

Decide before the strait decides for you

*From blockade to contested reopening · June
2026*

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Hormuz priced the cost of waiting at 130 percent freight, and a ceasefire has not reopened it

1

The ask

Hormuz 2026 priced the cost of waiting; pre-position triggers, suppliers, and routes now, because the next chokepoint will close faster than you can decide.

2

The window

War-risk premia moved before the first strike, and cover withdrawn on March 5 ended transit five days after the trigger.

3

The exposure

One strait carried a fifth of world oil and LNG, 46 percent of urea, and half of seaborne sulfur; freight repriced 130 percent.

4

The posture gap

Carriers re-routed within 48 hours, yet 1,550 vessels were stranded by May and 11,000 seafarers were still being evacuated in June.

5

The reopening

A June ceasefire cut Brent below 80 dollars but reopened the strait for only three days; shipowners, not governments, decide when it is open.

Source: SeaVantage crisis timeline; McKinsey: when a chokepoint breaks, April 2026; Fortune: shipping companies decide, June 2026

One strait carries a fifth of world oil and LNG and \$670 billion of trade

20 million barrels of crude and condensate a day, about 20 percent of global petroleum liquids

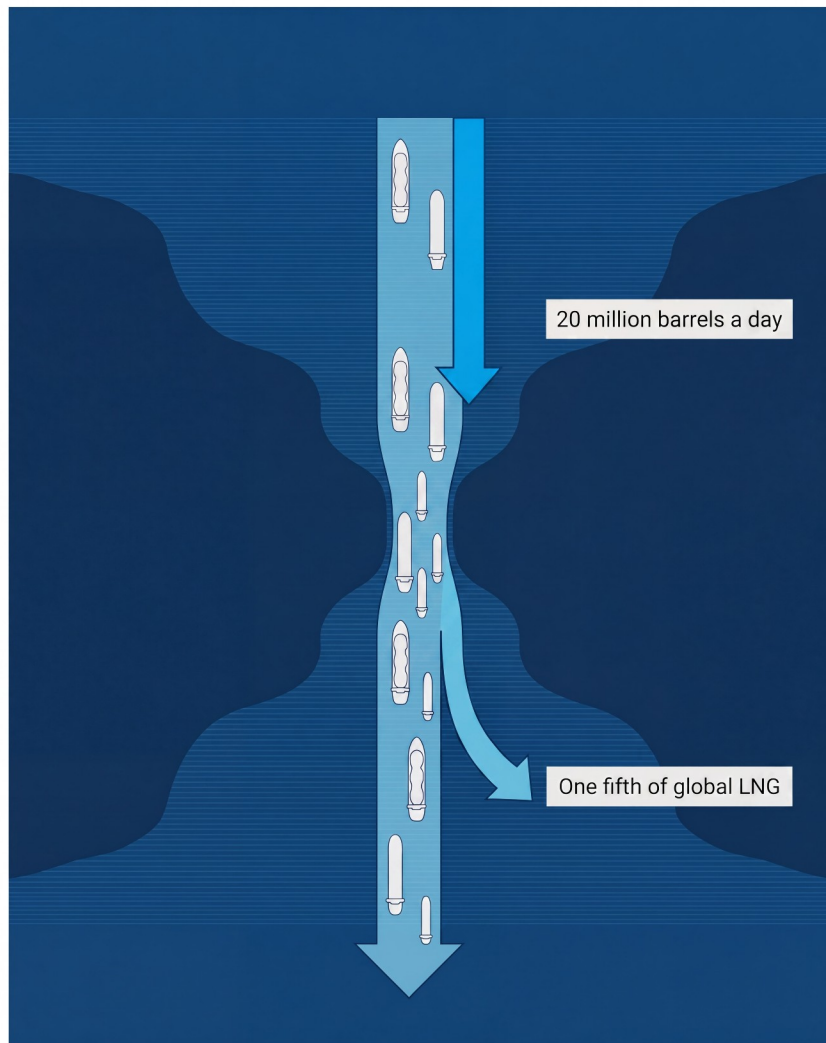
Around one-fifth of global LNG trade, primarily from Qatar

84 percent of the crude and 83 percent of the LNG lands in Asia

\$670 billion a year of exports from the five Gulf states that depend on the strait

A 21-mile-wide passage with two 2-mile shipping lanes

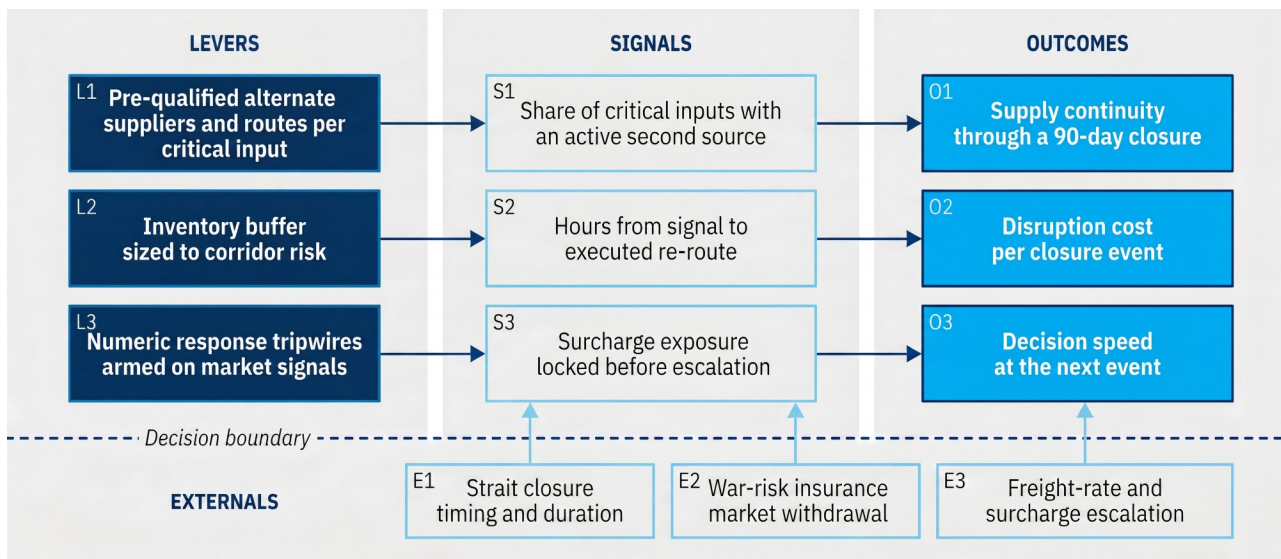
Source: EIA Strait of Hormuz chokepoint analysis; Table.media research brief, March 2026



Three levers you control decide continuity, cost, and speed when a strait closes

Exhibit 1

Levers the firm controls, leading indicators, and outcomes; externals enter below the boundary



Source: Huegoo decision model; calibrated on the SeaVantage timeline and the Roland Berger response framework

Five days decided the next ninety

Situation. Energy-importing manufacturers run inputs, fuel, and freight through a handful of maritime chokepoints, and Hormuz alone carried a fifth of world oil and LNG.

