

STRAIT OF HORMUZ MONITOR · 27 OCTOBER 2026 · PRICES TO THE 26 OCTOBER CLOSE

Iran says the Strait is shut. The oil still moves.

We now put the bad outcome over the next 90 days at 48%, up from 40%. Most of that is aligning this monitor with our Iran report; the news adds 2 points. A fourth tanker was hit and Iran declared the Strait closed, but none has sunk and about 14 mb/d still gets out.

- **What is happening** — Oil keeps leaving through the Strait at about 14 million barrels a day, in escorted batches on a US-run route. Iran attacks ships on that route but has not sunk a full tanker.
- **What changed** — Iran's armed-forces chief said the Strait is 'completely closed' to ships that do not follow Iran's rules (26 Oct). A fourth tanker hit in four days was confirmed. Egypt's parliament approved military support for Saudi Arabia against the Houthis.
- **What could calm it** — Saudi, Pakistani and Turkish envoys held talks in Tehran on 26 Oct and agreed to keep talking. Nothing is signed, and the US has not answered.

THE NUMBERS

	Now	Normal	What it means
Oil through the Strait	14.0 mb/d	17-20 mb/d	Most of the oil still gets out.
Ships seen crossing a day	14	138	No new count since 21 Oct. Few ships, but big and full.
Ships with trackers off	57%	few	Too many hidden ships to call it reopened. We need below 45%.
Brent oil price	\$115.81	\$84 (our no-war price)	\$0.91 below Friday; still near the war high.
How open the price says it is	15%	100%	The price acts as if the Strait were nearly shut. It is not.
Our stage (1 = shut, 5 = normal)	2 - Fragile	5	Not shut, not reopening. Direction: getting worse.

OUR ODDS FOR THE NEXT 90 DAYS

Outcome	Odds	Change	What it looks like
Base	37%	down 8	Iran report SIEGE. No strike and no deal in 90 days. Oil keeps moving at 11-14 mb/d under fire. Brent \$100-115 after the December contract expires on 30 Oct.
Bad	48%	up 8	Iran report STRIKE 31 + SALVO 9 + PROXY 8. A US or Israeli strike and Iran's answer, an Iranian missile salvo, or the Houthis stop the Saudi bypass at Yanbu. The Strait shuts again.
Good	15%	same	Iran report DEAL. A deal after the election, built on the regional compromise. The Strait reopens within about a week and ships switch their trackers back on.

The call. Stage 2 of 5 (Fragile), getting worse. Our odds are now the same as our Iran report, grouped three ways. Iran's 'completely closed' is about who sets the rules, not about the oil: the US-run route keeps moving. The risk is in the next fortnight after the US vote on 3 November, when a strike can follow within 96 hours of an order. If a full tanker sinks or Yanbu stops, we move to stage 1.

As of 2026-10-27 08:00 Athens · Sources: visible transits (Windward, 2026-10-21 CARRIED) · dark-share (Windward, 2026-10-27) · throughput (Kpler, 2026-10-27) · Brent (ICE).

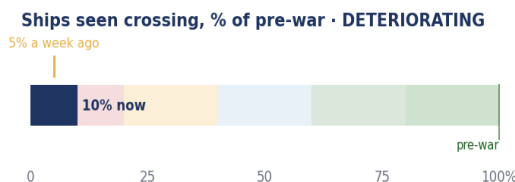
HOW OPEN IS THE STRAIT?

Three ways to measure it give three answers

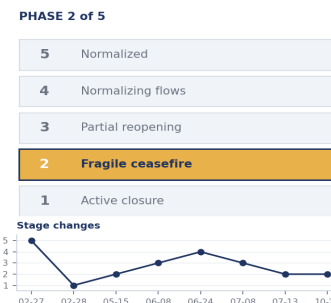
Ask how open the Strait is and you get three different answers. Counting ships we can see gives 10% (last count 21 Oct). Measuring the oil that gets through gives about 70%. Reading it from the oil price gives about 15%. The oil volume is the best guide to today. The price is low because it is pricing what could happen next.



Read: Brent turned into a % open. Lower means the price expects less oil to get through.
Says: About 15%, up slightly as Brent eased on Monday.

