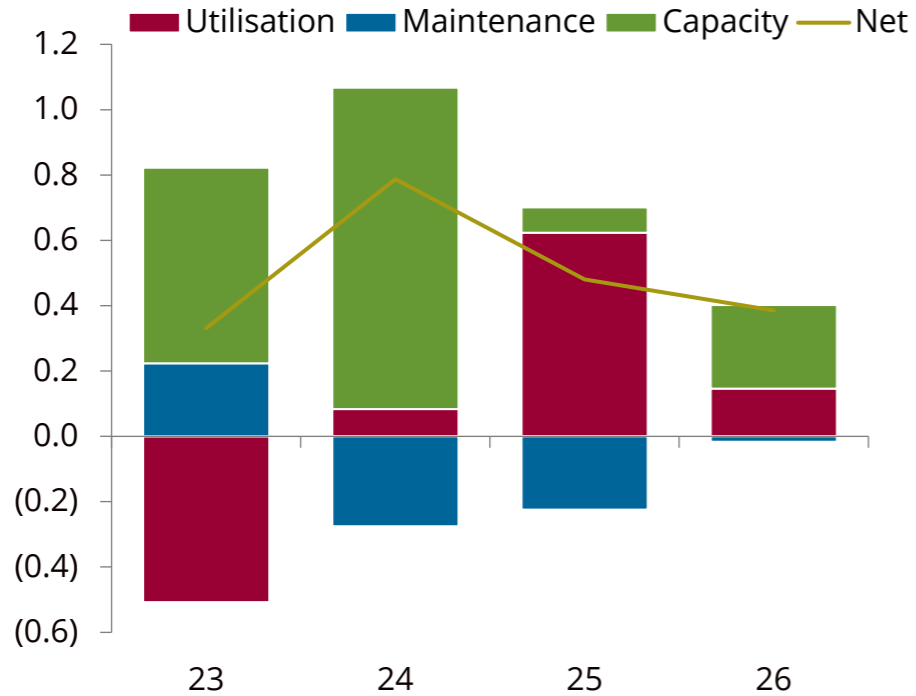
mb



Clean product supply losses will not be fully replaced until end-2027 if global refiners run 0.5 mb/d harder than our previous forecasts.

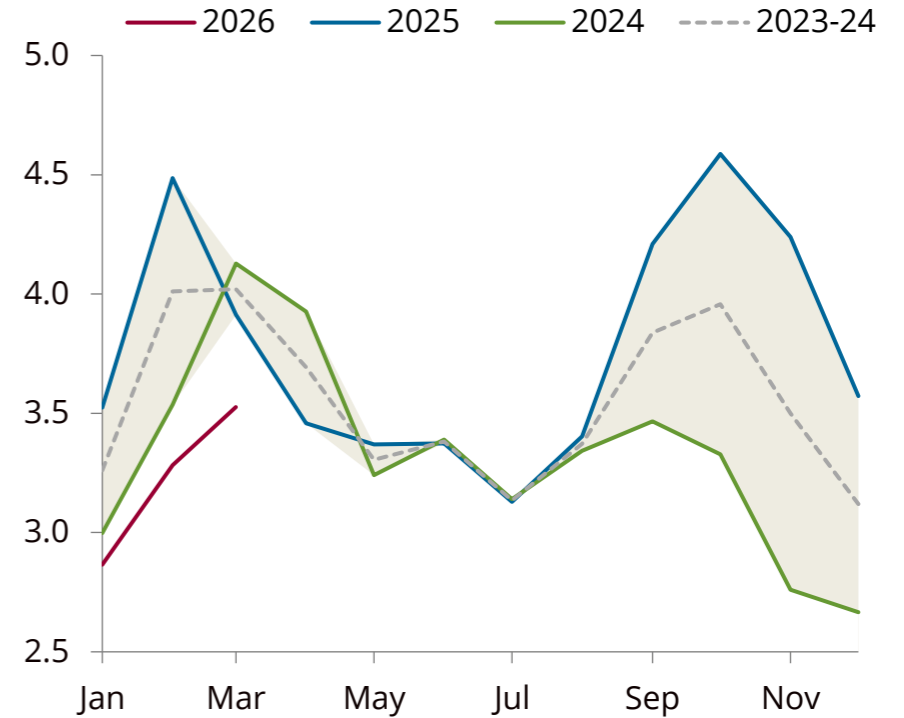
Runs growth reliant on new capacity, leaving limited slack for supply disruptions

Global (ex-China) runs contribution by type, y/y
mb/d



Already-high utilisation leaves 2026 runs growth reliant on capacity additions.

Global unplanned CDU outages
mb/d



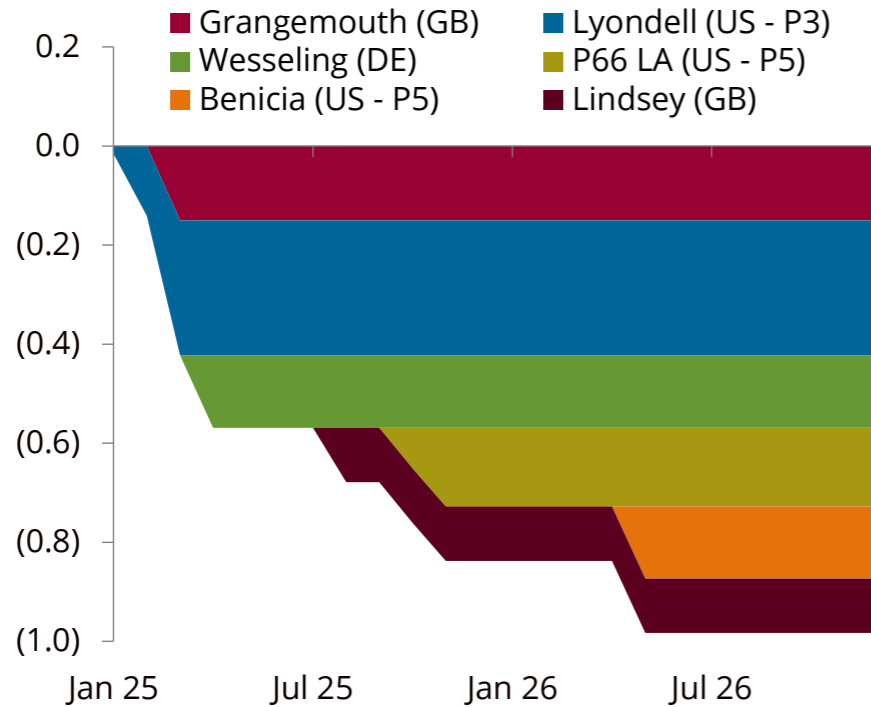
Elevated unplanned CDU and secondary-unit maintenance supported H2 25 margins; prolonged period of high-utilisation increases risk of unplanned outages.

Source: Argus Media Group, LSEG, Energy Aspects

Major closures have ended, but risk of delays to new capacity has increased

Global (ex-China) CDU capacity closures vs December 2024

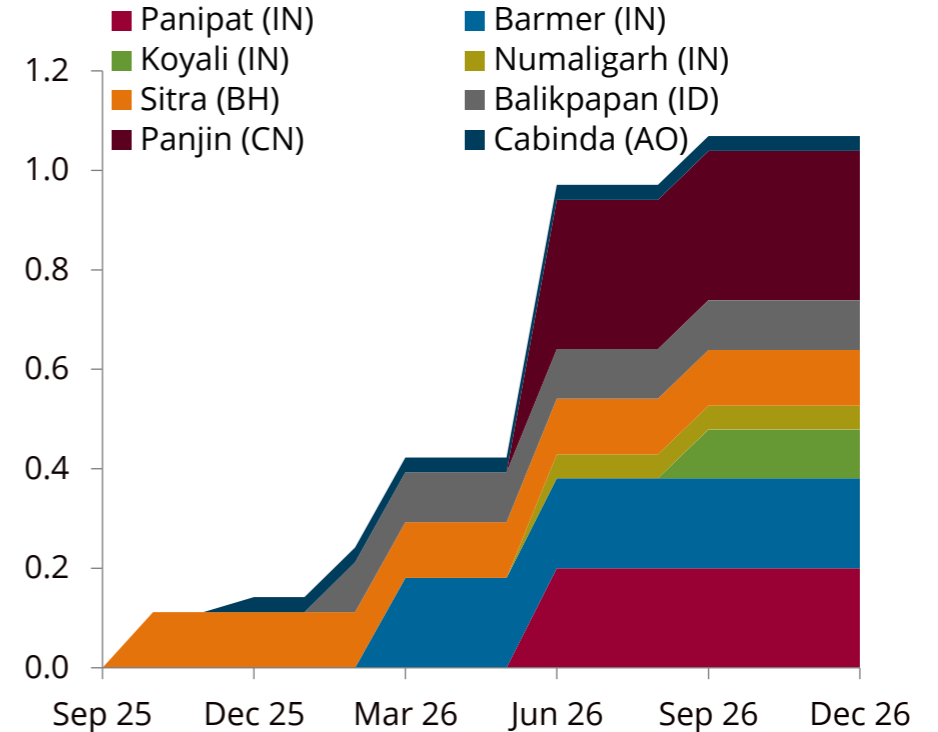
mb/d



Major announced closures west of Suez have now finished.

