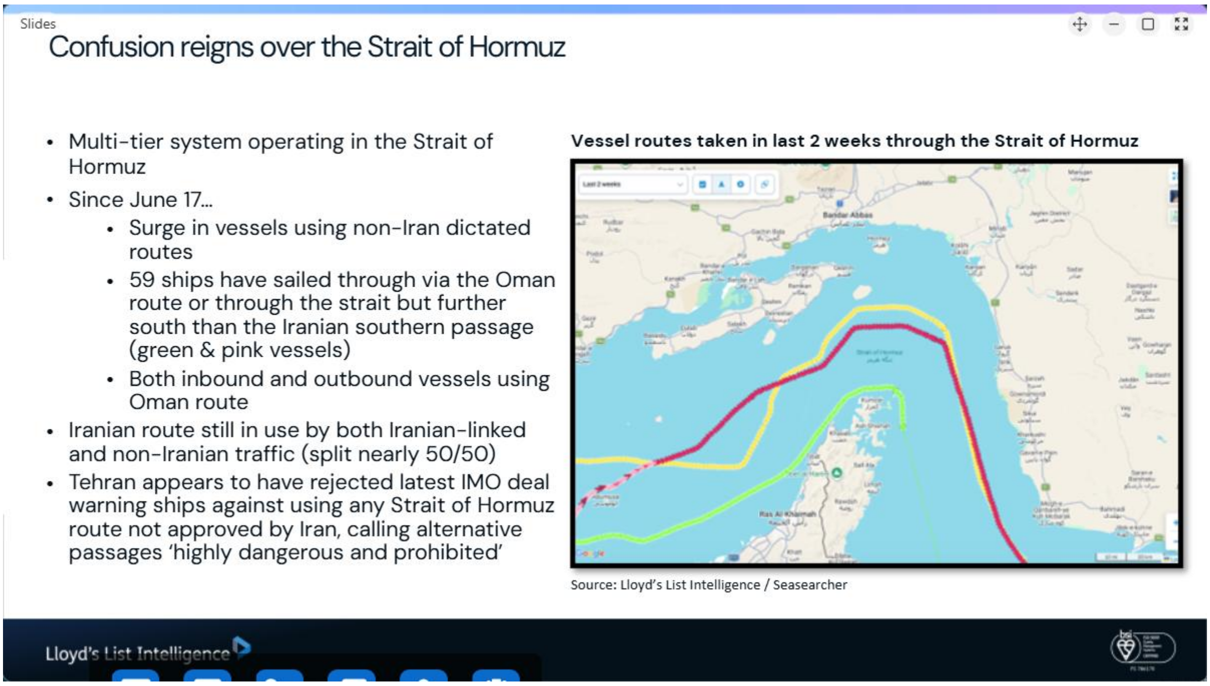
Lloyd's Webinar – Strait of Hormuz: Weekly Maritime Risk Briefing

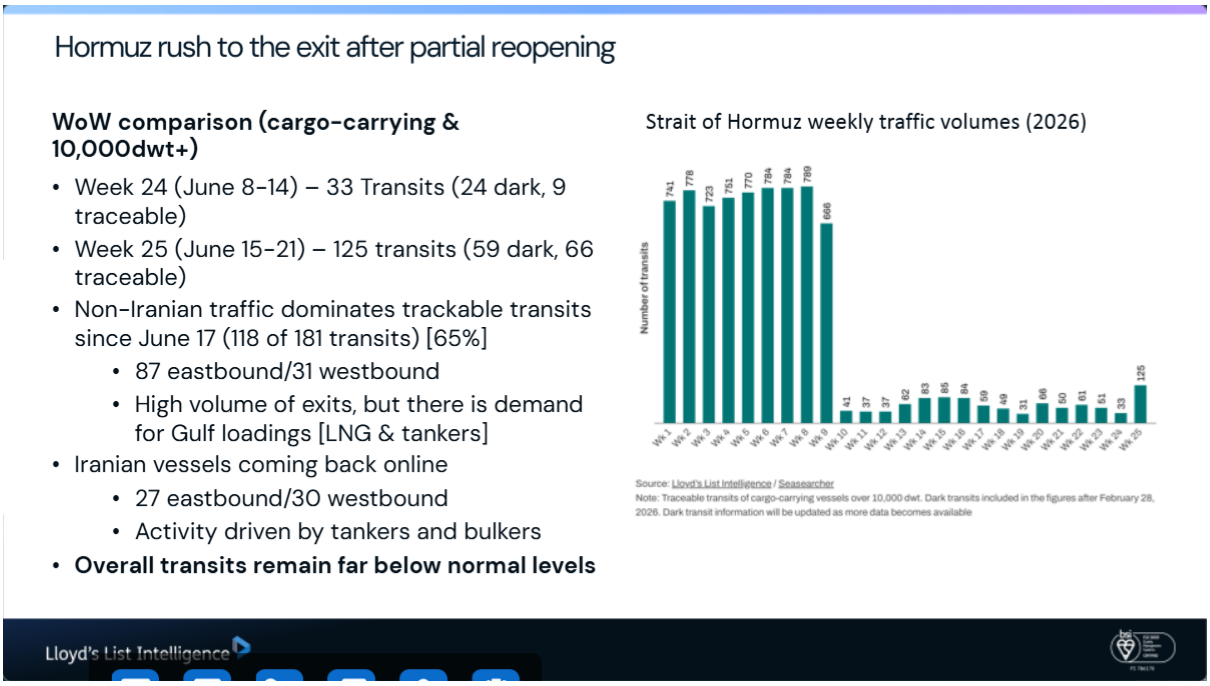
Thursday, 25.06.2026, 10:30 – 11:30

Current situation:

- US-Iranian *ceasefire deal*
  - preliminary, instable framework agreement → no tolls for passage through Strait of Hormuz
  - 60-day deadline until formal, comprehensive deal is reached
  - Continuous toll-free reopening of the Strait of Hormuz envisioned
    - Iran formerly levying tolls for passage of ships
    - US warning they, too, would impose tolls if no final deal reached
- Partial reopening of the Strait after US-Iranian vague, preliminary agreement
  - US-blockade of Iranian vessels waiting outside the Persian Gulf lifted
  - US-sanctions on Iranian crude oil largely lifted
  - International vessels leaving the Persian Gulf, *ketchup bottle effect*
  - Throughput currently at ~ 50% of pre-war transit
  - Limbo period; framework agreement fragile, could collapse
  - 2 corridors through the Strait:
    - Northern, Iran-approved route (red and yellow)
    - Southern, US/Oman-approved route (green)
    - Southern route preferred even amongst carriers who in the past complied with Iranian approval regime, i.e. paid for passage



- Today: Iran warning civilian ships from taking routes through the Strait it has not approved (Northern routes)
    - Iran granting permits of passage selectively; lets agreements phase out randomly
    - Iran warning of penalties for vessels failing to seek its permission for passage → no enforcement yet
- Commercial ships continue passing through the Strait via southern route (green route)
- USA, Oman might levy its own tolls if no final agreement is reached
- Iran's shadow fleet progressively coming back online
- Nevertheless, most trackable transits since June 2017 are non-Iranian
- Overall, transit through the Strait remains far below pre-war levels



Land route:

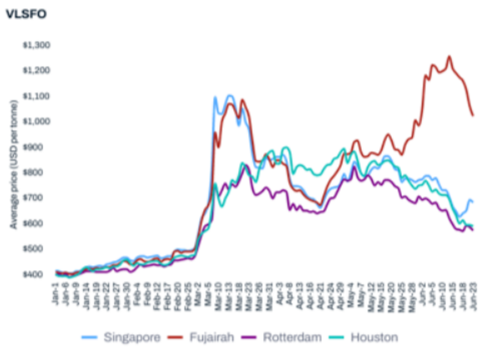
- Saudi-Arabia, UAE, and others quickly enhancing and expanding land transport infrastructure, incl. pipelines, railways, etc.
    - Supply chain security through diversification by mode of transport
    - Hits at land transport infrastructure remain possible
    - Quasi monopoly on trade for Saudi-Arabia, due to political geography

On the bunker market:

Bunker prices fall but remain higher than pre-crisis levels

- Average VLSFO price at top 20 hubs is now up 23% y/y; at peak of Hormuz crisis, it was up 91%
- Average HSFO price at top 20 hubs is up only 13% y/y, versus 87% at the peak
- Despite significant price declines, bunker market conditions may not fully return to pre-crisis ‘normal’ until later this year
- Shortages at Fujairah see VLSFO spike, remaining far higher than prices at other bunkering hubs
- Waiver of sanctions on Iran could see Fujairah stocks being replenished with Iranian bunkers …possible bunkering at Iranian ports ahead?

Fuel prices by bunkering hub



Source: Ship & Bunker

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On seafarers:

Day of the Seafarer: Global consensus key in aiding crews

- Existing global frameworks have ensured that seafarers have been compensated for heightened risks, with shipping acting quickly to raise seafarer remuneration when the crisis broke
- Crews have the right to refuse transits into conflicted regions, with some shipowners aiding with crew changes and repatriations where possible during the current crisis
- Vessels have been moving out of the Gulf following last week’s MoU signing. The IMO has laid out plans to evacuate ships, with the number of seafarers falling from 20,000 since the crisis began to 11,000 this week

Key changes in shipping costs

Metric	Change from pre-crisis to crisis peak
Baltic Dirty Tanker Index	+266% year-on-year
Average of MEG-China and MEG-Singapore VLCC rates	+1443% year-on-year
Bunkers	+87-91% year-on-year
Seafarer compensation	+100%

Source: Baltic Exchange, Ship & Bunker, ICS

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- Today, Iran appearing to reject IMO plan to evacuate seafarers via southern route

On the Iranian shadow fleet:

- EU and UK sanctions remain in place
  - EU and UK insurers cannot insure Iranian vessels
  - E3 FR, UK vetoes in UKSC) to block lifting UN sanctions (report by Reuters)
- Increasing dollarisation of:
  - trade with Iranian oil
  - insurance of Iranian vessels