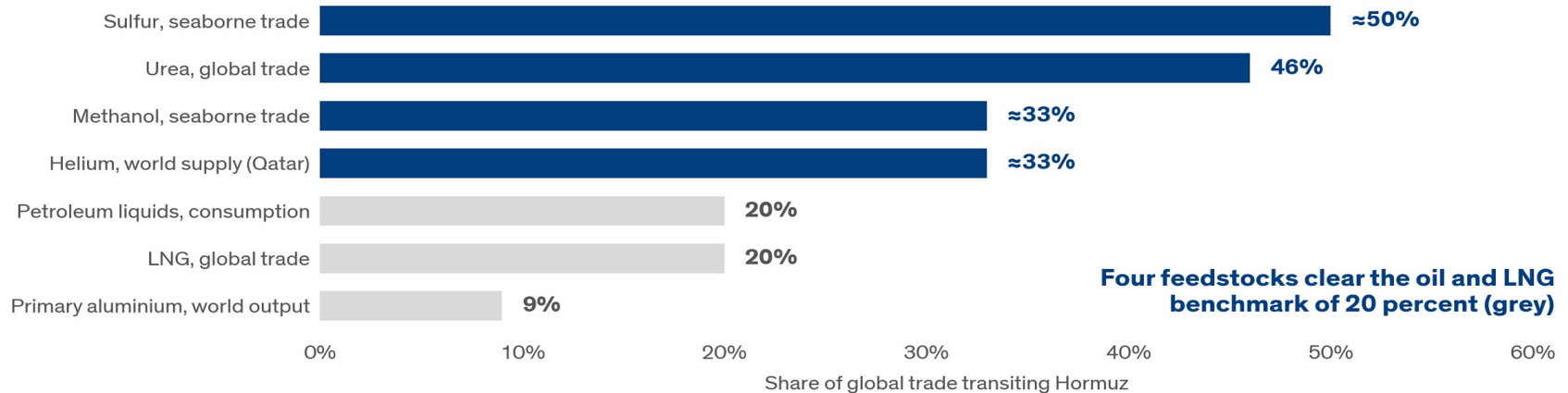
Complication. On February 28, 2026 the strait closed, and within five days war-risk cover withdrawal had ended commercial transit; freight repriced 130 percent within four weeks, and four months on a signed ceasefire still had not durably reopened it.

Question. What did the closure reveal about how chokepoint decisions are made, and at what speed?

The exposure runs past crude: nearly half of urea and sulfur trade crosses Hormuz

Exhibit 2 Share of global trade in each commodity transiting the Strait of Hormuz, percent

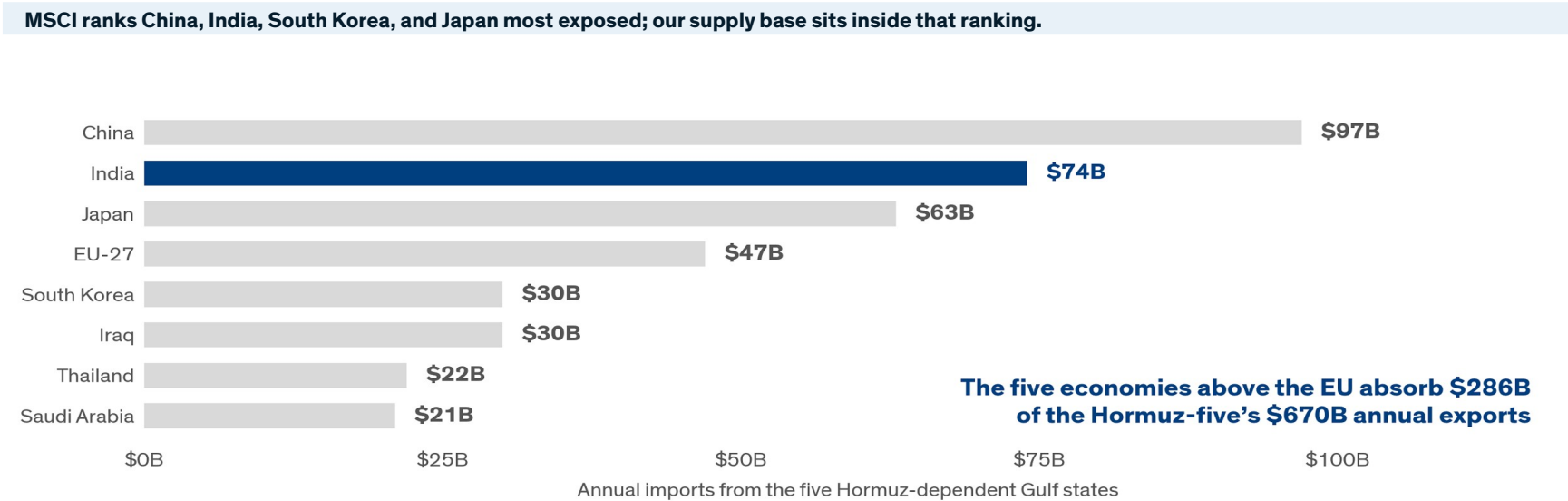
A crude-only hedge leaves fertilizer, chemicals, and metals exposure unpriced.