Major CDU expansions vs September 2025

mb/d



Expansions are focused in H2 26, with gradual ramp-up rates.

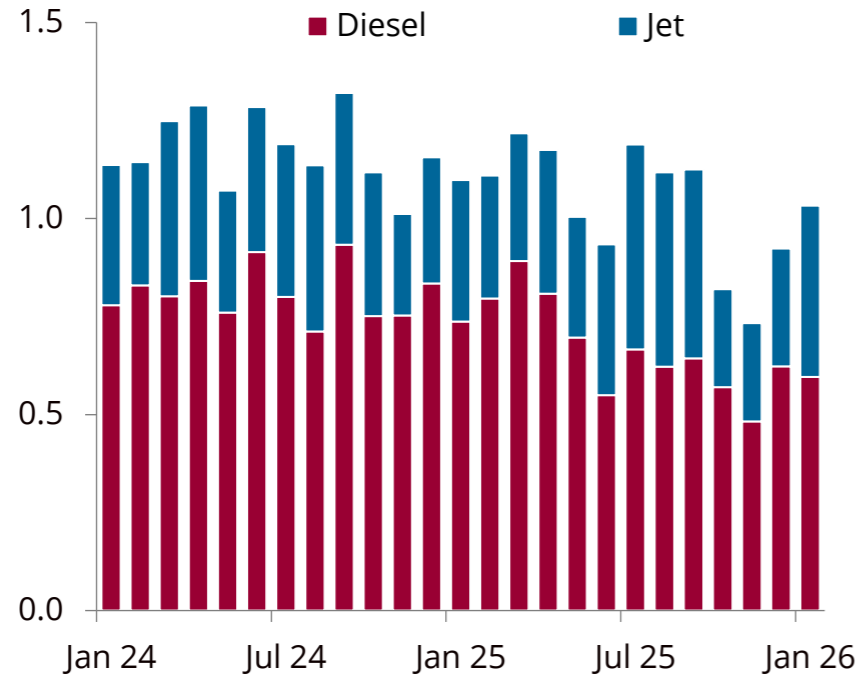
Source: Energy Aspects

Market impact - Products

Middle distillate flows significantly impacted by Middle East conflict

Middle distillate flows via Strait of Hormuz (outbound)

mb/d

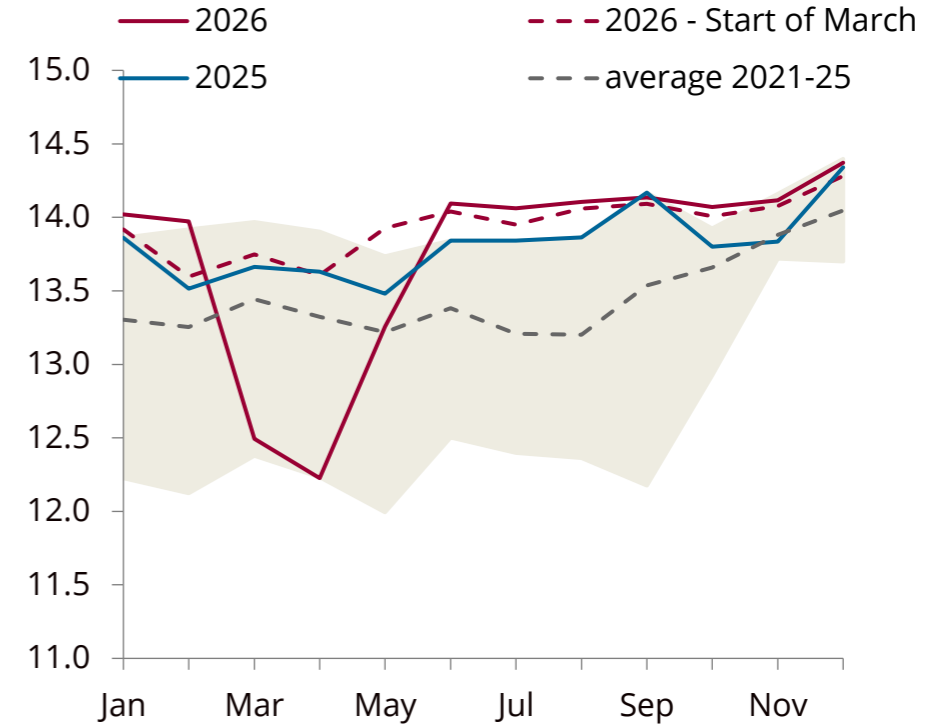


About 0.8 mb/d of diesel and 0.3 mb/d of jet are normally exported via the Strait of Hormuz. These account for 11% and 20% of global seaborne exports, respectively.

Source: OilX, Energy Aspects

East-of-Suez diesel supply

mb/d

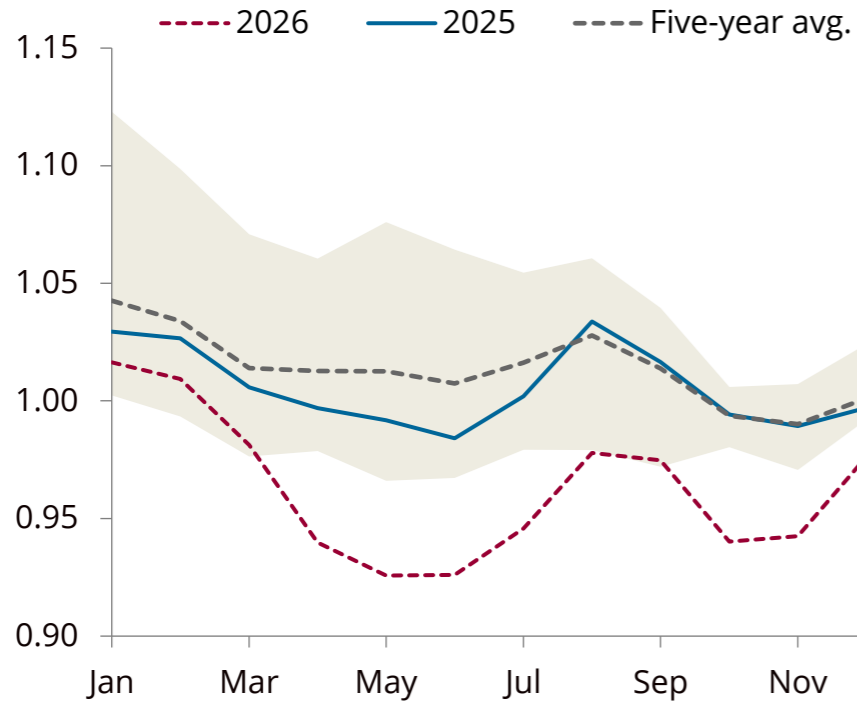


We expect 1.3 mb/d of diesel to be lost across the Middle East in March due to run cuts, rising to 1.4 mb/d in April for now.

Spring diesel stockdraws sharply accelerated, will support medium-term cracks

Global diesel stocks (ex-China)

billion bbls



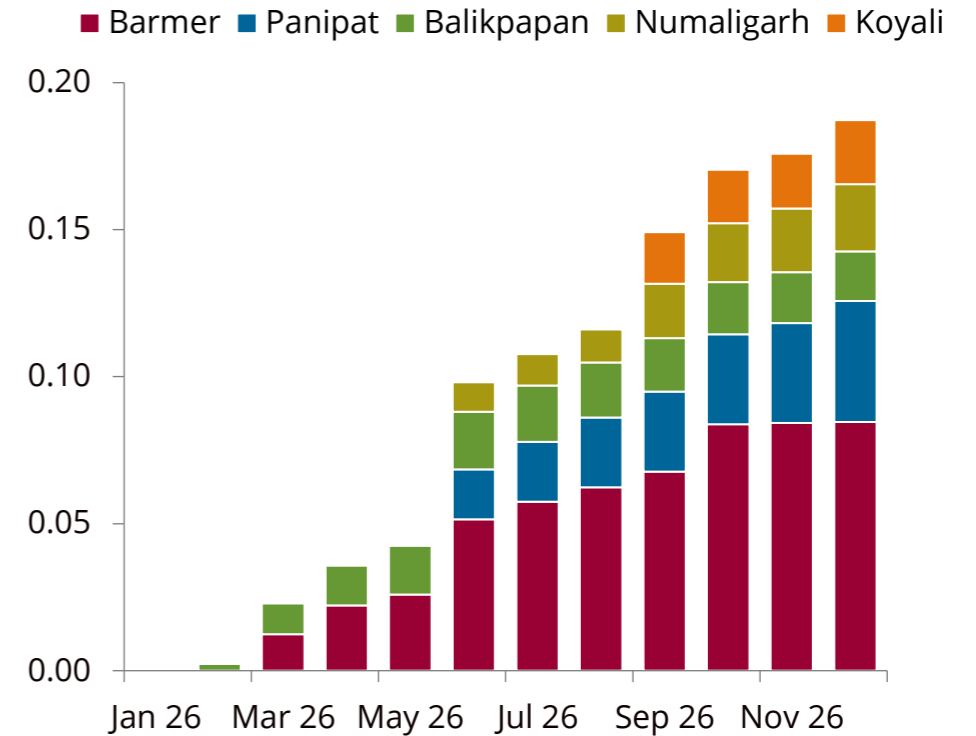
The consequence of the SPR drawdown is that SPR stocks will fall to unprecedented lows and need refilling, boosting diesel demand in H2 26 and 2027 and supporting cracks.

