Oil and Gas News Briefs
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Gas supply squeeze benefits coal

(Bloomberg; March 29) - A deepening conflict in the Persian Gulf has upended oil and gas markets. It may also have provided coal — the dirtiest fossil fuel — with its most significant boost in years. Climate negotiators have been trying for decades to consign coal to history. That task was already challenging before last month, thanks to expanding energy demand in Asia, a growing focus on domestic self-reliance and faltering programs to wean emerging economies onto greener power.

Now, however, the second gas supply crunch in four years is pushing countries in Asia and Europe to fall back on the black stuff, perceived as a readily available alternative. Add in U.S. political support, and coal's goodbye begins to look even more protracted, a reversal that threatens to undo years of progress on curbing harmful emissions. Japan, one of the world's largest gas importers, on March 27 said it would expand the use of less-efficient coal power plants as it tries to diversify its generation capabilities.

Even in Europe, where plenty of dirty power has been phased out, the Netherlands, Poland and the Czech Republic could all see more coal use if gas prices remain high. Germany is considering reactivating mothballed coal plants as a way to curb electricity prices. "We are now seeing a second, very large energy supply shock," said Samantha Dart, co-head of commodities research at Goldman Sachs.

"If you're sitting in Asia, going through this again, it's possible you change your strategy long term — rely more on coal for longer, build out your renewables faster and reduce your exposure to gas," Dart said. "High energy prices will lead governments, industries and households to look at other options," said Fatih Birol, director of the International Energy Agency.

High LNG prices could put the fuel beyond reach in some countries

(Wall Street Journal; March 31) - Stocks of U.S. liquefied natural gas companies have been on a tear, as higher gas prices will juice profits. But investors are ignoring the flip side of the Iran crisis: High prices are likely to rewire demand in ways that hurt the industry's expansion plans. LNG has the same chokepoint as oil. Around a fifth of global supply is trapped behind the Strait of Hormuz, and most of this LNG comes from a single Qatari facility that has been struck by Iranian missiles. Qatar says it will take up to five years to repair the damage, which will keep global prices high.

This is good for U.S. LNG producers whose supplies are flowing. But higher-for-longer prices muddy the long-term outlook for LNG, which is marketed around the world as affordable and helpful for energy security. A fresh price jolt, four years after the outbreak of war in Ukraine caused a massive run-up in prices, undermines the affordability pitch. Prices need to be low to unlock certain cost-conscious markets.

According to Shell, Asian LNG prices need to be less than $10 per million Btu to spark demand in India. Prices are currently twice this level. Last year India imported 24.9 million tonnes of LNG, data from Kpler shows — only 4% above what it bought in 2021, the last full year before the Ukraine war. Indian buyers have been waiting for an LNG glut that was expected later this year to negotiate a better deal, which now won't arrive.

Prices may need to fall even further, perhaps below $5, to have a shot at replacing coal in power generation in China, Cambodia and the Philippines, said Sam Reynolds, of the Institute for Energy Economics and Financial Analysis. If these countries can no longer afford LNG, the risk is that they stick with coal or turn to renewable power. Take what happened in Pakistan. Between 2015 and 2021, the country's LNG imports rose 50% a year on average until Pakistan was effectively priced out of the market during the 2022 energy crisis. Consumers and companies switched to renewables.

Demand destruction may be needed to rebalance oil supply

(Bloomberg commentary; March 30) - Five weeks into the war, the math of oil-barrel counting is intractable: The world is short of the black stuff. Measures ranging from pipelines that bypass the Strait of Hormuz to tapping strategic reserves have offered a cushion. But unless the U.S. and Israel's war on Iran ends very soon, oil consumption needs to adjust to lower supply — perhaps much lower. Enter demand destruction. Until now, the market has absorbed the shortage of crude fairly well. Despite headlines, prices are hovering around $100 a barrel, well below previous crises of $130 to $150.