Source: WEF; beyond oil, commodities hit by the Hormuz closure; EIA chokepoint analysis; urea estimates span 31–46% across trackers; helium shows Qatar share of world supply

Asia holds the bill: five economies import \$286 billion a year through the strait

Exhibit 3 Annual imports from the five Hormuz-dependent Gulf states, USD billions, 2022–2023 average

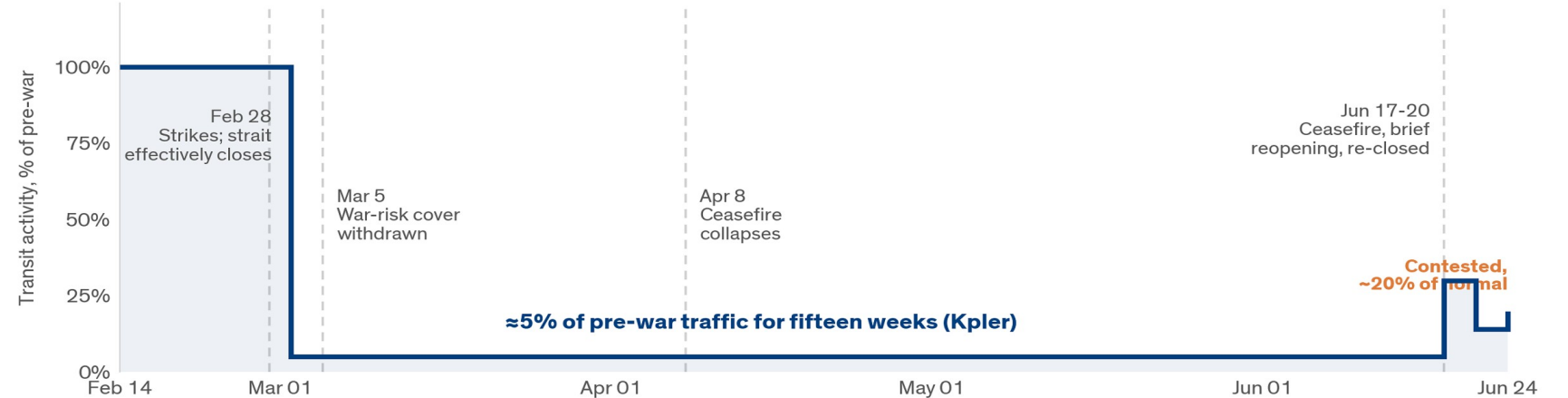


Source: Table.media research brief, March 2026; MSCI supply-chain risk analysis; covers Iran, UAE, Qatar, Kuwait, and Bahrain; Saudi Arabia and Oman hold partial non-Hormuz routes

Transit collapsed 95 percent, and a June ceasefire has not durably restored it

Exhibit 4 Strait transit activity as a share of pre-war level, with key events, February to June 2026

Plan on months, not weeks: mine-clearing runs 40 days to six months and full flows may wait until 2027.



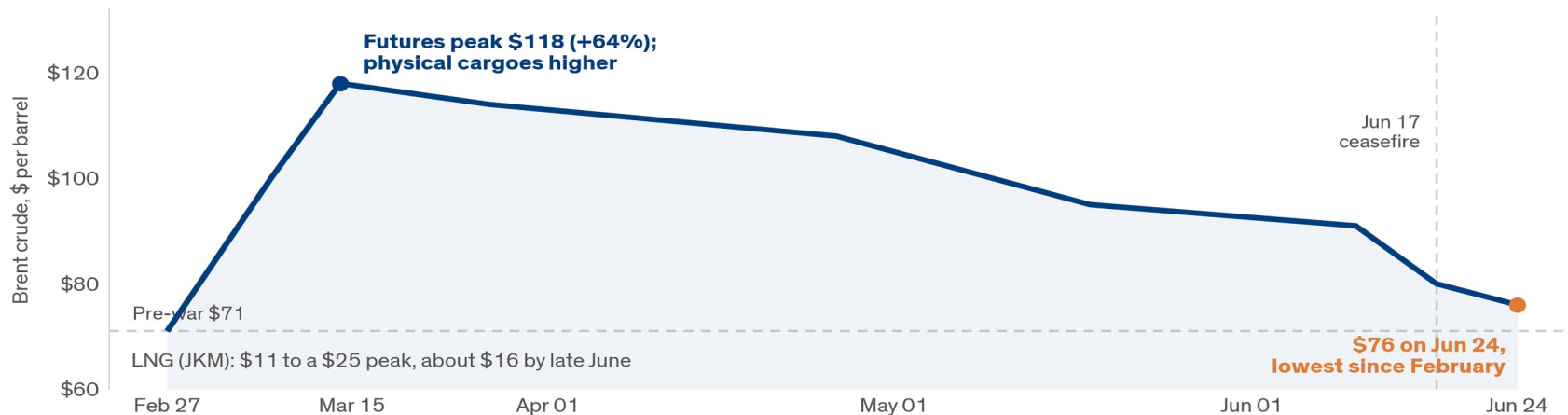
Source: SeaVantage crisis timeline; IMF PortWatch chokepoint data; CNBC June reopening coverage; counts vary by tracker (AIS-only versus dark-ship inclusive); the June 17 ceasefire reopened the strait for three days before the June 20 re-closure

Brent ran from 71 to 118 dollars, then a June ceasefire cut it below 80

Exhibit 5

Brent crude price, dollars per barrel, with the JKM LNG move noted, February to June 2026

Paper gave back most of the spike on the ceasefire; the war-risk premium did not, which is the whole tell.

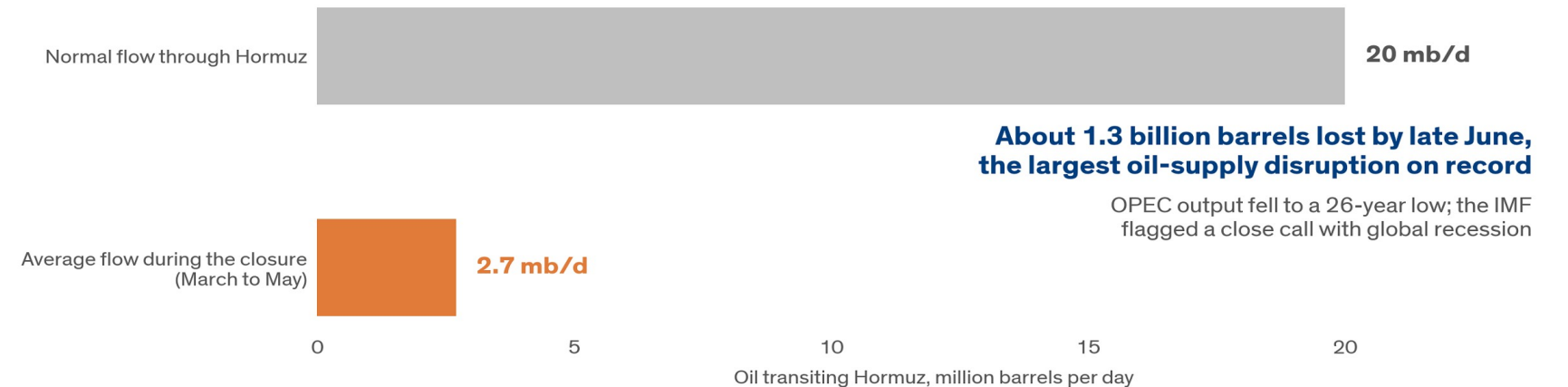


Source: CNBC oil-price coverage, June 2026; Trading Economics Brent series; militaryspend tracker; futures peak near 118 dollars, with physical cargoes higher

Hormuz cut oil flow from 20 million barrels a day to 3, the largest loss on record

Exhibit 6 Hormuz oil flow before and during the closure, million barrels per day, with the cumulative loss

This is a system-level shock, not a commodity wobble: too big to hedge, and only pre-positioning blunts it.