Note: LHS chart includes both commercial and government inventories

Source: OilX, Energy Aspects

Gasoil supply from new refining capacity

mb/d

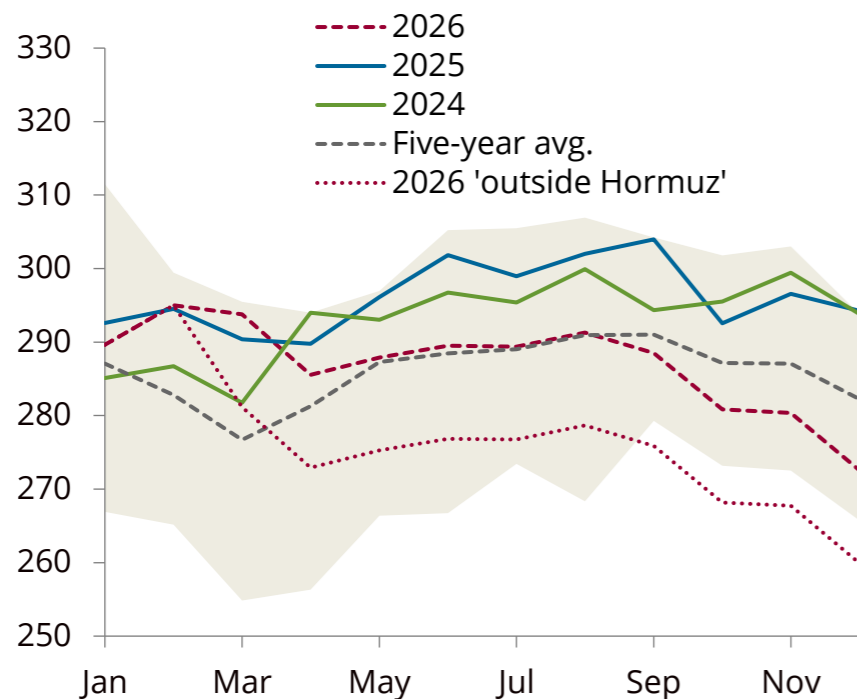


Additional supply from new capacity in India and Indonesia is still currently in our base case, but ramp-up will likely be delayed due to lack of certainty around feedstock supply.

Low SPR volume and larger relative impact to push jet balances to critical levels

Global jet inventories

mb

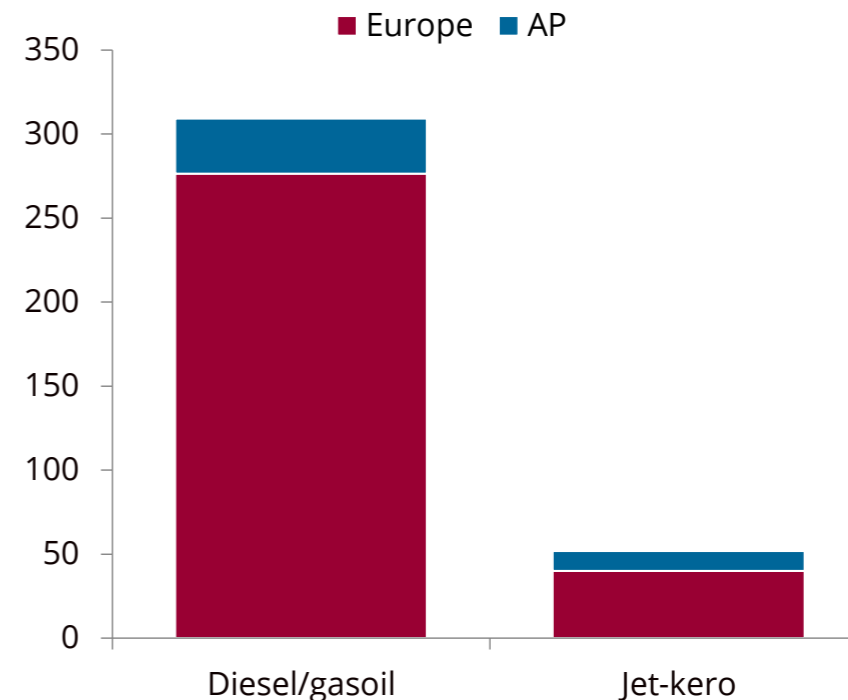


Jet regrades have surged and will remain strong, as the supply lost from disrupted shipping flows and run cuts outsizes demand losses, with limited re-supply options into key shorts.

Source: OilX, Energy Aspects

Middle distillate volumes in SPR by region

mb/d

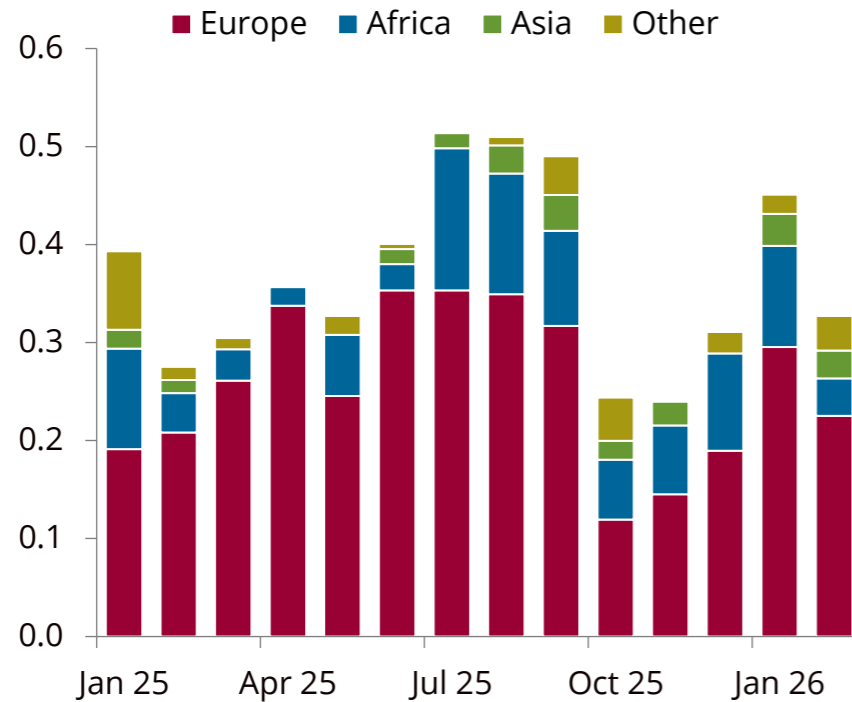


Europe only has about 40 mb of jet in SPR and governments will not want to release a substantial portion of this volume. Relief from the release will be minimal and temporary.

Jet supply tightened significantly by Middle East disruptions, Chinese exports ban

Jet exports via Strait of Hormuz

mb/d

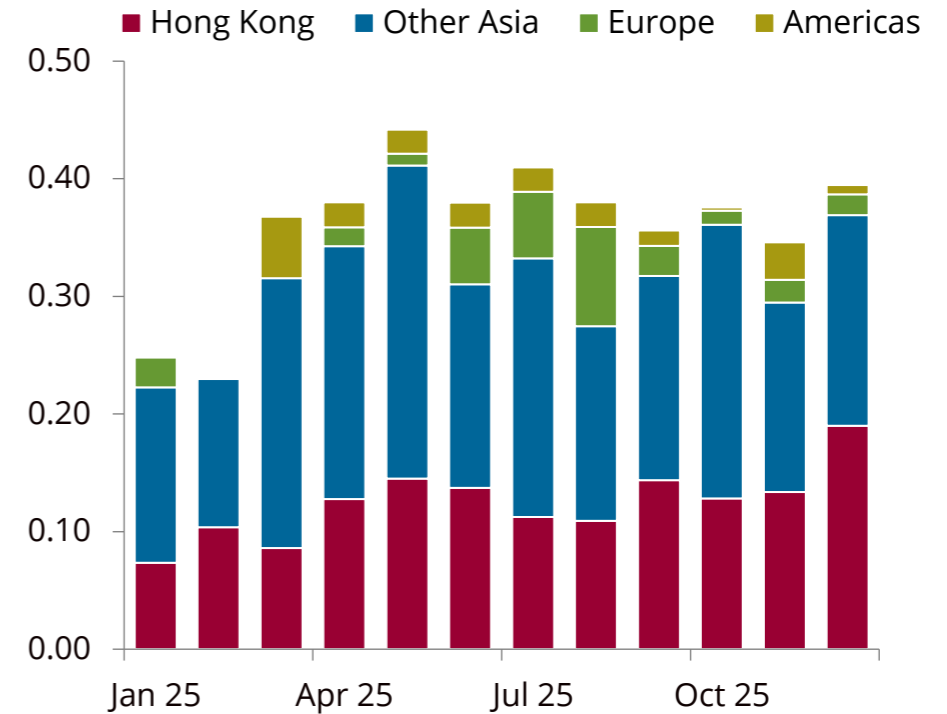


Strait of Hormuz disruptions have halted around 0.36 mb/d of jet fuel exports from the Middle East Gulf, of which 70% typically moves towards Europe.

