PUBLISHED MARKET RESEARCH

$700,000 a Day

The Hormuz Tanker Bubble, the Price of the Strait, and the Asymmetric Payoff of a Corridor Deal

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The Hormuz crude freight market is at its 2026 high and it got there without pausing: from $344,250 a day on 10 July, two days after the June memorandum collapsed, the Baltic TD3C round-trip TCE rose in every week enumerated here to just under $704,000 on 4 September. The narrative that March was the peak and September an echo is wrong on the record: the 6 March assessment of WS473.33 sits 30 per cent below 4 September. Beneath the headline the rate structure has stopped behaving like one market, with the Baltic Exchange and The Signal Group printing different time charter equivalents on the same routes on the same dates, no Baltic TD23 line at all, and both the crude and gas term structures now saying, sharply, that this spot condition is temporary. The most decision-relevant number is not the headline but the gap between TD3C and TD34, the Gulf of Oman to China route the Baltic invented on 27 March because Hormuz transits had become too thin to assess: WS677.22 against WS272.50 on the same Friday, a public, quotable price for the strait. One divergence belongs in the open: Brent settled at $102.24 on 4 September, 26 per cent below its 2026 high of $138.21 on 7 April, on the day TD3C made its own high, while EIA recorded US crude imports above the year-ago average and stocks at the five-year average. The cargo is still arriving; what is at a record is the cost of moving a barrel through one strait.[28,29] One week after collection closed the corridor's relief valve was removed: Saudi Arabia's East-West Crude Oil Pipeline was struck by drones launched from Iraq on or about 10 September and shut on 11 September, repairs put at three to five weeks, leaving the Abu Dhabi Crude Oil Pipeline as the only crude bypass of the strait still running.[32,34,35,36]

HEADLINE INDICATORS

$704,000	WS404.72	37.9%	17.8%
TD3C ROUND-TRIP TCE, 4 SEPTEMBER	TD3C MINUS TD34 SPREAD	TWO-WEEK FALL TO 3 JULY	PERIOD RATE AGAINST SPOT

DOCUMENT CONTROL

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CENTRAL JUDGMENT

The Hormuz crude freight market is priced for a war that continues and is not priced for a deal that arrives, and the June 2026 episode has already measured the size of the repricing. In the two weeks after the 17 June memorandum of understanding the Baltic TD3C round-trip TCE fell from about $461,000 a day to about $286,500, a decline of 37.9 per cent, on a document that was never signed and that released almost no trapped tonnage: the firm's IMF PortWatch series shows daily transits peaking at 27 against a pre-war 95, both read from a dashboard file whose chokepoint baseline is under revision and therefore used as an order of magnitude rather than an exact baseline.[17] The reversal took two days once the memorandum collapsed on 8 July. That episode is the empirical core of this brief, because it converts an argument about asymmetry into a measurement: an unsigned memorandum with negligible physical effect took nearly 40 per cent off the flagship rate in a fortnight, which bounds from below what a signed agreement would do. The long side is paid a record rate to carry a two-day fuse, and the crude period market prices that fuse explicitly, at $125,000 a day for a year against $704,000 for a voyage. The instrument that prices the strait in public is not the headline rate but the TD3C minus TD34 spread, the only place in free market data where the cost of the strait is separated from the cost of the region. What changed after collection closed is the floor beneath the fuse rather than the fuse: with the Petroline shut, the substitution ceiling this firm identified in June binds harder, because the alternative to the strait has itself been taken out of service. And the asset market has already capitalised the freight into steel: on The Signal Group's benchmark set a twenty-year-old VLCC is marked at 3.4 times its scrap value and up 90 per cent year on year, which is what a market pays when it buys delivery now rather than remaining life.

KEY JUDGMENTS

Six judgments anchor this brief. Each is tied to cited evidence in the sections that follow and carries an explicit confidence level.

