



POTEN NEWS ALERT



Update on developments in the Middle East

The conflict continues and has intensified after U.S. and Israeli strikes on Iran, which killed Iran's Supreme Leader Ayatollah Ali Khamenei and top commanders. A provisional leadership council has been formed.

Iran's military and the Revolutionary Guard Corps (IRGC) have retaliated with missiles and drone strikes across the region, targeting U.S. and allied positions. There has been both directly targeted and collateral damage of those positions. So far, three U.S. service members have been killed in action.

Global leaders are urging a return to talks as concerns mount over uncontrollable escalation and broader regional war.

So far, neither side has targeted energy infrastructure.

1. Impacts on shipping

- The impacts on shipping have become even more direct with three attacks on vessels
- Reports indicate an 11k dwt oil tanker (Skylight) was struck near Oman in the Strait of Hormuz, injuring crew and prompting evacuations. This was the first confirmed tanker attacked in the current crisis. This ship is sanctioned by OFAC for carrying Iranian crude
- Subsequently, a 72k dwt oil tanker (MKD VYOM), which had been waiting in the Gulf of Oman far from the Strait of Hormuz, was hit by a missile
- Most recently, UKMTO has reported an attack on a 3rd vessel though that ship is able to continue its passage
- Major shipping firms from Japan (Nippon Yusen, Mitsui O.S.K. Lines, Kawasaki Kisen) have halted all operations through the Strait of Hormuz, directing vessels to anchor in safe waters until the security situation stabilizes. Maersk has also followed suit.
- Shipping data indicates hundreds of crude and LNG tankers have dropped anchor outside the Hormuz chokepoint, clustered off the Gulf and Arabian Sea, reflecting a near-standstill in transit but recent incidents now show that close proximity to the Strait of Hormuz is not the only target area.
- What are some possible alternatives for crude to reroute avoiding Hormuz? It's very limited but there's some options. Saudi Arabia can utilize a pipeline into the Red Sea which carries about 5mbbls/day. The UAE can pipe 1.5mbbls/day to Fujairah for export. Iraq can move some crude into the Med but only from the Northern oil fields. Others (Including Iran) have no other options but to transit Hormuz via ship for export

2. Oil markets

- OPEC+ agreed this morning to resume increasing production volumes next month by 206kbbbls/day. Iran was exporting around 3.3mbbls/day, mostly to China, before the attacks
- As of March 1, 2026, Brent Crude has jumped approximately 10% in over-the-counter trading, reaching around \$80 per barrel. Before the weekend strikes, it closed Friday at roughly \$73
- Analysts from JPMorgan and Barclays warn that prices could spike to \$100–\$130 per barrel if the conflict results in a prolonged disruption of supply.