This relatively muted reaction isn't a sign that the market is underreacting to the closure of the strait, the waterway for a fifth of the world's oil supply. Instead, it's an indication that the layers of supply defenses have worked as a stopgap in a disruption that has lasted just a month so far. Previous crises went on for months, even years. The gap between supply and demand is so wide that sooner or later these defenses will run out. The last time the market was so out of sync was in 2020 when the pandemic forced people into lockdown. Then the problem was too much oil; this time it's the opposite.

This shortfall will get bigger if the war continues and reserves are drained. And there's only one way to address it in the absence of fresh supplies, something I see as the market's fourth, most drastic, defense: demand destruction. This is where policymakers use emergency tools to curb energy use (the less bad version), or where sky-high prices force consumers to stop buying (worse because of the blow to the economy). You

can see why this may be becoming unavoidable. Poorer nations will be priced out by richer ones or peers with the means to subsidize fuel prices and impose export bans.

Iran war makes Middle East less attractive to oil and gas investment

(Reuters commentary; March 29) - Oil companies will have to look further afield for new resources now that the Iran war has dented the investment allure of the energy-rich Mideast. Higher oil prices will give them that chance. Major companies, including Exxon Mobil, Chevron, TotalEnergies, Shell and BP, have long been drawn to the Middle East by its vast resources, stable fiscal terms and, until recently, relative political stability. The region accounts for roughly a fifth of global oil and liquefied natural gas production.

That reputation, built painstakingly over decades even as wars raged in Iraq and Yemen, has now been shattered by the U.S.-Israeli war with Iran. The conflict has put energy infrastructure in the crosshairs. Dozens of facilities across the Gulf have been damaged, including Qatar's giant LNG hub and several major oil refineries. The closure of the Strait of Hormuz — through which roughly 20% of the world's oil and gas flows — has forced producers to shut oil fields, costing the region an estimated $1 billion a day in lost export revenues, according to Reuters calculations based on pre-war prices.

The longer-term costs will be far higher. Restarting operations and repairing damaged facilities will likely run into the tens of billions of dollars, if not far more. QatarEnergy said an Iranian missile strike on Feb. 18 could cost it about $20 billion a year in lost revenue and take up to five years to repair. But no amount of money may be able to repair the region's reputational damage — at least not in the short term — and that is likely to rapidly reshape Western energy majors' upstream strategies.

The Middle East will clearly remain a major source of oil and gas for decades. It holds about half of the world's proven oil reserves and 40% of gas reserves. Western companies are thus unlikely to abandon it altogether. But unless the Iran war ends with a new, non-belligerent government sitting in Tehran, the conflict will leave deep scars. Uncertainty over the safety of transit through Hormuz and the higher risk of conflagration is apt to sharply boost the cost of deploying staff, equipment, insurance and capital in the Middle East, making the region a lot less attractive for exploration.

China in better position than most to weather oil supply disruption

(Reuters; March 31) - The world's largest importer of oil through the Strait of Hormuz is, paradoxically, also one of the best placed to weather the waterway's closure. China imports about as much oil from the region as India, Japan and South Korea combined. In response to the closure, officials across Asia are asking citizens to take shorter

showers or work from home to save energy. In China, the Communist Party's flagship newspaper is instead telling readers the country holds its own "energy rice bowl."

While the editorial does not mention that Beijing has unofficially banned fuel exports to conserve supplies, China is nonetheless more insulated than many of its neighbors thanks to years of policy measures that have reduced its vulnerability to energy shocks. China boasts an electric vehicle fleet about as large as the rest of the world's combined, vast and growing oil stockpiles, diversified supplies of oil and gas, and an electricity grid that is almost insulated from imports thanks to domestic coal and renewables.

"The current situation is really close to what Chinese planners have had in mind for decades," said Lauri Myllyvirta, co-founder of the Centre for Research on Energy and Clean Air in Finland. "It validates the drive to reduce reliance on seaborne fossil fuels." In late 2020, Beijing issued a goal for electric vehicle purchases to hit 20% of new sales in 2025. By last year, sales hit half of all new vehicles. That boom in EVs means China's fuel consumption has topped out after decades of breakneck growth. The country is burning and importing less oil than it was expected to just a few years ago.