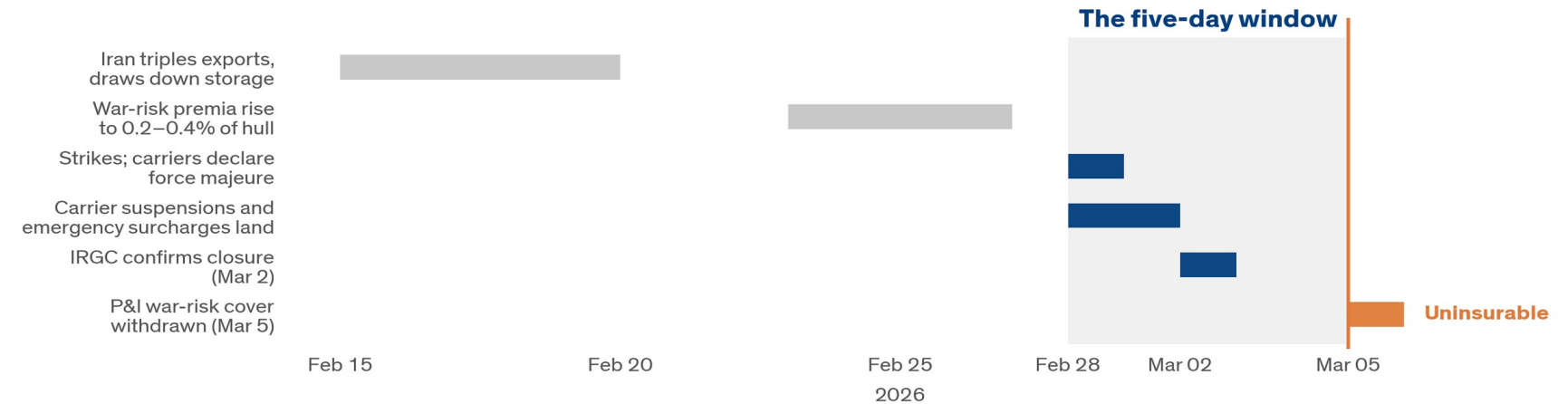


Source: IEA Oil Market Report, June 2026; World Bank oil-price analysis; IMF World Economic Outlook, April 2026; the cumulative-loss figure traces to the June IEA report

Insurance closed the strait before any blockade order: the window was five days

Exhibit 7 Signals and market exits, February 15 to March 6, 2026

The window from trigger to uninsurable was five days; from confirmation to uninsurable, three.

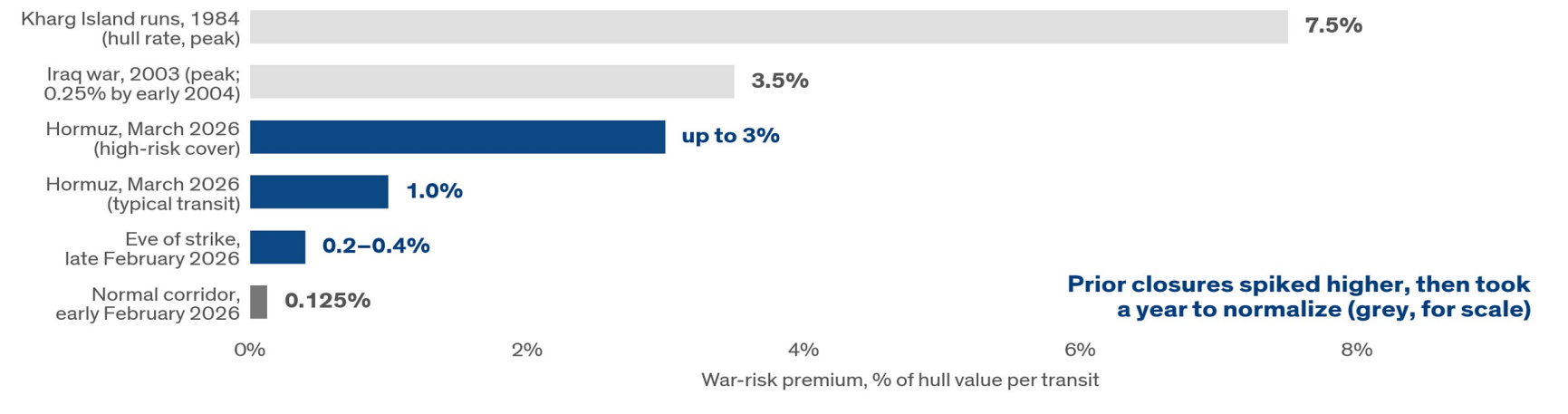


Source: SeaVantage crisis timeline; CarraGlobe closure guide

War-risk cover repriced eightfold in days, then withdrew from the market entirely

Exhibit 8 War-risk premium as a share of hull value per transit, percent, with historical closures for scale