Source: OilX, China Customs, Energy Aspects

China waterborne jet fuel exports

mb/d

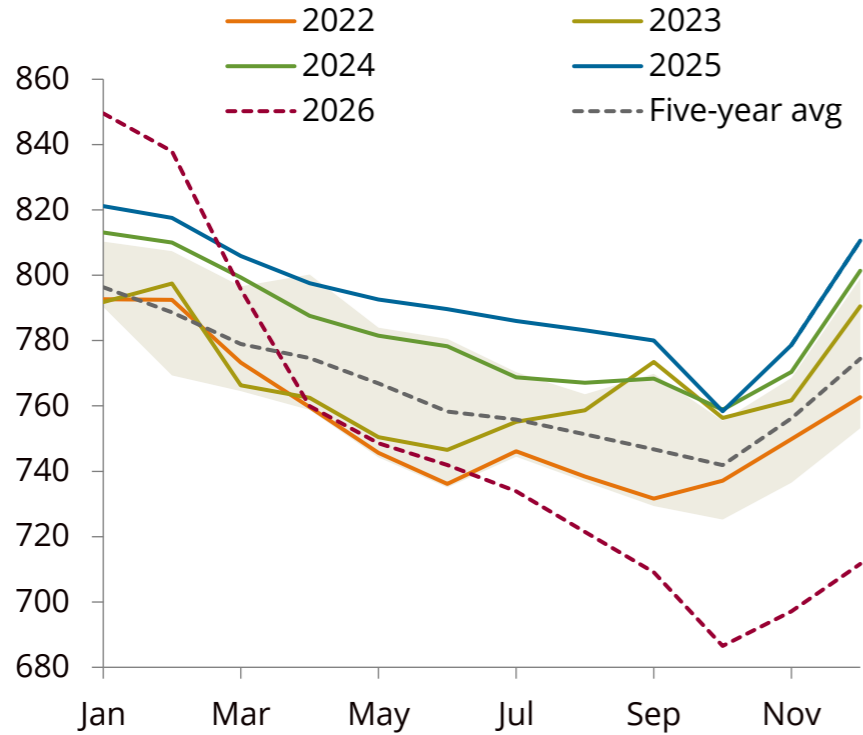


Excluding Hong Kong, China's immediate ban on non-bonded clean product exports will remove around 0.24 mb/d of waterborne jet fuel exports.

Sharp gasoline stockdraws in March and April (at least), most winter stockpiles in US

Global gasoline stocks (ex-China)

mb

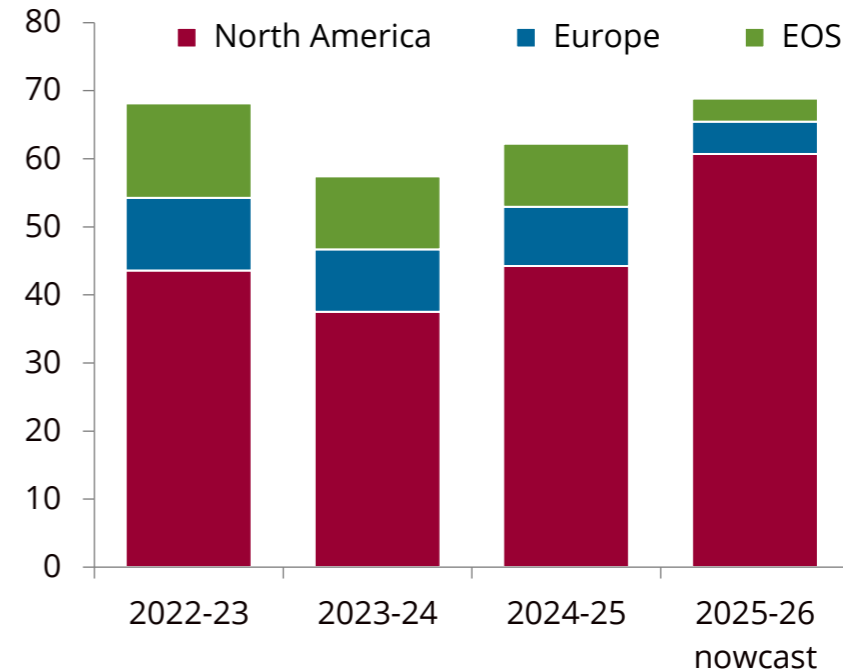


Run cuts due to disrupted crude flows to cut 0.9 mb/d gasoline supply on average in March and April, leading to sharp stockdraws and set up for summer strength.

Source: OilX, Energy Aspects

Gasoline November–January stockbuilds by region

mb

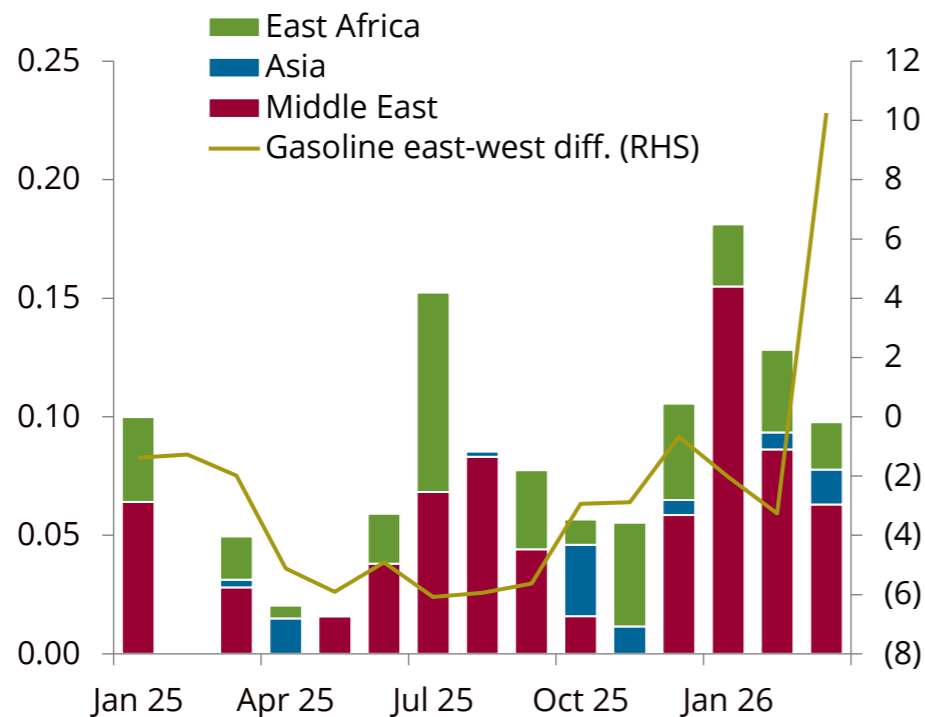


Stockbuilds concentrated in US, possible spec waivers and Jones act waiver are cushioning price impact on the RBOB pricing centre.

Middle East shortfall could drive counter-seasonal increase in west–east flows

Europe to east-of-Suez gasoline exports, east–west diffs

mb/d, \$/bbl (RHS)

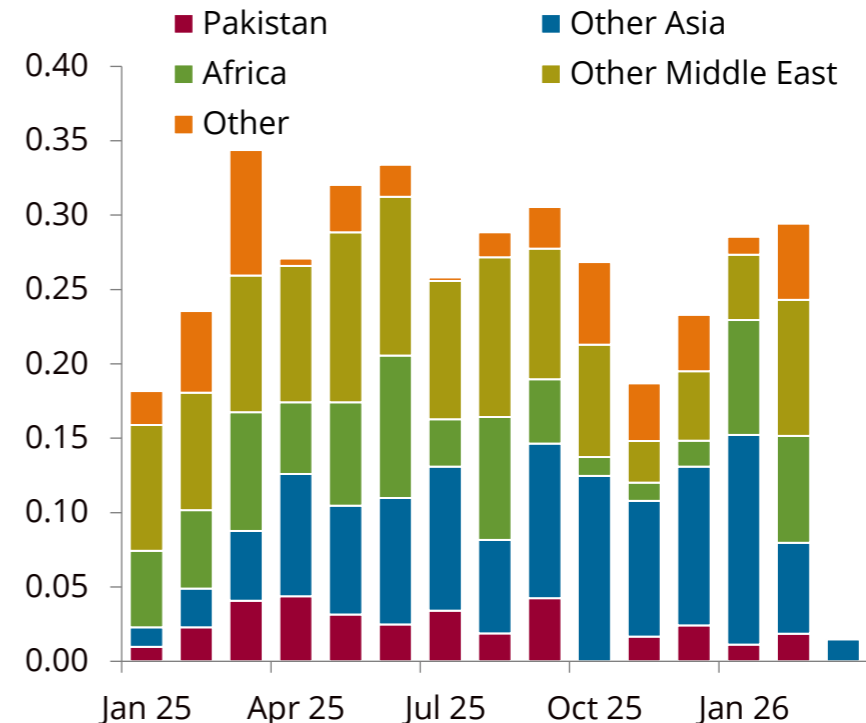


Positive east–west differentials are drawing counter-seasonal gasoline flow from Europe towards the east of Suez—a trend which will persist through March.