China's electricity grid is powered almost entirely by coal and rapidly growing renewable energy. The boom in clean energy, which has exceeded Beijing's own targets, is such that almost all the extra power the economy requires each year is met with new solar or wind. That means fewer coal imports and less imports of liquefied natural gas.

China resells record volume of LNG, cashing in on high prices

(Reuters; April 1) - Chinese firms are reselling record volumes of liquefied natural gas, cashing in on soaring spot prices as China has enough domestic and pipeline gas to meet its own weakened demand, in stark contrast to other Asian buyers scrambling to replace supplies cut off by the Iran war. The world's top importer of LNG, China reloaded 8 to 10 cargoes in March, its highest monthly total on record, according to analytics firms ICIS, Kpler and Vortexa.

So far this year, China has reloaded a record 1.31 million tonnes of LNG, or 19 cargoes, with 10 delivered to South Korea, five to Thailand and the remainder to Japan, India and the Philippines, Kpler data showed. By comparison, China resold 0.82 million tonnes in 2025 and 0.98 million in 2023. The country has been able to resell bigger volumes as its own need for LNG has plateaued, with weaker economic activity sapping industrial demand while domestic gas production and pipelined Russian supply is growing.

"Against a backdrop of weak domestic demand, it made more sense for buyers to resell LNG cargoes overseas," said Wang Yuanda, an analyst at ICIS, adding that the Iran crisis has also pushed up spot LNG prices. Asian LNG prices have jumped 85% since the U.S. and Israel launched strikes on Iran on Feb. 28, disrupting energy shipments. Kpler data shows China's March imports at 3.68 million tonnes, their lowest monthly

level since April 2018. "The drop in imports reflects subdued industrial gas demand amid high prices since the Hormuz disruptions," said Kpler analyst Nelson Xiong.

LNG deliveries to Asia drop 8.6% in March from year ago

(Bloomberg; April 1) - Asian liquefied natural gas imports fell the most in more than three years last month as the conflict in the Middle East choked supply and sent prices higher. LNG deliveries to the region declined 8.6% in March from a year earlier to about 20.6 million tonnes, according to ship-tracking data compiled by Bloomberg. That is the biggest drop since December 2022.

World LNG supply has been badly hampered by the war in Iran, with the closure of the Strait of Hormuz cutting off about 20% of the total. Prices in Asia may jump 50% as competition for spot cargoes intensifies, according to Bloomberg Intelligence. Imports to China and India fell the most in March from a year ago, with both nations seeing shipments decline by about a fifth in the period. Pakistan, which got almost all of its LNG from Qatar in 2025, saw deliveries slide by almost 70% from a year earlier.

The region has been scrambling to seek alternative sources of energy because of the cut in LNG supply from the Middle East, which was further compounded by outages at Australian facilities following a cyclone last month. Countries including Bangladesh, India and Japan have flocked back to coal, while in Vietnam, Vingroup asked the government to allow it to replace an LNG project with renewable energy.

Latin American fuel importers pay the price of U.S. war on Iran

(Bloomberg; March 28) - Latin American governments from Panama to Chile that politically aligned with President Donald Trump are now absorbing a hit from the global oil-price surge triggered by their ally's war on Iran. So far, many leaders are asking their people to grin and bear price increases rather than return to fuel subsidies that were once common but have gone out of vogue because they can no longer afford them.

But voters have long memories, and older generations can recall getting more help from the government in past crises. As inflationary pressures swell — and anger simmers from below — it's getting harder for right-wing leaders to stay the course. In Chile, the new government of conservative President José Antonio Kast is blaming reckless spending by his predecessor for forcing his hand. "I have all the empathy in the world," Chilean Finance Minister Jorge Quiroz said when asked about the hardship wrought by pump price hikes of up to 54% imposed this week. "My empathy comes from truth."