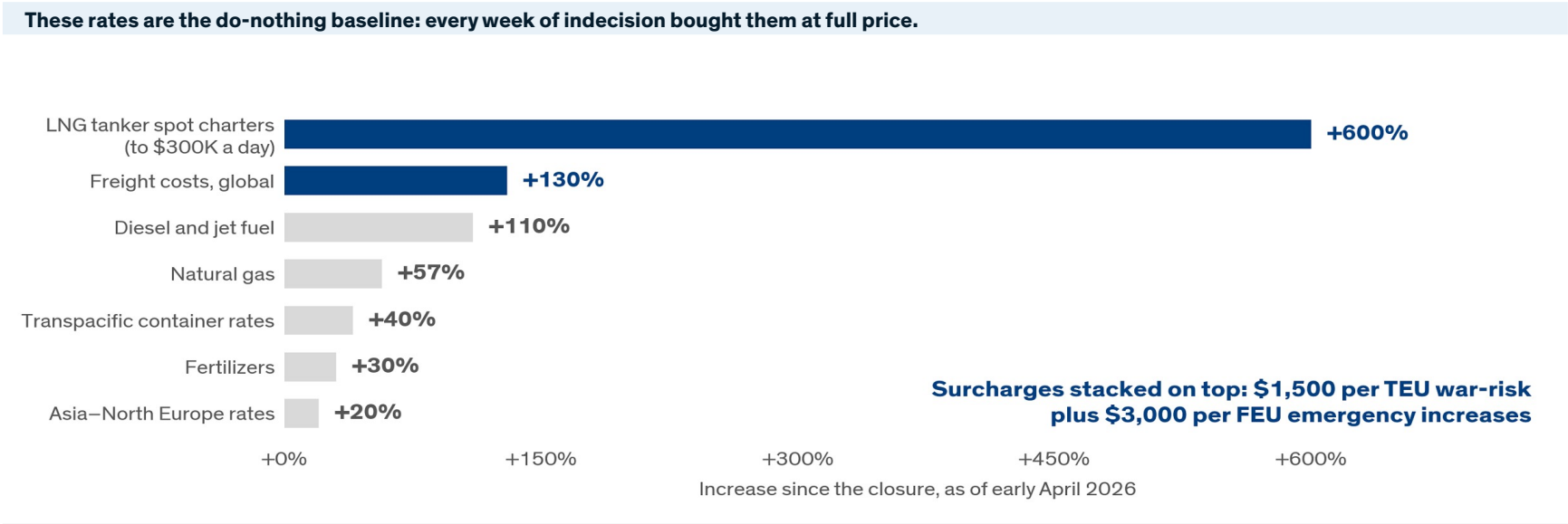
Cover you must buy mid-crisis is the option that disappears, and four months on premiums are still 10 to 30 times pre-war; premium moves are the tripwire.



Source: TEPAV Hormuz crisis analysis; Strauss Center insurance-market history; SeaVantage timeline

Waiting repriced everything: freight rose 130 percent and LNG charters rose 600 percent

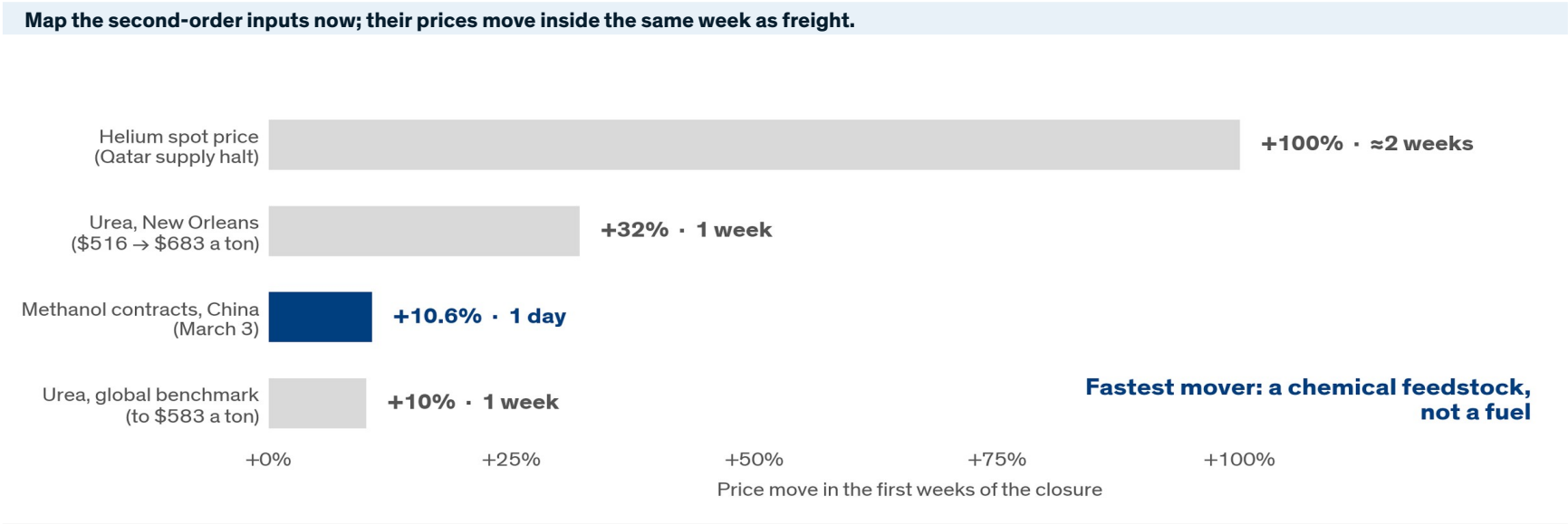
Exhibit 9 Price and rate increases since the closure, percent, as of early April 2026



Source: McKinsey: when a chokepoint breaks, April 2026; TEPAV analysis; SeaVantage timeline

The shock crossed into fertilizer and chemicals within a week, not a quarter

Exhibit 10 Price moves in second-order markets in the first weeks of the closure, percent



Source: TEPAV analysis; WEF commodity survey; European MEG rose 45 euros a tonne in week one; BRG sees food-market effects in 2–3 quarters

Seventeen days of inventory met a closure that has run almost four months

Exhibit 11 Inventory cover versus closure duration, days, as of late June 2026

Buffers sized for normal volatility do not survive a chokepoint event; the gap is filled before the event or not at all.



Source: PSUWatch; Indian OMCs reassess crude sourcing; CNBC tanker tracking; bridges on record: strategic reserves, Atlantic and African barrels, Russian floating storage, and the corridor that docked Shivalik on March 16

**Inside the window you
cannot create options, only
exercise them**

Everything that follows answers this.

