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MARCH 16th, 2026

**MONDAY MORNING
QUARTERBACK
ENERGY MARKETS
CEO BRIEFING NOTE**

*“Lack of Allied Support for
US Naval Escort Mission”*



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Lack of Allied Support for US Naval Escort Mission

Early indications suggest Washington is struggling to assemble an international coalition to escort tankers through the Strait of Hormuz. Japan and Australia have reportedly declined the US request to deploy naval assets, while China is widely expected to avoid participation altogether. European participation appears uncertain, with Italy already stepping away and only limited speculation that France or the United Kingdom might contribute forces.

By Sean Evers, Managing Partner, Gulf Intelligence

Perhaps even more revealing is the absence of urgency in the public conversation. In the United Kingdom, none of the country's three best-selling newspapers placed the Iran war on their front pages today. Instead, the covers focused on very different issues: a celebrity family dispute dominating the front page of The Sun, a university meningitis outbreak making the lead story in the Daily Mail, and the Daily Mirror highlighting a crisis in dementia care within the National Health Service. In other words, while global oil markets are confronting the potential disruption of a waterway that carries roughly a fifth of global crude supply, the domestic media agenda in Britain appears largely focused on health scares, celebrity culture, and social policy. For governments weighing whether to commit naval assets to a potentially prolonged security mission, that lack of visible public concern may matter.

For energy markets, however, the implications are far more significant.

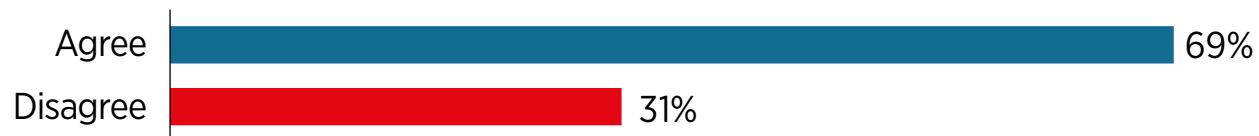
A Weak Coalition and a Narrowing Strategic Window

The Strait of Hormuz has long been treated by traders as a geopolitical shock absorber. Every crisis triggered a familiar pattern: a spike in oil prices, urgent diplomatic calls, and naval deployments designed to restore shipping flows as quickly as possible. Traders priced a temporary risk premium and then moved on.

What is unfolding now suggests the market may be starting to reassess that assumption. Across trading desks and energy policy circles, conversations increasingly point to a deeper shift. The question is no longer simply whether the current conflict will disrupt supply for weeks or months. The more consequential issue is whether the Strait of Hormuz itself is beginning to acquire a permanent geopolitical risk premium.

Ironically, the reluctance of major allies to join a naval escort mission could also create a pathway toward de escalation. Without a broad coalition prepared to maintain a long term maritime security presence,

Brent at \$110+ finally reflects the current oil supply risk with 10 mbpd facing shut in?



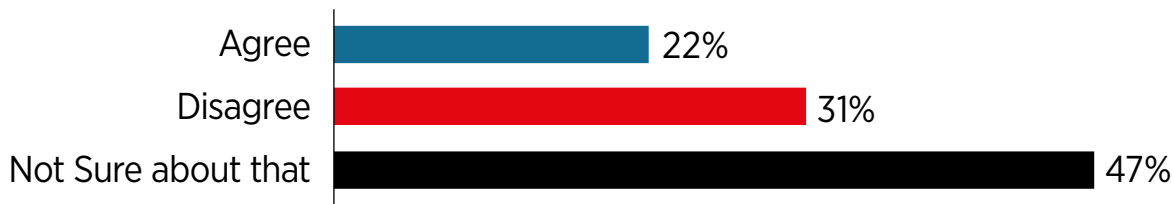
Has the oil market already priced in G7 SPR release?



\$100 to emerge as floor for Brent crude for remainder of war as Iran increases targeting of oil flow & infrastructure?



The US war on Iran peak oil price is behind us?



What stage of Trump's self-declared 4 week war on Iran are we now at on Day 14?



the political case for an extended military campaign becomes more difficult to sustain.