The looming turbulence shows how the crisis in the Strait of Hormuz is rippling beyond Asia, which was hit first given its direct reliance on Middle East supply. Though Latin

America is far from the key oil and gas artery that's been mostly choked off by Iran, it's still heavily exposed to oil price volatility. While countries like Brazil and Mexico are crude exporters, the region as a whole imports more fuels than it produces. Most of the shipments come the U.S. Gulf Coast rather than the Mideast, but pricing is tied to the international benchmarks, which has soared by more than 50% since the war started.

Cutoff of LNG supplies could tighten the market until end of decade

(The New York Times; March 30) - Countries across Asia are bracing for a complete cutoff in coming days of Middle Eastern liquefied natural gas, a fuel that underpins power generation and industrial output across much of the region. The blockade of the Strait of Hormuz as well as repeated strikes on the world's largest LNG export complex in Qatar have knocked roughly 28 million tonnes of supply from the market this year. That represents nearly the entire global supply growth forecast for 2026. It could take years for the flow of LNG from the Mideast to return to prewar levels.

"It's a significant tightening of the market — we're talking reduced production until the end of the decade," said Henning Gloystein, managing director for energy at Eurasia Group, a political risk research firm. In Asia, in the next week, "that's when the actual impact, the physical impact, of non-delivery will begin to happen," he said. Until now, Asia has been shielded by a buffer of cargoes from the Persian Gulf already at sea before the strait's closing. But the last of those ships will arrive within the next few days.

That will leave Asia, which buys about 90% of the LNG that the Middle East produces, bracing for a gap between supply and how much it needs. That gap will show little sign of easing until at least 2028, when a wave of U.S. gas production is expected to bring sufficient new volumes. Asia's biggest economies — China, Japan, India and South Korea — and emerging markets like Vietnam and Thailand all rely significantly on LNG for power. This unexpected disruption threatens the region's industrial output and may undermine its willingness in the future to rely on the fuel to power its growing needs.

Golden Pass LNG in Texas starts production

(Reuters; March 30) - Golden Pass LNG, a joint venture between QatarEnergy and Exxon Mobil, has produced its first liquefied natural gas at its new facility in Texas, the company said on March 30, a major step toward bringing one of the largest U.S. export projects online. The plant is expected to export its first cargo in the second quarter, Exxon reported. Global gas supplies have been squeezed as the war in the Middle East disrupted output in Qatar, one of the world's biggest LNG suppliers. Once fully operational, Golden Pass will be able to produce 18 million tonnes per year.

QatarEnergy holds a 70% stake and Exxon owns 30%. The Golden Pass project — last reported at $10 billion in development costs — has faced delays and cost overruns since construction began in 2019, including the bankruptcy of its original lead contractor.

Cheniere adds more production capacity at Texas LNG plant

(Reuters; March 27) - Cheniere Energy's Train 5 at its Corpus Christi liquefied natural gas expansion project is now operating at full capacity, the company said on March 27. Train 5 is part of a seven-train development expected to add 10 million tonnes per year of export capacity to the LNG plant in Texas. The new unit will increase output by just under 1.5 million tonnes a year, according to company documents. When the entire expansion is completed, the plant's capacity will increase to 25 million tonnes per year.

LNG trains are processing units that chill natural gas into a super-cooled liquid for export. Global LNG supply is currently hamstrung following Iran's attacks on facilities in Qatar, one of the world's largest producers of the fuel. Cheniere, the largest U.S. LNG exporter, said it is working to speed completion of the remaining two trains in the Corpus Christi expansion. The Texas plant started operations in 2018.

LNG project explores using sanctioned Russian equipment in Alaska

(gCaptain; March 30) - A proposed liquefied natural gas project on Alaska's North Slope is exploring whether sanctioned equipment built for Russia's Arctic LNG 2 plant could be repurposed. The Polar LNG project, backed by U.S. investors including Joel Riddle, is seeking permission from U.S. authorities to acquire hardware stranded by sanctions on Russia's Novatek-led Arctic LNG 2 project, online news platform Semafor reported. The venture has political momentum, Riddle said, due to the increase in LNG prices from the war against Iran that has shut down the Strait of Hormuz, according to Semafor.