KJ-1	The highest TD3C assessment in the collected 2026 file is 4 September, not March, and the level was reached without a pause. The Baltic assessed WS677.22 and just under $704,000 a day, 30 per cent above the 6 March print, after rising every week from $344,250 on 10 July.	HIGH
KJ-2	The benchmarks have come apart, and a freight mark without a named publisher is unusable. On 4 September the Baltic assessed TD15 near $210,600 a day and TD22 just over $196,200, while The Signal Group published $219,000 and $208,000 for the same routes that day.	HIGH
KJ-3	TD3C minus TD34 is the best public proxy for the price of the Strait of Hormuz and is this brief's primary instrument. The Baltic created TD34 on 27 March because transits had become too limited to assess TD3C reliably. On 4 September the legs printed WS677.22 against WS272.50.	HIGH
KJ-4	The asymmetry is measured, and June 2026 bounds it from below. TD3C fell 37.9 per cent in two weeks on a memorandum never signed. Three things now floor it: eight tankers removed by kinetic action, the Petroline shut, and Houthi control of the Bab el-Mandeb approaches.	HIGH
KJ-5	The asset market has capitalised the freight into vintage steel. On one valuer's benchmark set the five-year VLCC at $151.1 million exceeds the newbuilding at $130.2 million, and the twenty-year sits at $71.1 million, 3.4 times its $20.8 million scrap value. No named transaction.	MODERATE
KJ-6	Both term structures price the current spot condition as temporary. The VLCC one-year estimate of $125,000 a day is 17.8 per cent of the 4 September spot round-trip TCE, while the one-year LNG charter at $54,500 stands at 2.5 times a BLNG1 spot of $21,400.[12],[26]	MODERATE

KEY STATISTICS

$704,000 TD3C round-trip TCE, 4 September[1]	**WS404.72** Market price of the strait[1]	**37.9%** June episode, two-week fall[3,4,5]	**$125,000** VLCC one-year period estimate[1,26]
8 Tankers removed in four days[14,15]	**1.5 to 1.8m b/d** Remaining crude bypass capacity[32,33,34]	**$151.1m against $130.2m** Five-year VLCC against newbuilding[10]	**$71.1m** Twenty year VLCC against scrap[10]
$210,600 against $219,000 TD15 on two publishers, same day[1,10]			

Scope, method, and limits

EVIDENCE BASE

Open-source intelligence only, collected 9 September 2026 and centred on the Baltic assessment of 4 September. A second pass on 14 September added four market series, two Baltic April prints, the corridor events of 10 to 14 September, and the Suez counts the Scorecard uses.

CRITICAL LIMITATIONS

Thirteen of forty-four sources are Tier 4 and eight publishers are not on the firm register. Almost every price is an assessor methodology rather than a cleared transaction, and the Baltic Dirty Tanker Index level is UNKNOWN behind a paywall. Three facts rest on one publisher.

TIMELINESS

CURRENT, with a two to four week shelf life. The operative dated observables are the Baltic weekly tanker report of 9 October 2026 and the Petroline restart, on a repair estimate of three to five weeks. Owner Q3 updates are not carried as a catalyst.

SECTION 01 · ASSESSMENT

Rates

One Market, Two Rate Cards.

The headline is exact and it is the Baltic Exchange's own. On Friday 4 September 2026 the Baltic assessed TD3C, the 270,000 mt Middle East Gulf to China route, at WS677.22, up from WS631.67 the previous Friday, with a round-trip time charter equivalent of just under $704,000 a day for the standard Baltic VLCC.[1,13] That is the highest TD3C print in the collected 2026 file, and it is a round-trip assessment, which prices the ballast leg back into the Gulf and is what an owner earns on the whole voyage.

The path to it does not match the shape the market narrative has settled into, which has March as the peak, a summer fade and a September echo. The war-onset print of 6 March was WS473.33 and $485,959 a day, up 248 Worldscale points on the week on the Baltic's own statement of the change, which does not equal the 256.44 point difference between the two assessments printed in this brief, because the Baltic's stated change is measured against its own prior basis.[7] That level sits 30 per cent below 4 September, and the market did not exceed it again until 7 August, when TD3C printed WS475.56 and $481,286.[8] The April window the first pass left open was collected in the second: 10 April printed WS444 and over $444,200 a day, and 24 April WS459.28 and $467,408, both well below September and both inside the window in which Brent made its own 2026 high.[30,31] What matters structurally is what happened after 10 July. From WS345 and $344,250 a day on that Friday, two days after the June memorandum collapsed, TD3C rose in every week enumerated here, with the 14 August assessment not reproduced in this brief: WS372.00 on 17 July, WS386.78 on 24 July, WS424.33 on 31 July, WS475.56 on 7 August, WS570.00 on 21 August, WS623.00 on 28 August, WS677.22 on 4 September.[6,8,9,1] That is a doubling of the round-trip TCE in eight weeks.