Pre-position the decision, not just the inventory

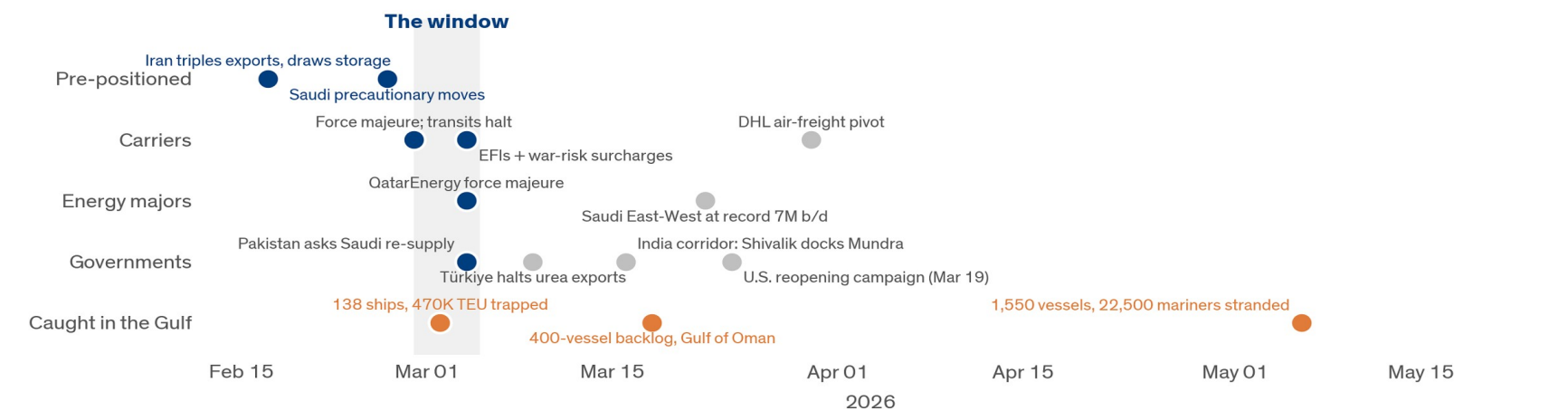
Situation. Every exposed firm faced the same four options: re-route, draw down reserves, switch suppliers, or wait.

Complication. The market repriced those options inside a five-day window, and firms without pre-built alternatives could not execute substitution in time.

Question. What operating posture lets a firm act inside the window next time?

Early movers acted inside the window; late movers paid surcharges and waited months

Exhibit 12 Documented decisions by actor class and date, February 15 to June 1, 2026



Source: CarraGlobe closure guide; SeaVantage timeline; CNBC tanker tracking; firm-level cost deltas are not publicly attributed, so the contrast shows documented actions against market repricing dates

Preparation, not luck, split who absorbed the shock from who broke under it

Exhibit 13

Documented national and corporate responses, March to June 2026

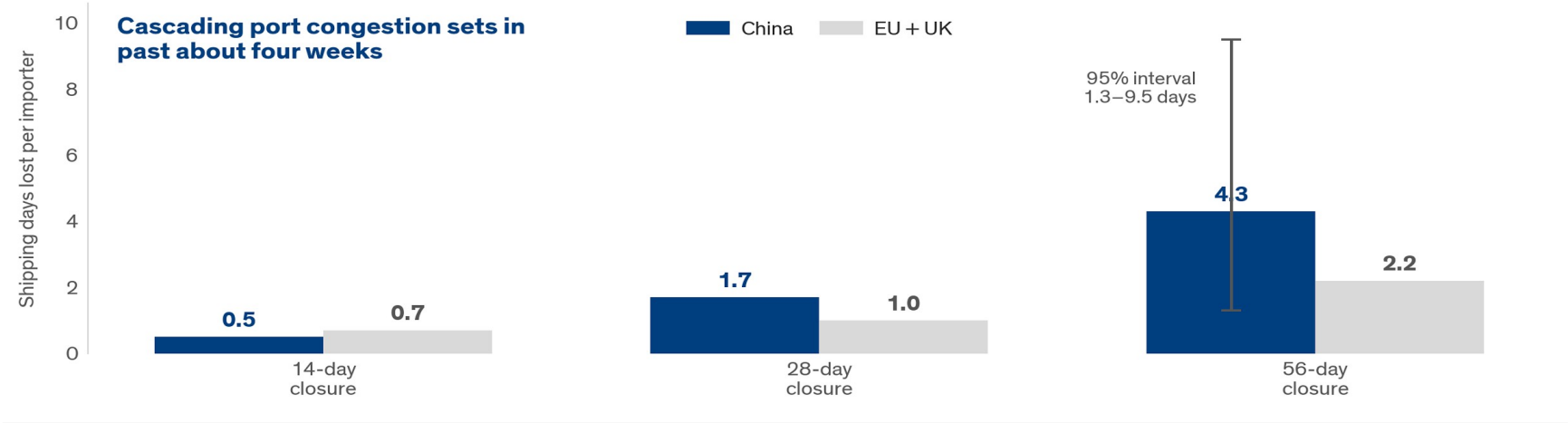
Prepared · absorbed it as cost	Unprepared · took it as outage
India: rerouted to a record 2.66M b/d of Russian crude, with naval escorts	Philippines: declared its first national energy emergency on March 24
Japan: released 80M barrels of reserves and rode out the quarter, no rationing	Slovenia: imposed the first EU fuel rationing, 50 litres a day per car
China: drew strategic reserves and used Iran-approved tanker transits	Thailand: diesel rose 69% to a record; Bangladesh near recession
Saudi Arabia and UAE: ran their bypass pipelines at record rates	Spirit Airlines ceased operations; Air New Zealand cut 1,100 flights

Source: Atlantic Council on India; Wikipedia: 2026 Iran war fuel crisis; Discovery Alert on India and UAE flows

Delay compounds: a doubled closure more than doubles the shipping days lost

Exhibit 14 Modeled shipping days lost per importer under 14, 28, and 56-day closures