Source: Argus Media Group, OilX, Energy Aspects

Gasoline exports via Strait of Hormuz

mb/d

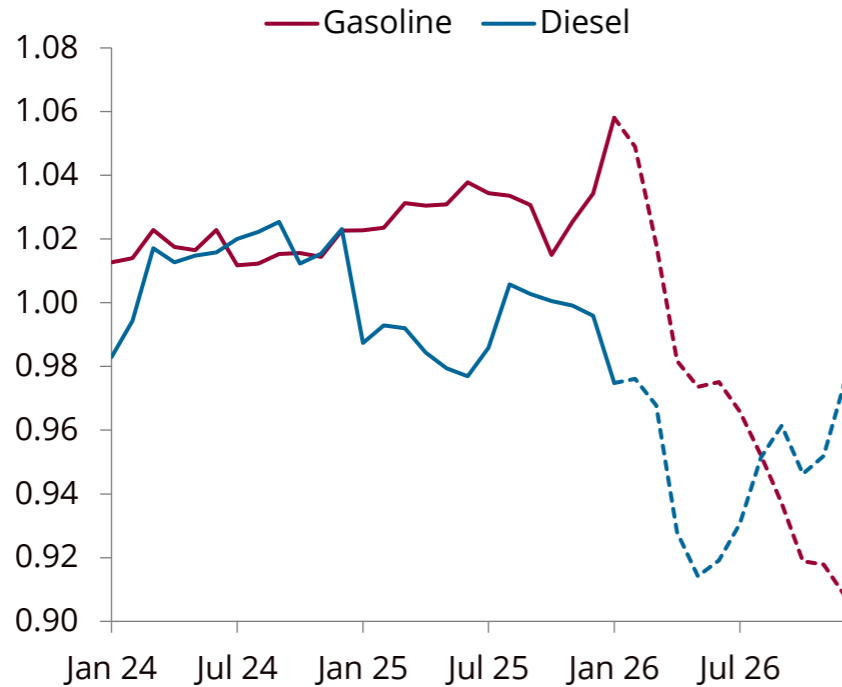


Around 0.25 mb/d of gasoline and blendstocks exports from the Middle East Gulf are currently blocked, creating supply gap into Pakistan and East Africa.

Maximum-middle-distillate incentives to prevail through summer

Global stocks (ex-China) versus five-year average

%

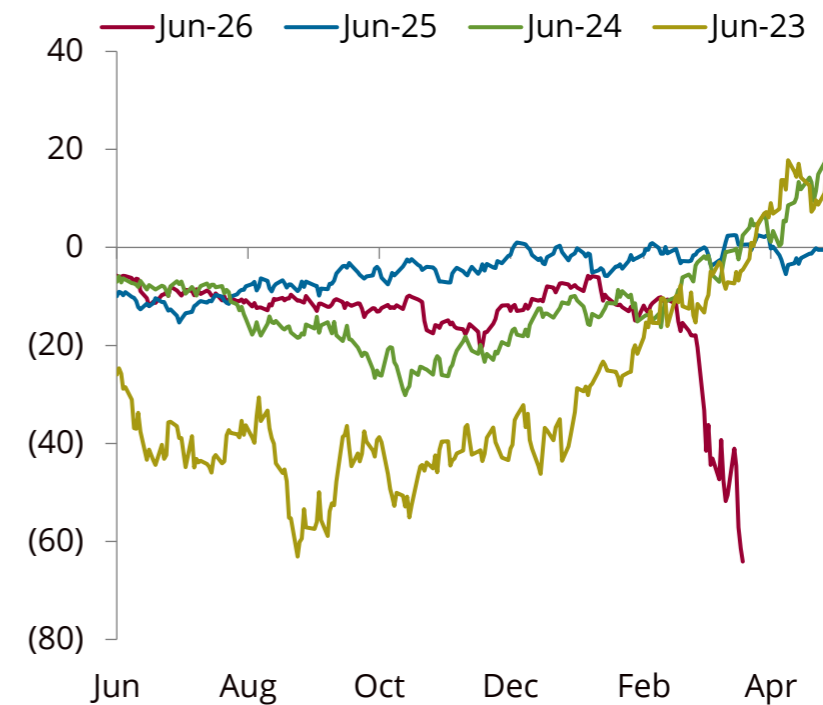


The US–Iran conflict disrupts diesel supply more than gasoline, tightening balances more quickly. We expect maximum-middle-distillate incentives to prevail over summer.

Source: OilX, CME, Energy Aspects

RB–HO spread

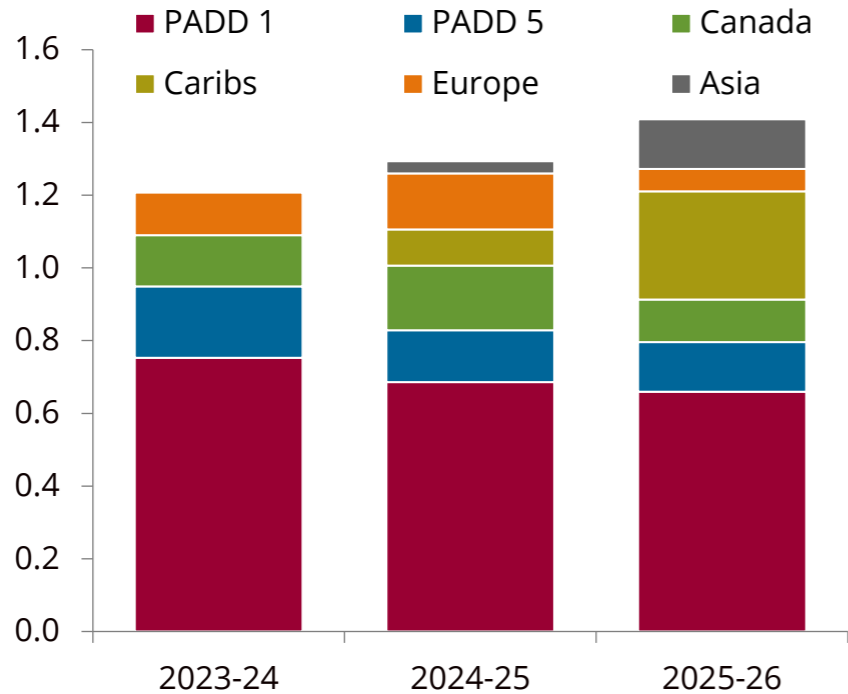
c/gal



With the impact on diesel production outweighing that of gasoline, continued disruption to the Strait of Hormuz will limit upside to summer RB–HO spread.

Petchem-derived aromatics, alkylate and MTBE production curbed

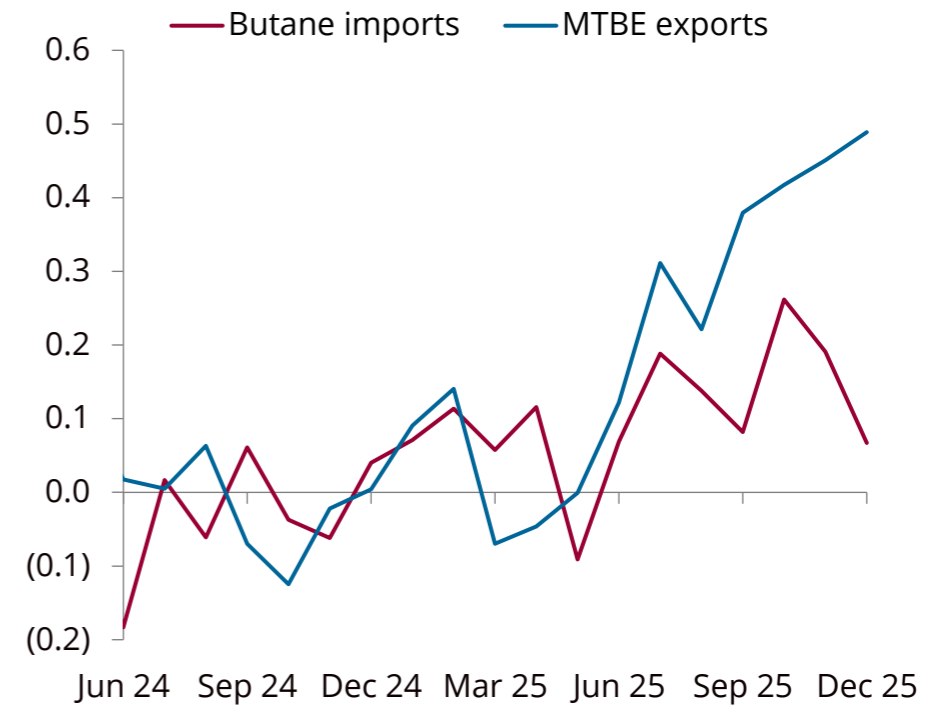
India alkylate exports, cumulative September–February
Mt



Indian alkylate exports rose by 9% y/y over September 2025–February 2026. Exports to Asia and the Caribbean were up by 300% y/y and 200% y/y; USWC will pull more.