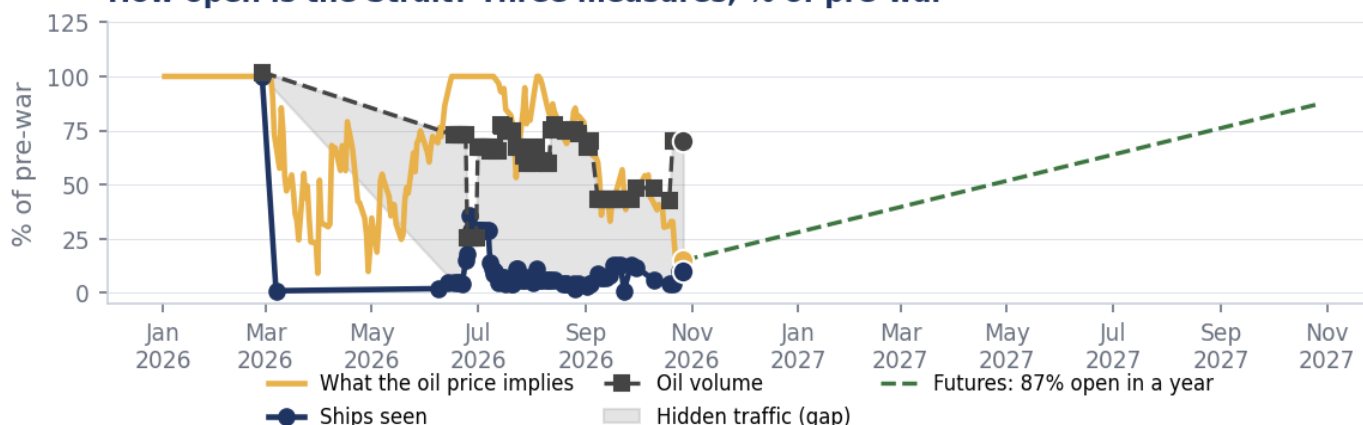


Read: Ships seen crossing, as a share of the 138 a day before the war. The amber tick is a week ago.
Says: 10%, carried from the 21 Oct count. The rise from a week ago is a fuller count, not a reopening.



Read: Our five stages: 1 is shut, 5 is normal. The small line shows each change of stage.
Says: Stage 2, held. Direction: getting worse.

How open is the Strait? Three measures, % of pre-war



How to read it: Blue = ships we can see. Grey = oil that gets through. Orange = what the oil price implies. The grey shading is traffic we cannot see. The green dashed line is where futures prices put it in a year.

What it says: Ships seen: 10%. Oil volume: about 70%. Price: about 15%. The oil is moving; the price is braced for a stop. Futures expect the Strait mostly open a year from now, so the market sees the squeeze as short.

WHAT THE PRICE IS PAYING FOR

Brent is pricing the risk of a stop, not today's oil

What today's Brent price is made of (\$/bbl)



How to read it: Start with what Brent would cost without the war (green). Add the extra the market pays for the risk to the Strait (amber). Take off things that push the price down (stock releases, spare OPEC+ oil, lost demand). You get today's price (grey).

What it says: Almost all of the gap between \$84 and \$116 is the Strait. The offsets are small (about \$2), so there is little left to cushion a further shock.

IN PLAIN TERMS

- **\$115.81** — Brent December settled here on 26 October, down \$0.91 from Friday. It expires on 30 October; from then, quote January, which trades about \$5 lower. That drop will not be a fall in oil.
- **\$27.65 over next year** — Oil for now costs \$27.65 more than oil for delivery in a year. That gap is the market paying for a near-term stop.
- **About \$34 of Strait risk** — On our numbers, about \$34 of the price is the Strait. That is what the market would pay if the Strait were only about 15% open. In fact about 70% of the oil is getting through.
- **Gas higher again** — European gas (TTF) settled at EUR 96.68 per MWh on 26 October, a new high since late 2022. No loaded Qatari gas tanker has crossed since 3-4 October.

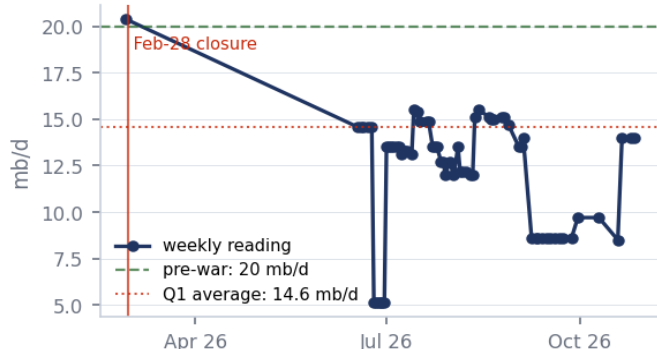
HOW THE MONITOR WORKS

- **Five stages** — 1 is shut, 5 is back to normal. We only move up when the ships prove it: oil flow above 12 mb/d (now 14.0, met) and trackers-off below 45% (now 57%, not met).
- **We move down faster than up** — A price spike or a breakdown in talks is enough to move us down; moving up needs the flows.
- **The odds** — Our judgement on the next few weeks, re-marked on every edition.
- **The price test** — We take Brent, strip out what is not about the Strait (stock releases, spare OPEC+ oil, lost demand) and compare what is left with the \$40 we would expect if the Strait shut. A \$34 premium means the price acts as if the Strait were 15% open.
- **Sources** — Ship counts: Windward. Trackers off: Windward. Oil flow: Kpler, weekly. Brent: ICE. Full source list in the sources file for this edition.