Polar LNG aims to develop an offshore liquefaction facility, offering a modular and potentially faster alternative to the Alaska LNG pipeline project proposed by private developer Glenfarne and a state of Alaska corporation which would require 807 miles of pipeline to a southern port in the state. One of the investors in Polar LNG is Gentry Beach, a friend of President Donald Trump's son, Donald Jr., who, according to the New York Times, has been pursuing deals with Russia's largest energy firms.

Novatek last month confirmed it was "indeed having negotiations on the potential use" of its Arctic liquefaction technology in Alaska. The idea of reusing Arctic LNG 2 equipment stems from the availability of unfinished modules and hardware left undeliverable in multiple Chinese yards after sanctions halted construction. Arctic LNG 2 relies on gravity-based structures assembled at Novatek's Belokamenka yard, a novel platform engineered for harsh ice conditions and anchored at shore.

Polar LNG would need to establish its facilities farther from shore in Alaska to reach deep water, and industry specialists say it is unclear whether the Russian-built modules could be adapted without significant redesign, raising questions about cost and feasibility. The broader concept also faces substantial legal and political barriers. Any transfer of equipment linked to Arctic LNG 2 would require U.S. sanctions waivers or policy changes, given restrictions on transactions involving Russian energy companies.

U.S. exempts drilling in Gulf of Mexico from endangered species law

(BBC; March 31) - A U.S. federal panel has voted to exempt oil and gas drilling in the Gulf of Mexico from a decades-old law to protect endangered species. A vote by a committee known as the "God Squad" — because of its ability to influence the future of certain species — followed a request by Defense Secretary Pete Hegseth. Speaking on March 31, Hegseth said "recent hostile action" by the Iranian government illustrated why securing more domestic oil production was important for the country's national security.

The Endangered Species Act was passed in 1973 to protect the most at-risk animals and plants in the U.S. from the impacts of development. It includes measures such as banning activities in certain areas where species could be harmed or killed, like dam construction. But the Endangered Species Committee has the power to bypass the law in the interest of national security or when there are no other alternatives to a project.

A few weeks ago, Hegseth wrote to the committee asking for an exemption for oil and gas drilling in the Gulf. On March 31, the committee voted unanimously to approve the exemption — only the third time in its 53-year history. The decision was met with strong condemnation from environmental groups who said it will likely drive the Rice's Whale to extinction. The whale is only known to live in the Gulf of Mexico. The Gulf is home to at least 19 other threatened and endangered species including various types of turtles, the giant manta ray and mountainous star coral.

U.S. relies on 3 largest shale basins to keep up with demand for gas

(Reuters commentary; April 1) - Natural gas touches almost every corner of the U.S. economy, fueling power plants, homes, factories and the booming LNG export sector. But the supply needed to meet all those uses is coming from an ever-narrower slice of America's shale patch. This mismatch between a widening band of consumers and a shrinking supply base means the U.S. gas market is heading for a potential structural crunch that could trigger bouts of supply stress and price volatility.

Higher gas prices, however, would harm the U.S. economy and potentially derail efforts to make the U.S. the dominant leader in AI and data applications. That means U.S. gas producers are under intense pressure to make sure supply keeps up with demand. The

shale revolution helped propel the U.S. to the top of global gas producer and exporter rankings, and shale deposits account for around 75% of U.S. gas supplies, according to the U.S. Energy Information Administration. Three main basins — Marcellus, Permian and Haynesville — accounted for nearly 75% of total U.S. shale gas output in 2025.

However, the growth rate of the largest shale deposits has slowed rapidly in recent years as the basins matured, with reduced deposit pressure and greater well interference from congested drill spacing dragging on output growth. Sustained higher gas prices would incentivize producers to step up efforts further. But after more than a decade of extensive gas extraction and searches for new deposits, it is likely that the best wells have already been tapped. If gas output from the Big 3 shale field heads lower, the whole idea around U.S. energy dominance may need a rethink.