Source: PPAC, OilX, China Customs, Energy Aspects

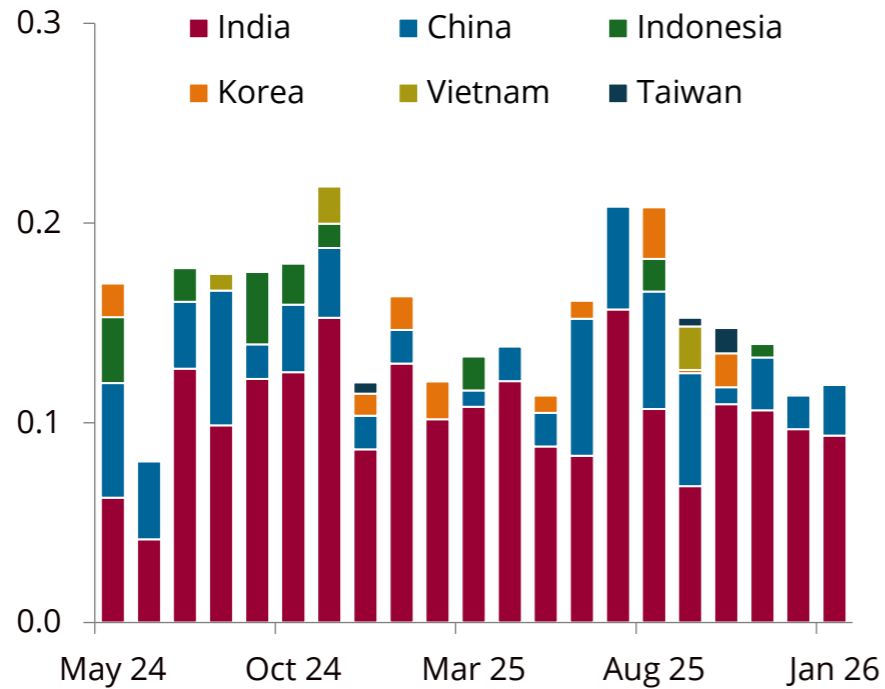
Chinese butane imports, MTBE exports y/y
Mt



The Middle East accounts for 80% of China's butane imports, meaning tighter domestic balances create downside risk to previously fast-growing exports of MTBE.

Aramco LPG exports disruption, Iran conflict curtail Middle Eastern LPG exports

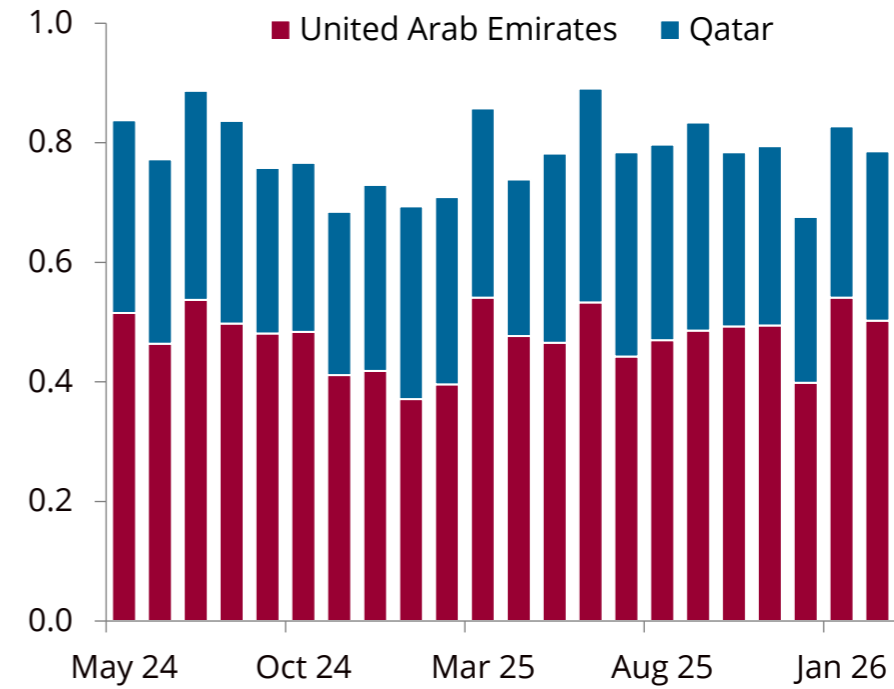
Ras Tanura LPG exports by destination
mb/d



Around 0.11–0.18 mb/d of Aramco LPG exports disrupted after a trestle supporting LPG pipelines to a jetty at Juaymah NGLs facility collapsed, forcing Aramco to cancel March LPG exports.

Source: OilX, Energy Aspects

Qatar and UAE LPG exports that transit Strait of Hormuz
mb/d

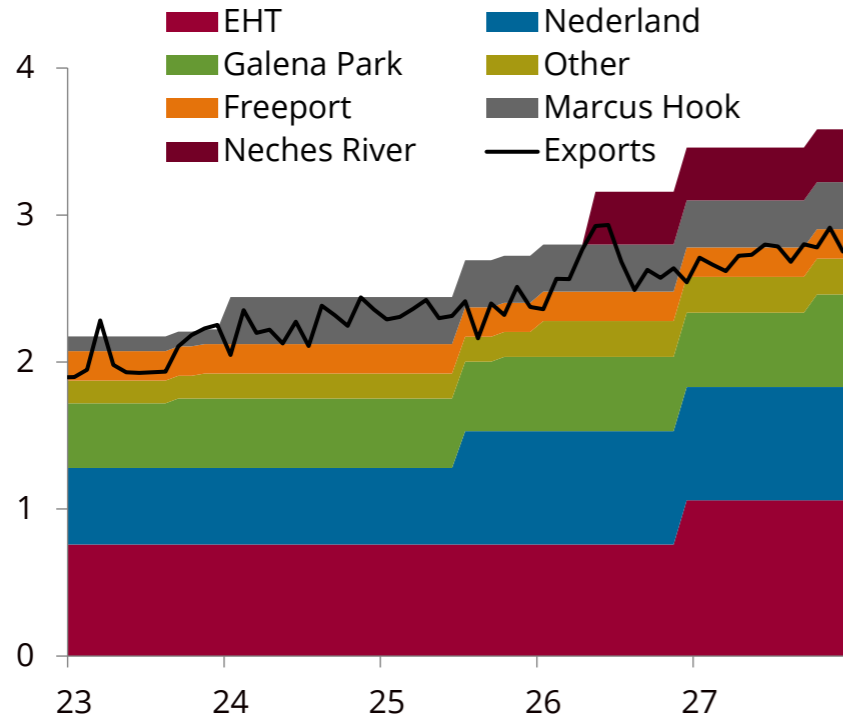


Buyers would have sought alternative spot LPG from Qatar and UAE, but the Iran conflict and caution over sailing through the Strait of Hormuz means this may be unfeasible for now.

Targa FM further restrict US LPG exports ahead of Neches River expansion in May

US LPG exports

mb/d

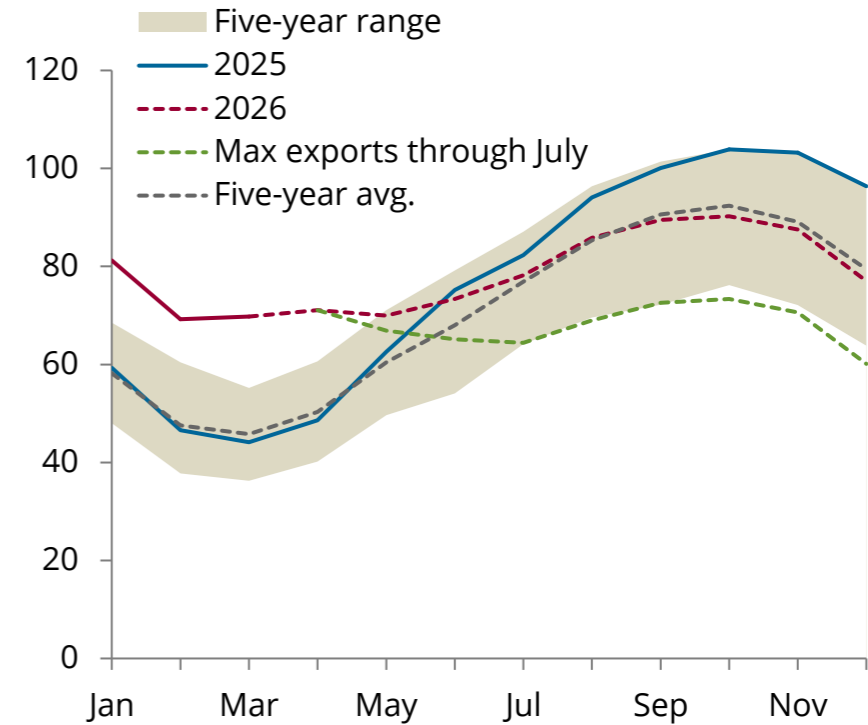


US LPG terminals will strain against logistical capacity limits in H1 26 while Targa repairs compressors at its Galena Park Terminal. We expect the Neches River terminal start-up in May.