THE TREND

Four charts since the war began

Oil through the Strait (mb/d, weekly)



Read: Weekly estimate of oil through the Strait. Dashed line = pre-war 20 mb/d.

Says: About 14 since mid-October, from near 9 in September. No newer weekly figure yet.

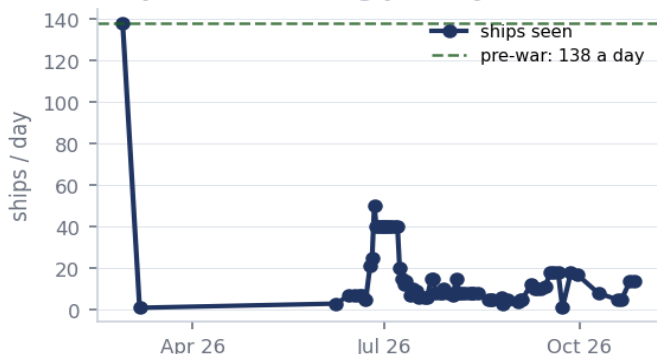
Ships with trackers switched off (%)



Read: Share of ships in the area with trackers off. It must fall below 45% (dashed) before we call a reopening.

Says: 57%, stuck in the 55-70% range since July. Too dark to call.

Ships seen crossing per day



Read: Ships we can actually see crossing each day. Dashed line = pre-war 138.

Says: 14 on 21 October, the last count. Never back above about 50 since the war began.

Brent now, and its premium over oil for delivery in a year



Read: Dark line = Brent now. Orange line (right scale) = how much more oil costs today than for delivery in a year.

Says: Both eased a little on Monday from their highest since late April. The squeeze is priced as sharp but short.

WHAT HAPPENED

25 to 27 October

- **Tanker hits** — UKMTO confirmed on 26 October that an outbound tanker was disabled by a projectile in the Strait on 23 October; crew safe. Four confirmed hits on 20-23 October, none sunk. A vessel was reported on fire off Iraq on 26 October; cause unknown.
- **Iran's claim** — Iran's armed-forces chief said the Strait is 'completely closed' and no ship breaking Iran's rules is safe. The US-backed route keeps moving: more than 30 crossings a day (INTERTANKO).
- **Ships waiting** — Ships holding position near the Strait: 170 on Monday evening, 102 on Tuesday morning (straits.live), after 144 on 23 October. No rush to leave.
- **Strike talk** — CNN: US forces could launch a major operation within 96 hours of an order; Trump has not decided, and an order is more likely after the 3 November election. Israel says it will not strike before its own vote today.
- **Talks** — Saudi Arabia's defence minister, Pakistan's army chief and Turkey's intelligence chief met Iran's leaders in Tehran on 26 October. They agreed to keep talking. Pakistan tabled a compromise with four possible guarantors (Reuters).
- **The Saudi front** — Egypt's parliament authorised military support for Saudi Arabia. A Houthi missile at Riyadh was intercepted; the Houthis claim hits on oil pumping stations. No damage at Yanbu is confirmed.

WHAT WOULD CHANGE OUR CALL

If this happens	We move to	Where it stands now
A full tanker is sunk	Stage 1 (shut)	Four hits on 20-23 Oct, none sunk
Yanbu loadings stop	Stage 1	Strikes claimed 24 and 26 Oct, no damage confirmed
US or Israeli strike on Iran's oil, answered on Gulf oil	Stage 1	US ready within 96 hours of an order; likely after 3 Nov
Oil through the Strait below 8 mb/d for a week	Stage 1	About 14
Two editions with no sinking and no new hit	Stage 2, direction 'weakening'	Count restarted by the 23 Oct hit
Flow above 12 AND trackers-off below 45% AND regular Qatari gas cargoes	Stage 3 (reopening)	14 met; 57% not met; no gas cargo since early Oct

WHERE THE GULF'S OIL IS GOING (million barrels a day)

Route	Before the war	Now	Source
Through the Strait, all oil (week to 18 Oct)	17-20	about 14	Kpler; EIA for pre-war 20
Gulf crude by all routes (week to 18 Oct)	above 18.5	18.0 to 24.6	Vortexa; Kpler
Saudi East-West pipeline to the Red Sea	-	5.8 of 7.0	Saudi energy minister, 6 Oct
UAE pipeline to Fujairah	-	1.5 of 1.5	pipeline survey, 3 Oct
Iraq (mostly via the Strait)	3.3-3.5	3.4	Iraq oil minister
Iran	about 2.0	0	Kpler, Vortexa
Share of non-Iran crude avoiding the Strait	17%	40%	Kpler

No newer weekly flow figures have been published since the week to 18 October. Weekly figures come in lumps because ships move in escorted batches. '-' means no pre-war figure on the same basis.