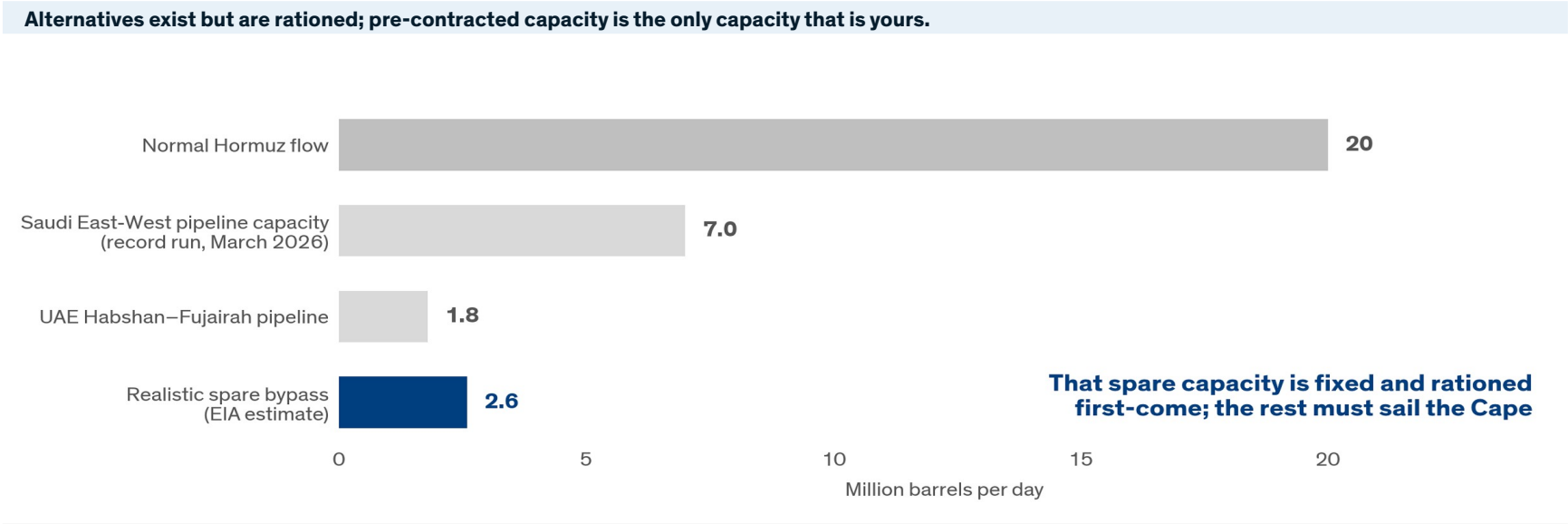
The wait-and-see posture prices a short closure; closures past four weeks punish it disproportionately.



Source: Table.media research brief, March 2026; scenario analysis, not a forecast; the 56-day China estimate spans 1.3–9.5 days

Bypass pipelines spare 2.6 of 20 million barrels; reroutes add two weeks

Exhibit 15 Daily Hormuz flow versus bypass pipeline capacity, million barrels per day

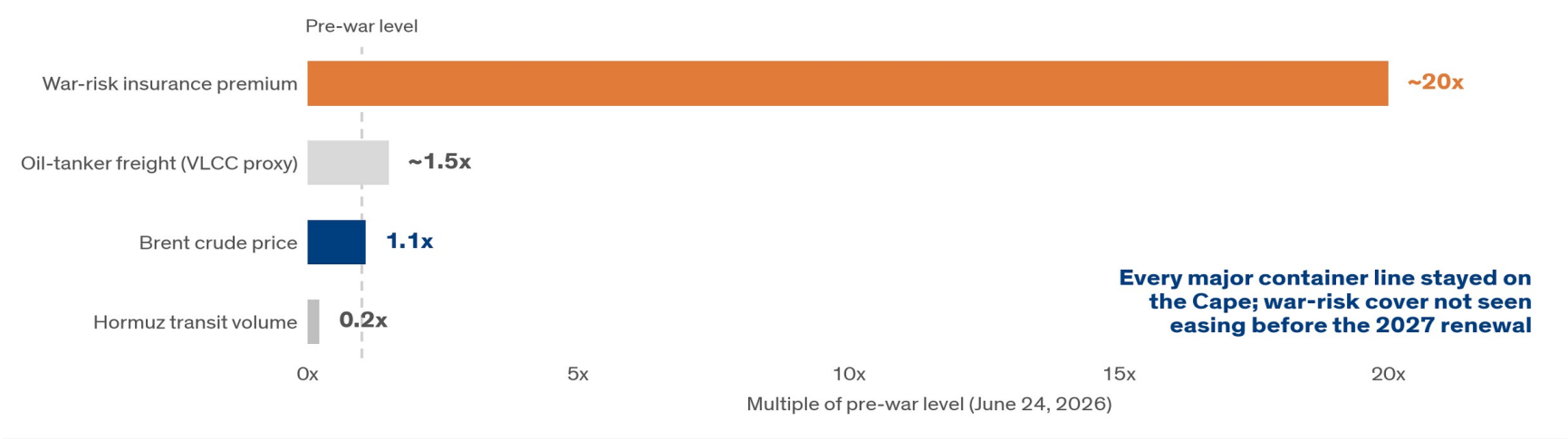


Source: EIA chokepoint analysis; SeaVantage timeline; the Cape adds 10–14 days per voyage and removes 2–3 rotations per vessel a year

The ceasefire cut the oil price, not the war-risk premium: the market still gates the strait

Exhibit 16 Each market as a multiple of its pre-war level, as of June 24, 2026

A ceasefire repriced paper, not risk: the reopening is gated by the same insurance and shipowner decisions that closed the strait.



Source: Fortune: shipping companies decide, June 2026; Willis Towers Watson via House of Saud; gCaptain on container routing

Run chokepoint response as a standing capability with explicit refusals

WE WILL

- Map exposure beyond crude: tag every input that transits a chokepoint, including urea, methanol, sulfur, and petrochemical feedstocks
- Pre-qualify one non-Gulf supplier and one alternate route per critical input, on contracts that activate on signal
- Arm numeric tripwires calibrated to Hormuz 2026: act when war-risk premia double and escalate on any protection-and-indemnity advisory
- Drill the first 72 hours twice a year: nerve center, shipment audit, re-route execution, and air-freight escalation rehearsed before the event

WE WILL NOT

- Hedging every input equally regardless of corridor exposure
- Waiting for official closure confirmation before re-routing
- Carrying permanent excess inventory across the whole catalog