Source: EIA, company reports, Energy Aspects

US propane stocks

mb

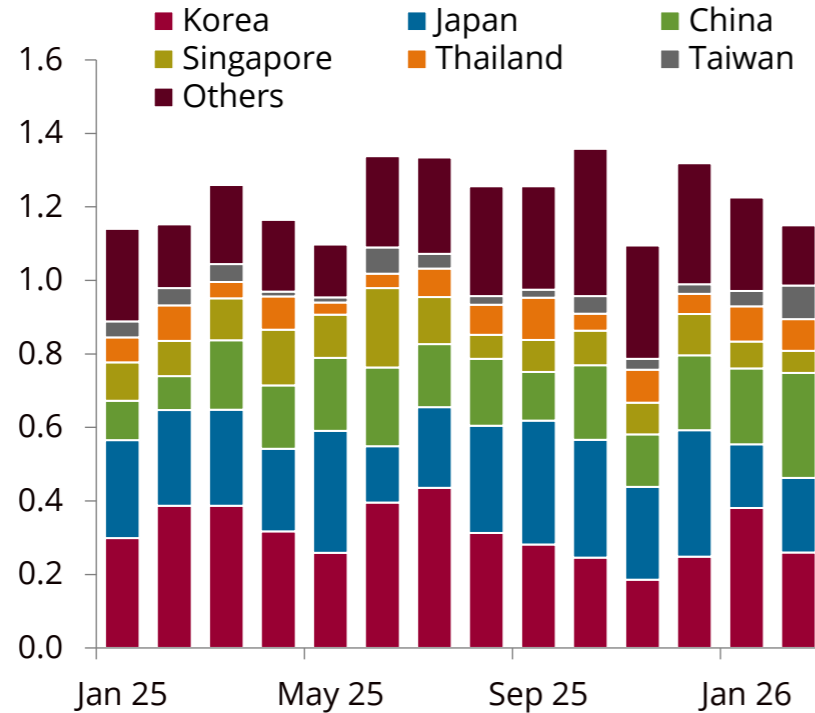


In the near-term US LPG exports are muted due to Targa's FM, but we expect exports to rise to maximum rates at least until July once compressor repairs are completed.

East-west naphtha flows at risk as shippers halt transits via Strait of Hormuz

Naphtha flows that transit Strait of Hormuz

mb/d

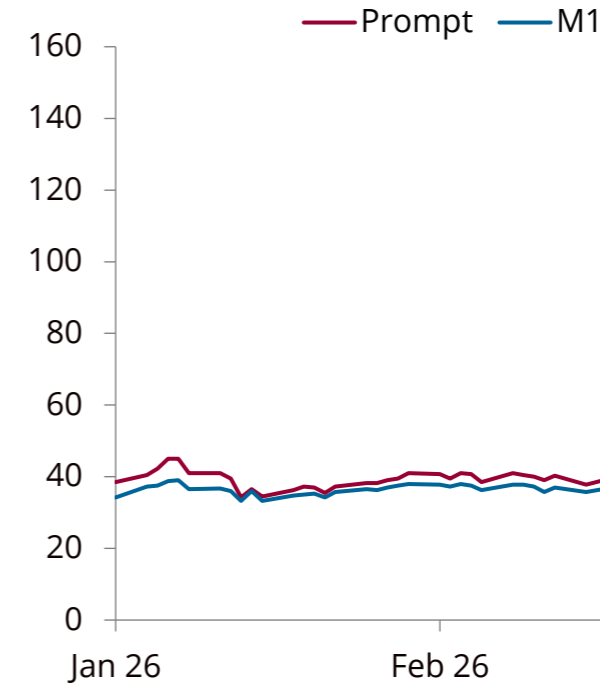


Around 1.2 mb/d of naphtha flows via the Strait of Hormuz, primarily for delivery to Asian pricing centres, are now at risk.

Source: CME, OiiX, Energy Aspects

Naphtha east-west spread

\$/t



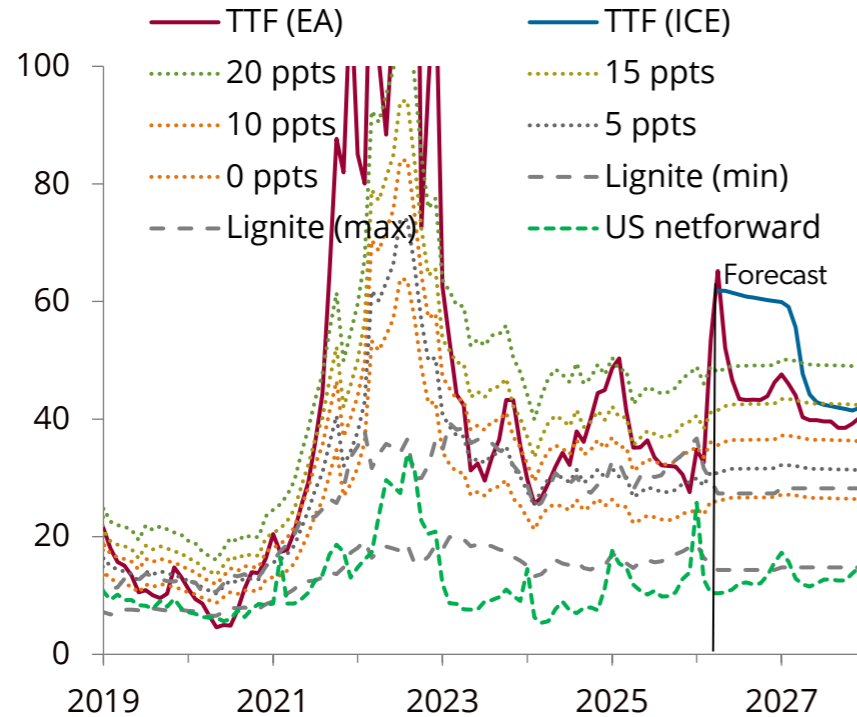
Naphtha east-west spreads have surged and may continue to as markets price in a lack of prompt supply reaching Asia, with clean freight likely to rise as buyers seek alternative supplies.

Market impact – Natural gas and LNG

Iran conflict has derailed gas market's transition from tighter to looser balance

TTF vs coal breakevens and LNG shut-in price

€/MWh

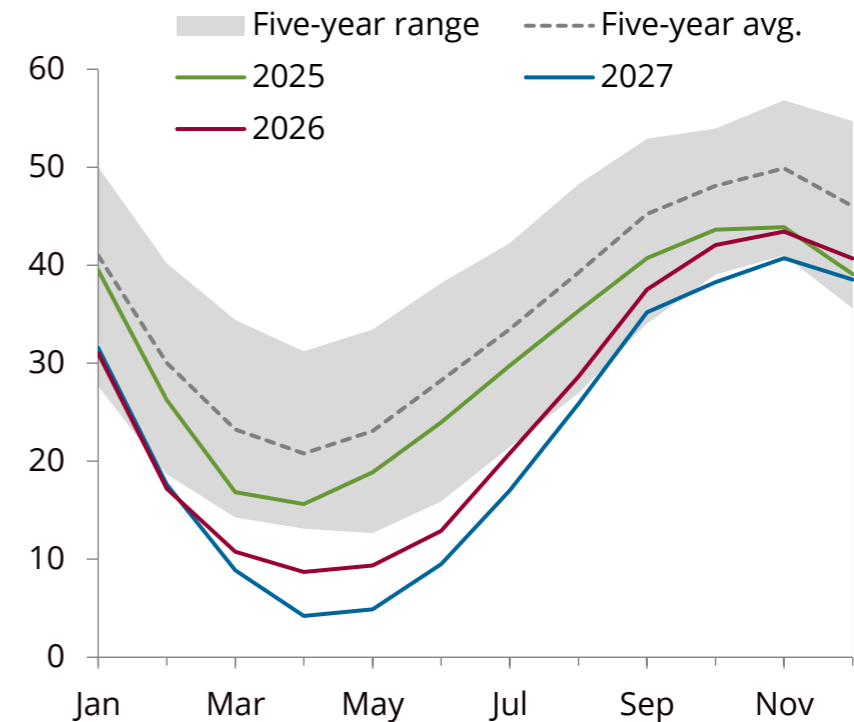


TTF incentivises gas-to-coal switching and higher global inventory drawdowns. Prices should drop once Strait of Hormuz transit resumes and balances normalise.

Source: ICE, ECB, Bloomberg, LSEG, Energy Aspects

Aggregate European stocks

Bcm



Europe is already maximising coal burn for power generation, and gas-intensive industrials are cutting or halting production. The greatest demand destruction will likely be in Asia.

Middle East LNG exports cut on attacks to Qatari infrastructure, Hormuz disruption

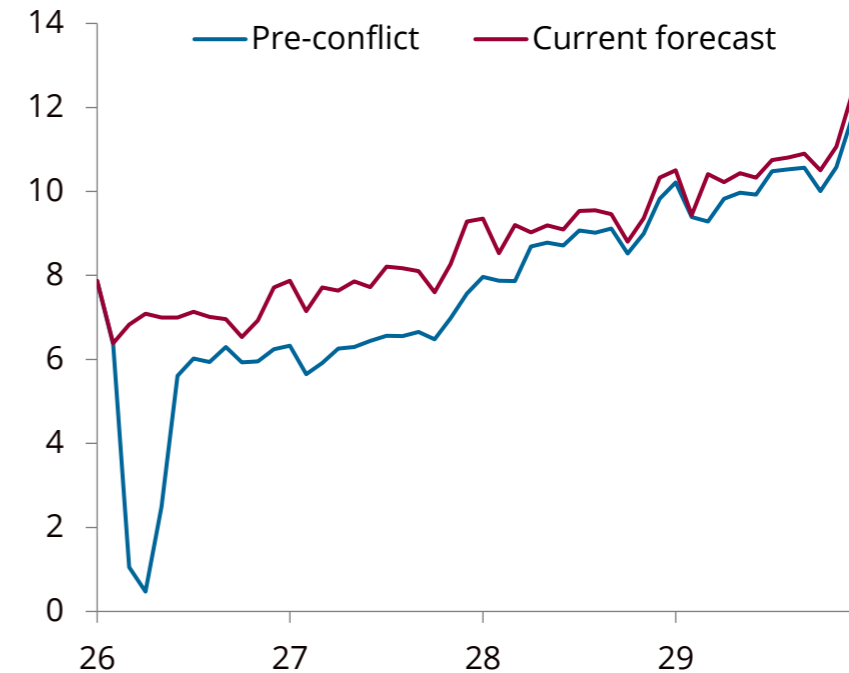
Satellite data showing likely damaged Ras Laffan sites (red boxes)



QatarEnergy's South Trains 4 and 6 were hit on 19 March based on Sentinel 2 imaging. This aligns with statements from QatarEnergy's CEO describing damage from air attacks.