Power company asks Vietnam to allow shift from LNG to renewables

(Bloomberg; March 31) - Vingroup has asked the Vietnamese government to allow it to replace a large liquefied natural gas power project with renewable energy, citing surging fuel prices linked to the Iran war. The rapid increase in LNG prices — due to war-driven supply disruptions in exporter Qatar and intensifying competition among Asian buyers for limited supplies — has underscored significant risks for import-dependent projects like Vingroup's proposed Haiphong LNG-to-power facility, the company said in a letter.

The company proposed shifting to a mix of solar and wind power paired with battery storage, according to the document, which was first reported by Reuters. The letter was addressed to the country's trade minister and the head of the Electricity Authority. "In addition to cost factors, dependence on imported fuel also poses considerable challenges to energy security, supply autonomy and Vietnam's ability to control electricity generation costs," Vingroup said in the letter.

The pivot comes as energy-importing nations grapple with surging prices due to the U.S.-Israel war against Tehran. Iran's retaliatory strikes have knocked Qatar's LNG plant offline and halted shipping through the Strait of Hormuz. Price-sensitive buyers, such as Vietnam, have had to cut back imports as the fuel becomes increasingly expensive. Vingroup's move also signals that the war is forcing many companies and countries to rethink their strategy of leaning into gas to transition toward cleaner energy.

Australia will conduct inquiry into possible windfall tax on oil and gas

(Bloomberg; March 30) - Australia, among the world's top liquefied natural gas exporters, will hold an inquiry to examine taxes on oil and gas firms like Chevron, Woodside Energy and Santos, as the Iran war pushes up energy prices, creating a windfall for producers. The Senate on March 30 agreed to establish a select committee

to examine the tax treatment of oil and gas, with ruling Labor Party senators supporting a motion by the Greens Party.

The committee will be led by Greens Party Sen. Steph Hodgins-May, who last week called for a tax of at least 25% on gas exports — a proposal she estimated will raise about A$17 billion (US$11.6 billion) a year in revenue. Australia is in the midst of an intensifying debate over whether to raise taxes on resources exports, as soaring global prices driven by the Middle East conflict boost profits for major producers. Some politicians, unions and advocacy groups have called for higher levies — including a potential windfall tax — arguing exporters are benefiting from wartime price spikes.

The government's support for an inquiry signals that tax reform is a "real possibility," said Josh Runciman, Australian gas analyst at the Institute for Energy Economics and Financial Analysis. "This is perhaps unsurprising given the need for budget repair and the overwhelming public support for higher taxes on LNG exports," he said. The committee's findings will be reported in early May, according to parliamentary documents, just days before the government announces the budget for the coming year.

Shell cautions Australia against windfall tax on LNG profits

(Reuters; March 31) - Shell has warned Australia against introducing a windfall tax on gas exporters, saying such a move would deter investment and undermine energy security as LNG prices surge following disruption to global supplies caused by the Iran war. Australia became the world's second-largest liquefied natural gas supplier after Iranian strikes forced Qatar to halt production, with its export revenue set to surge due to lower supply caused by the conflict.

Canberra is reportedly weighing options to capitalize on the higher prices, with Prime Minister Anthony Albanese asking the Treasury Department to model a new tax on LNG exports and suggest reforms to the Petroleum Resources Rent Tax. Cecile Wake, chair of Shell Australia, which exports gas from the Queensland Curtis LNG project in the state of Queensland, warned against "short-term fixes" in response to the energy crisis.

"At times like this, there is increased risk that strong and stable policy settings are sidelined by short-term measures or populist rhetoric," she said in remarks to the Australian Domestic Gas Outlook conference released on March 30. The proposed policies would "erode project values and render many of Australia's future growth opportunities uneconomic and uncompetitive compared to global alternatives," she said.