Source of power: dynamics

Source: Huegoo strategy kernel, calibrated on the verified Hormuz 2026 sequence

Four moves before the next signal

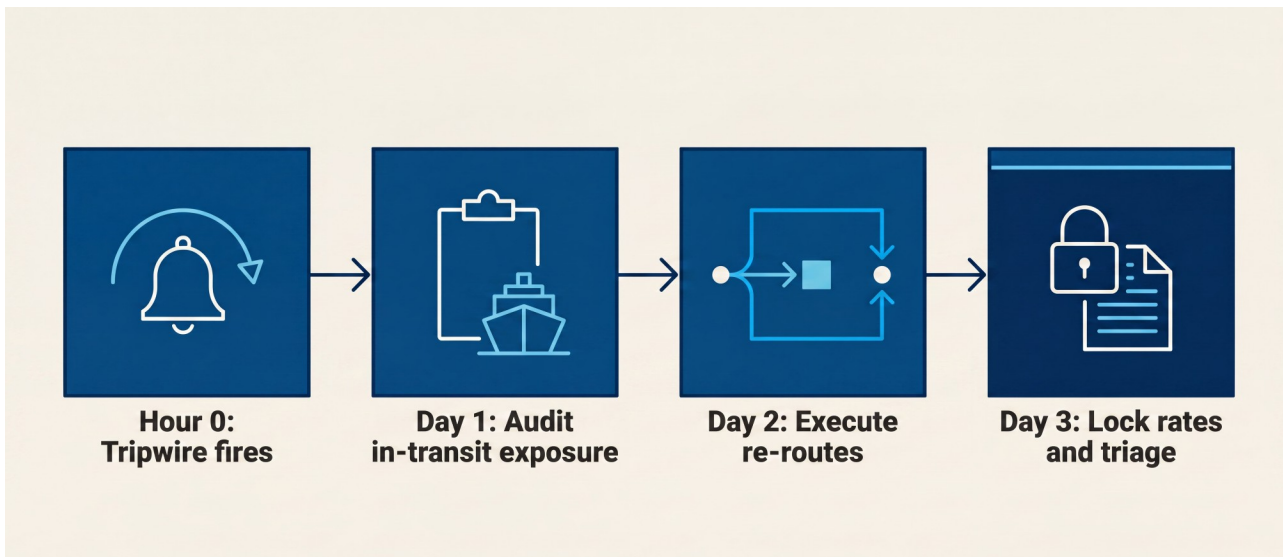
Situation. The evidence points to pre-positioning as a standing capability rather than an emergency project.

Complication. The bill for a standing capability arrives before any event, and that has shifted the burden of proof onto owners, tripwires, and explicit refusals.

Question. What coordinated moves stand the capability up in ninety days?

The first 72 hours run on a rehearsed protocol, not an improvised call chain

Exhibit 17



Source: McKinsey: when a chokepoint breaks; CarraGlobe seven-step checklist

Set tripwires at the prices Hormuz printed, and act on signal, not confirmation

Exhibit 18 Signals, 2026 prints, triggers, and pre-committed actions

Signal	2026 print	Trigger	Pre-committed action
War-risk premium	0.1% of hull pre-crisis; 0.2–0.4% on the eve; 1–3% after	2× baseline	Stand up the nerve center; audit shipments
Carrier surcharge notices	EFIs landed March 2: \$3,000/FEU plus \$1,500/TEU	First major-carrier EFI	Lock alternate capacity and air at pre-spike rates
P&I club advisories	Cover withdrawn March 5	Any club restricts cover	Execute pre-built re-routes; stop new corridor bookings
Strait transit volume	100 transits a day fell to a handful in a week	Down 50% week over week	Activate second sources; draw buffer
Benchmark crude move	Brent rose 10–13% in the first days	Up 10% inside 48 hours	Trigger indexation; brief the committee

Source: SeaVantage timeline; TEPAV analysis; thresholds are Huegoo calibrations from the verified 2026 sequence, which itself codifies none

The same playbook prices Malacca, Suez, and Bab al-Mandab before they close

Exhibit 19



Source: ION Analytics: after Hormuz, the chokepoints redefining supply-chain risk; a Taiwan Strait event follows the same logic but is unpriced in the corpus

The bet is reversible: carry costs are capped and tripwires reopen the decision

Exhibit 20 Failure modes, bounds, mitigations, and reopening triggers

Failure mode	Why it is bounded	Mitigation	Reopens the decision
No event; carry cost idles	Carry is capped near 0.5% of cost of goods sold	Resize buffers and retainers at the 24-month review	24 months with no event and carry above the cap
A trigger fires on a false alarm	One rehearsed response, not a crisis	Thresholds sit at levels only real run-ups have crossed	Two false fires inside 12 months recalibrate the dashboard
Alternates underperform under stress	Trigger-activated contracts hold capacity ahead of the spike	Twice-yearly drills test counterparty performance	A failed drill swaps the supplier or the route
Two corridors close at once	Alternates sit on non-overlapping corridors	Multi-region design across corridors	A second simultaneous closure escalates to the board

Source: BRG; the hidden supply chains of Hormuz; SeaVantage timeline

Ninety days to standing capability: four moves with owners, dates, and budgets

Exhibit 21

The four moves of the chokepoint-response program; costs are Huegoo planning estimates

Move	Owner	When	Cost
Stand up the chokepoint nerve center and map exposure beyond crude across all tier-1 inputs	Chief Procurement Officer	Q3 2026	\$0.4M
Pre-qualify one alternate supplier and one alternate route per critical input, on trigger-activated contracts	VP Sourcing	Q3-Q4 2026	\$1.2M
Arm the tripwire dashboard: war-risk premia, P&I advisories, carrier surcharges, and strait transit feeds	Supply-Chain Risk Lead	Q4 2026	\$0.3M
Run the first 72-hour drill and re-baseline inventory buffers to corridor risk	COO	Q1 2027	\$0.6M
Standing capability live; first full drill complete	Executive committee	Q1 2027	\$2.5M total

Source: Huegoo program plan; costs are Huegoo planning estimates

The three questions the committee will ask, answered with exhibits

Pre-empted before they come up; see backup exhibits where indicated.

<i>Why fund standing buffers now, when a ceasefire has been signed and Hormuz is reopening?</i>	The June 17 ceasefire is the test: it reopened the strait for three days before Iran re-closed it, and it cut Brent below 80 dollars while leaving war-risk premiums near wartime highs, with no relief seen before 2027. Reopening is gated by shipowners, not governments, and the bet is two-way: tripwires resize the spend if premia stay low for a year.
<i>Why not just buy more insurance instead of carrying operational buffers?</i>	Insurance was the first market to exit: premia roughly tripled before the strike, repriced toward 1 to 5% of hull value, and war-risk cover was withdrawn on March 5. Cover bought mid-crisis is the option that disappears, and premiums remain 10 to 30 times pre-war.
<i>Our suppliers are reliable; is this over-engineering for a tail event?</i>	The exposure is structural, not supplier-specific: 46 percent of urea, half of seaborne sulfur, and a third of methanol cross one strait, and supplier qualification takes longer than the five-day window. The asymmetry favors options: freight repriced 130 percent, and the program costs a fraction of one event.

Source: CarraGlobe May 8 update; TEPAV analysis

THE ASK

Hormuz 2026 priced the cost of waiting; pre-position triggers, suppliers, and routes now, because the next chokepoint will close faster than you can decide.
