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ENERGY MARKETS OUTLOOK

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THE NEW TRADERS' TOOLKIT

Trading Advantage Shifts Towards Supply Optionality & Geopolitical Preparedness

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The most successful trading organizations will be those capable of integrating geopolitical intelligence, operational flexibility and trusted commercial relationships into their decision-making frameworks.

The prolonged disruption of the Strait of Hormuz has fundamentally challenged traditional energy trading models, exposing the limitations of price-driven strategies, conventional risk assessments and established supply chain assumptions. The emerging competitive advantage for energy traders is no longer determined solely by market intelligence or financial optimizations, but increasingly by physical access to commodities, shipping availability, geopolitical foresight and the ability to execute transactions under exceptional uncertainty.

A defining market development has been the growing disconnect between physical and paper oil markets. While benchmark futures provide price signals, actual delivered costs increasingly reflect exceptional freight rates, insurance premiums, vessel scarcity and logistical constraints. Traders must therefore assess the complete economics of physical transactions rather than rely exclusively on screen prices or historical market relationships.

Physical optionality has consequently become a critical competitive differentiator. Access to vessels, alternative loading locations, storage facilities, financing and reliable counterparties can determine whether commercially attractive transactions are executable. The disruption has demonstrated that contractual supply commitments offer limited protection when physical delivery cannot be secured.

Energy security has also overtaken price optimizations as a primary customer consideration. Buyers increasingly prioritize reliable deliveries, adequate strategic inventories and suppliers capable of responding quickly to changing conditions. This places greater commercial value on long-term relationships, diversified sourcing arrangements and rapid decision-making capabilities.

Geopolitical foresight must now become an integral component of trading strategy rather than a peripheral risk assessment. Conventional scenarios underestimated the duration and consequences of Hormuz disruption, while simultaneous geopolitical pressures across other maritime corridors have compounded uncertainty. Trading organizations must incorporate prolonged disruption, shifting political incentives and evolving security threats into their commercial planning.

Despite unprecedented access to satellite tracking, vessel movements and market information, data availability alone does not create competitive advantage. The ability to verify information, interpret underlying physical flows and distinguish temporary market signals from structural developments remains essential. Experienced analysts, regional expertise and trusted industry networks are increasingly valuable in an environment of conflicting information.

Artificial intelligence and dynamic scenario modelling offer opportunities to accelerate analysis but cannot replace commercial judgement or specialist expertise. Equally, future trading professionals must understand shipping, insurance, trade finance, compliance and geopolitics alongside traditional market fundamentals.

The crisis has also reinforced the strategic importance of Fujairah and other alternative logistics hubs. Investment in outside-Hormuz infrastructure could create lasting opportunities, although excessive concentration of energy flows introduces additional physical and cybersecurity vulnerabilities.

Importantly, participants expressed differing expectations regarding the pace of recovery in Hormuz shipping activity, underscoring the need for flexible rather than fixed planning assumptions.

Ultimately, the next generation of successful energy traders will compete on their ability to secure supply, interpret uncertainty and convert physical optionality into reliable market access. Resilience, execution capability and geopolitical understanding are becoming enduring sources of commercial advantage in global energy trading.

Top 10 Strategic Recommendations

01 EMBED GEOPOLITICAL FORESIGHT INTO TRADING DECISIONS
Integrate geopolitical intelligence and evolving maritime security threats into trading strategies, replacing assumptions of short-lived disruptions with dynamic scenarios that account for prolonged instability and changing political incentives.

02 PRIORITIZE PHYSICAL OPTIONALITY AND GUARANTEED MARKET ACCESS
Secure diversified sourcing, alternative loading points, shipping arrangements and storage access to ensure trading commitments remain executable when traditional supply routes or counterparties become unavailable.

03 REASSESS PRICING MODELS AGAINST DELIVERED PHYSICAL COSTS
Incorporate freight volatility, war-risk insurance, vessel availability and delivery constraints into transaction pricing, recognizing that benchmark futures and official selling prices may not fully capture physical market conditions.

04 STRENGTHEN SHIPPING CONTROL AND LOGISTICS CAPABILITIES
Evaluate long-term vessel chartering, strategic shipping partnerships and selective fleet ownership to reduce exposure to extreme freight costs and secure transportation capacity during periods of market disruption.

05 TRANSFORM MARKET DATA INTO ACTIONABLE INTELLIGENCE
Establish stronger data verification processes combining satellite tracking, cargo ownership information, operational intelligence and trusted market contacts to identify emerging disruptions before they become widely reflected in prices.

06 MAKE SUPPLY SECURITY A CORE CUSTOMER VALUE PROPOSITION
Prioritize reliable deliveries, strategic inventory management and rapid commercial responses, recognizing that customers increasingly value supply assurance and dependable counterparties over marginal price advantages.

07 MODERNIZE TRADING RISK FRAMEWORKS FOR EXTREME DISRUPTIONS
Recalibrate risk matrices to account for prolonged chokepoint closures, simultaneous geopolitical crises, insurance constraints, regulatory restrictions and the possibility that alternative infrastructure may itself become vulnerable.

08 DEPLOY AI AND DYNAMIC MODELLING WITH HUMAN OVERSIGHT
Use artificial intelligence to accelerate market analysis, scenario testing and information processing while retaining experienced analysts and trading professionals as the final decision makers on commercial risk and execution.

09 DEVELOP MULTIDISCIPLINARY TRADING TALENT AND TRUSTED NETWORKS
Equip future traders with expertise spanning geopolitics, shipping, insurance, trade finance, compliance and physical operations, while strengthening relationships that enable rapid verification of information and transaction execution.

10 CAPITALIZE ON OUTSIDE-HORMUZ HUBS WITHOUT CONCENTRATING RISK
Explore trading and investment opportunities in Fujairah and complementary regional logistics hubs while diversifying infrastructure exposure and strengthening physical security, cybersecurity and contingency arrangements against future disruptions. ■

THE STRATEGIC IMPERATIVE

The post-Hormuz trading environment demands a fundamental shift from price optimization towards execution certainty, supply security and geopolitical adaptability. Trading organizations that combine reliable physical access, sophisticated market intelligence, trusted relationships and disciplined risk management will be best positioned to turn prolonged uncertainty into sustainable competitive advantage.

Source: EMF 2026 Industry Roundtable. The recommendations are editorial syntheses of participants' views, not formally adopted resolutions or attributed statements.


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