Some observers believe the lack of allied participation could provide all sides with a diplomatic off ramp. If Washington concludes that securing shipping lanes will require acting largely alone, the incentive to seek a negotiated pause or limited objectives may increase. For oil markets, the availability of such an exit path could help prevent a prolonged disruption to Gulf exports.

Others are less convinced that the naval escort proposal represents the full strategic picture. One interpretation circulating among analysts is that Washington may have anticipated the reluctance of allies from the outset. Under this view, the request for international participation may serve more as diplomatic positioning than operational necessity. If the United States ultimately restores shipping security on its own, it could argue that the nations most dependent on Gulf oil declined to share the burden of protecting the route. Such an outcome would reshape the geopolitical debate about responsibility for safeguarding global energy supply chains.

Markets Are Starting to Reprice Hormuz Risk

Operational considerations are also influencing how the conflict is being assessed by market participants. Reports suggest that US aircraft carriers are positioned relatively far from the immediate conflict zone. While this positioning reduces vulnerability to attack, it also limits the tempo of sustained air operations. Distance from the theater increases logistical requirements for jet fuel, bunker fuel, and aircraft rotations. These constraints can shape both the scale and duration of military engagement. For energy markets, any perception that maritime security operations could take longer than expected increases the likelihood of sustained disruption to tanker flows.

Perhaps the clearest sign that perceptions are shifting can be found in the forward oil market. January 2027 Brent futures have recently moved above \$80 a barrel, a level that had remained elusive for much of the past year. Forward contracts typically reflect expectations about structural supply conditions rather than immediate panic. The move suggests traders are beginning to incorporate a longer lasting geopolitical risk into their outlook. If tensions continue, the forward curve could steepen further as markets reassess the stability of Middle Eastern supply.

Many analysts now believe the events unfolding in the Gulf could permanently alter how the Strait of Hormuz is priced. Historically, disruptions in the strait produced temporary price spikes that faded as tensions eased. The current crisis may be introducing something more durable. If traders and insurers begin to view Hormuz as a structurally vulnerable chokepoint, a lasting geopolitical premium may become embedded in oil prices and tanker insurance costs. Such a shift would effectively raise the baseline price of global energy.

Energy Security, Political Messaging, and a New Market Reality

The crisis is also reviving an old geopolitical question: who should bear responsibility for securing the world's most important energy shipping lane? For decades the United States Navy has served as the primary guarantor of maritime security in the Gulf. Yet the countries most dependent on these shipments include many of the world's largest economies in Asia and Europe. The reluctance of several oil importing nations to commit naval assets highlights the imbalance. As the global energy system becomes more multipolar, pressure may grow for importers to play a greater role in protecting the routes that supply their economies.

Another factor shaping the outlook is how the outcome of the conflict may ultimately be framed. Even if maritime security operations remain limited, Washington could declare success if Iran's military capabilities are significantly degraded. In such a narrative, the United States might argue that it neutralized the immediate threat while encouraging other nations to assume greater responsibility for protecting energy supply routes. Political narratives matter because they shape market expectations about future stability in the region.

Beyond the strategic calculations lies a more human dimension. Energy professionals across the Gulf are operating under sustained stress as the conflict unfolds. The crisis has coincided with Ramadan, adding to fatigue in a region already coping with missile alerts, heightened security, and constant monitoring of geopolitical developments. While this may seem peripheral to market dynamics, the broader atmosphere surrounding energy infrastructure inevitably influences operational decision making.

The crisis also underscores the importance of maintaining disciplined information flows during periods of geopolitical tension. Authorities across the region are closely monitoring public commentary, and analysts have been reminded to focus strictly on verifiable information directly relevant to energy markets. In an environment where headlines can move prices rapidly, the distinction between confirmed developments and speculation becomes critical.

Taken together, these signals suggest the oil market may be entering a new phase in how it assesses risk in the Strait of Hormuz. For decades traders assumed that any disruption in the strait would be temporary because the strategic importance of the corridor guaranteed a rapid international response. The current situation challenges that assumption.

If the market begins to treat Hormuz as a permanently contested chokepoint rather than a stable artery of global trade, the implications extend far beyond the present conflict. In that case, the most important shift underway may not be the latest movement in oil prices, but the realization that the Strait of Hormuz may never again be viewed with the same sense of stability that defined the past half century of global energy trade. ■



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