LNG-exporting Australia dependent on imports of refined fuels

(Bloomberg; March 30) - Australia is seeking to leverage its liquefied natural gas exports to Asia to secure fuel supplies in return, as it grapples with shortages triggered by the Iran war. Canberra has stepped up diplomatic efforts across the region, with Resources Minister Madeleine King and Foreign Minister Penny Wong engaging with leaders from South Korea, Malaysia, Singapore and Japan to ensure that cargoes keep flowing. While Australia is a top LNG exporter, it imports the majority of its refined fuel from Asia.

"We supply LNG and we seek continued reliability of the supply of liquid fuels," said Wong in a radio interview with the Australian Broadcasting Corporation on March 30. "We believe we're reliable and we ask for reliability in return," she said. Gasoline and diesel prices at the pump have surged to records in Australia as the Middle East conflict squeezes global supplies while panic-buying boosts demand at home. Hundreds of service stations have run out of fuel across the country, with industries ranging from agriculture to mining already reporting an impact on operations.

Australia's ability to use its LNG exports as a quid pro quo to secure fuel is also contingent on the government having powers to direct supplies to specific countries, said Josh Runciman, gas analyst at the Institute for Energy Economics and Financial Analysis. Plus, Australian LNG exports are controlled by private companies, with the government having little oversight. Still, the Middle East war is making Japan, South Korea and China reconsider previous moves to source LNG from Qatar instead of Australia, Trade Minister Don Farrell said on March 30.

Germany's power prices for May are 4 times as expensive as France

(Bloomberg; March 31) - German power prices for May are now trading at roughly four times the level in France, a record multiple as the disruption to natural gas supplies from the Iran war amplifies longstanding differences between the two markets. France's electricity comes mostly from nuclear and some renewables, ensuring relatively stable, low-cost supply. Germany gets a greater share of its power from renewables, but shut its reactors in 2023, making it more dependent on fossil fuels.

On evenings in Germany when wind or solar output is low, coal- or gas-fired power must fill the supply gap, pushing up the country's power prices. The structural divergence began years ago, but the war in the Middle East has taken it to a new level, said Yiannis Papamikrouleas, head of trading at DEPA Commercial. "The trend was already in place. The current geopolitical premium is accelerating and amplifying it."

Utilities in Germany have sought to limit the impact of the war on costs by shifting their fuel from imported gas to coal as gas prices surged. However, the scope for such changes is limited, as a significant number of coal plants have been closed under the

country’s phase-out policy. The government is considering bringing some coal plants back from its reserve or reactivating decommissioned units to mitigate the problem.

Strait of Hormuz traffic drops from 135 ships a day to just 6

(Bloomberg; March 30) - Israel and U.S. strikes have wiped out senior Iranian leaders and hit key targets across the country. But after a month of fighting, it is arguably Iran that has secured the most significant strategic victory — a tightening grip over traffic through the Strait of Hormuz. So far in March, the first full month of war, barely six vessels per day on average have traversed the narrow waterway connecting the Persian Gulf to the world, in either direction. That compares with about 135 a day in normal times, according to ship-tracking data compiled by Bloomberg.

Over that time, 80% of the small number of oil tankers exiting the strait have been Iranian — or belong to countries with which it is on cordial terms, the figures show. Electronic interference in the Hormuz area disrupts vessel-tracking systems and some ships disable their transponders, impacting the timeliness and precision of tracking data. Even so, there is every sign that Tehran’s ability to control the strait is increasing. Virtually all vessels that make the crossing are doing so along Iran-approved routes.

In recent days, Malaysia and Thailand have reported deals to free tankers trapped in the gulf. “Hormuz remains a closed gate for oil tankers,” said Anoop Singh, global head of shipping research at Oil Brokerage, adding there is not a quick fix without a ceasefire. “Even if there is one, it will not mean a rapid return of flows and shipping through Hormuz. Oil traders, refiners and supply-chain players are being forced to adapt.”