Source: ESA, EA LNG Cargo Tracking, customs data, Energy Aspects

Middle East LNG export forecast Mt



We've cut our forecasts for Qatari and UAE export volumes to reflect disruption to Hormuz traffic, attacks to Qatari infrastructure and likely delays to NFE and NFS expansions.

Asia to pull Atlantic basin cargoes, but we also expect demand destruction

Asian demand response to Hormuz disruption

Mt

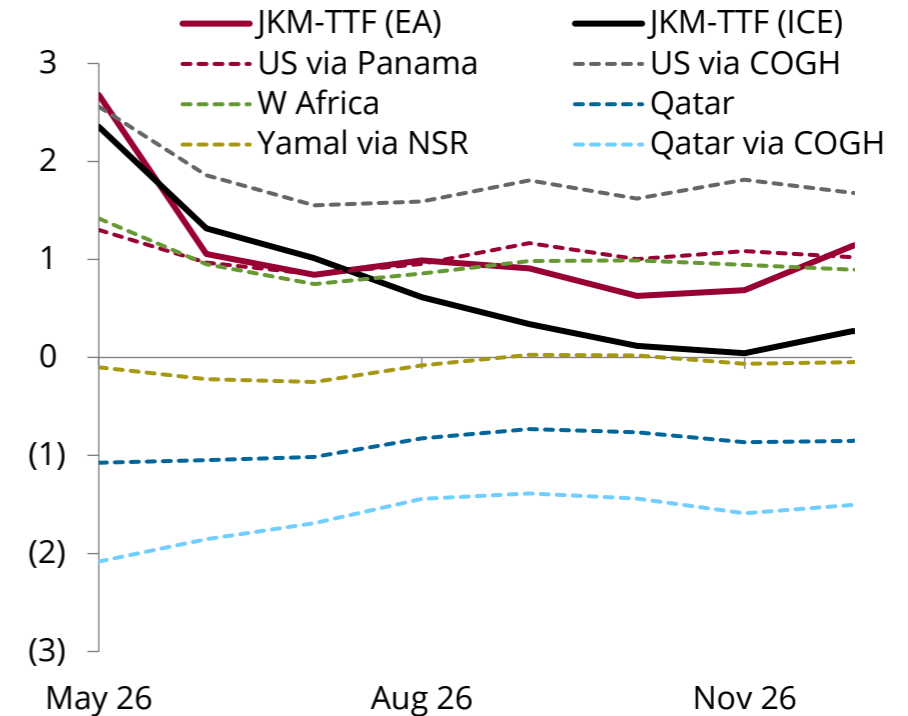
	Mar 26	Apr 26	May 26
China	(1.3)	(0.8)	(0.7)
India	(0.6)	(0.4)	(0.4)
Pakistan	(0.5)	(0.4)	(0.2)
Korea	(0.1)	(0.3)	(0.4)
Taiwan	(0.2)	(0.2)	(0.2)
Thailand	(0.1)	(0.1)	(0.1)
Bangladesh	(0.1)	(0.2)	0.1
Vietnam	(0.1)	(0.1)	0.0

We've reduced Asian LNG demand across March-May. This will result in higher re-stocking demand in the summer. We still expect some demand destruction.

Note: Shipping differentials adjust for our forecast Northwest European DES-TTF spreads
 Source: CME, ICE, Fearnleys, Argus Media Group, LSEG, Energy Aspects

Asia-Pacific imports vs assumed price-insensitive supply

Mt

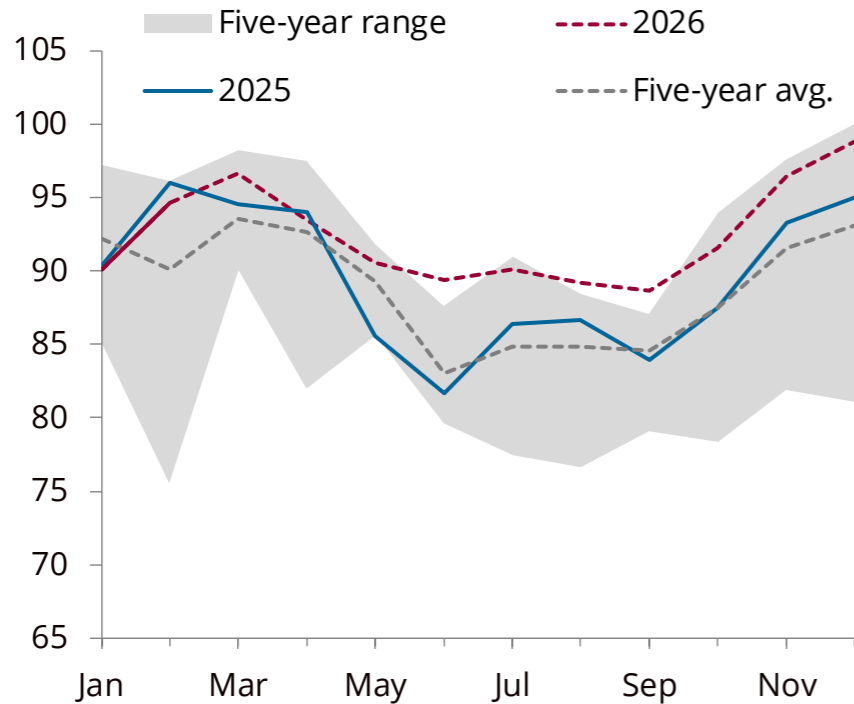


We are line with the market JKM-TTF Apr-26 spread which indicates an open US arb via Cape of Good Hope. We expect West Africa to be flexible source of supply thereafter.

US LNG export capacity cannot flex higher to cover global market shortfall

US LNG capacity utilization forecast

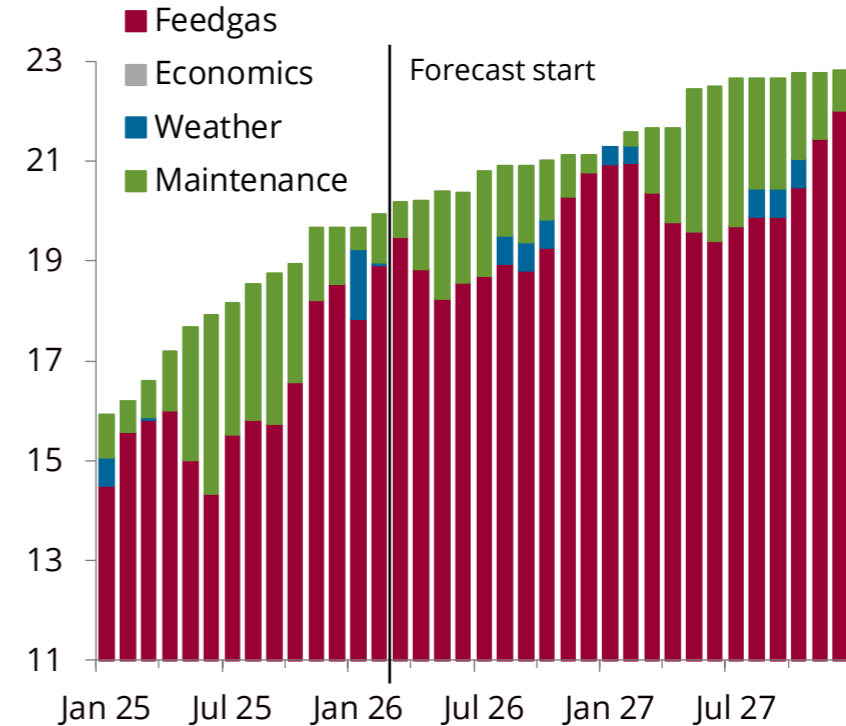
%



Plaquemines ongoing commissioning will mean higher utilisation y/y, which is already in our balances.

US LNG capacity and outages

bcf/d



The US is already near its maximum capacity for LNG exports, and cannot flex higher to cover lost Qatari volumes. We already forecast less maintenance in 2026, on a smaller Sabine outage.

US LNG exports will rise, but this is because of new capacity coming online rather than a rise in global LNG prices.

Source: DOE, Ventyx, Energy Aspects

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LEADING ANALYSIS