Beneath the headline the rate card has fragmented. On 4 September the Baltic assessed TD15, West Africa to China, at WS236.88 and a round-trip TCE of about $210,600 a day, and TD22, US Gulf to China, at just under $28,000,000 lumpsum for a round-trip TCE of just over $196,200.[1] The Signal Group, in its own Weekly Tanker Market Monitor on the same date, published $219,000 and $208,000 for the same routes: differences of about 4 per cent on TD15 and 6 per cent on TD22.[10,11] On TD23 the divergence is not a difference in number but a difference in existence. The Baltic's week 36 report carries no TD23 line, and on 27 March 2026 the Baltic described its own TD23 assessments as theoretical because the Middle East Gulf to Mediterranean voyage via Suez was not being fixed at meaningful volume.[1,2] The $335,000 a day TD23 figure in wide circulation is The Signal Group's, on the Suezmax route, and The Signal Group's monitor leads with TD2, Middle East

Gulf to Singapore, at $702,000 a day, a different route from a different publisher and not a second reading of the Baltic's $704,000.[10,11]

The rest of the structure shows a location premium rather than a general tanker rally. On the same report Suezmax was strong but ordinary by comparison, TD20 Nigeria to UK Continent at about $94,200 a day, and on the clean side the Gulf loading routes were firm, TC17 at WS557 for a round-trip TCE of $64,200, while TC2 from Amsterdam-Rotterdam-Antwerp to the US Atlantic Coast ran at minus $6,100.[1] A market paying a record for Gulf-loading tonnage while an Atlantic MR runs negative is not a fleet-wide shortage. It is a geographic risk premium concentrated on one loading region.

> **ASSESSMENT · HIGH CONFIDENCE.**
>
> Treat the 4 September complex as a location premium in an eight-week vertical move, not as a broad tanker cycle, and treat any freight mark without a named publisher as unusable. An owner marking a book, a charterer benchmarking a fixture and a risk function setting a limit can, on current data, produce three different correct answers to one question. Rationale: every figure here is a dated Friday assessment read from the publisher's own report, the Baltic and Signal divergences are read from the two publications side by side rather than inferred, and the Baltic's own week 13 report states the reason its TD23 line is not reliable.[1,2,7,8,9,10,11,30,31]

SECTION 02 · ASSESSMENT

Physical

Supply Destroyed, Not Displaced.

The physical corridor behind the rate is thinner than at any point in the conflict, and it is now being narrowed by a mechanism a diplomatic settlement does not reverse. On 5 September 2026 US Central Command destroyed or permanently disabled three Iranian crude carriers, the M/T Downy off Kharg Island, the M/T Stark 1 near Jask and the M/T Kylo, also referred to as Noxen, in the Gulf of Oman, after the Islamic Revolutionary Guard Corps fired ballistic missiles at two US Navy warships.[14] On 8 September CENTCOM destroyed five more, the M/T Kaviz, M/T Charminar, M/T Horizon 1 and M/T Riesco in the Gulf of Oman and the M/T Derya near Kharg Island, crews directed to abandon ship before each strike; CENTCOM describes them as part of a multibillion-dollar shadow network funding the IRGC and its regional proxies.[15] Eight hulls in four days on the two releases combined. A release dated 1 September records completed strikes on IRGC targets inside Iran; the claim that these included two Iranian government tankers is UNVERIFIED against the release text, which was not read in full.[16,10]

The distinction between destruction and displacement is load-bearing. Every other mechanism suppressing Hormuz throughput is reversible on a political decision: a memorandum reopens transits, an insurance market reprices, a master's safety judgment changes. Removing eight tankers from the water does not reverse, and it removes them from the sanctioned end of the fleet that has been carrying the barrels the compliant fleet will not.

Fleet position, on a single publisher, describes the redistribution: on The Signal Group's thirty-day averages to its week 35 report, laden VLCCs east of Suez numbered 122, down 36 per cent year on year, against 60 west of Suez.[10] That is the shape of a corridor that has stopped clearing cargo at one end. It is not a trapped-tonnage count: a dated headcount of large tankers held inside the Gulf from a named tracker is UNKNOWN, and the last verified count in the AEIG corpus is four months stale.[20]

Transit counts conflict, and this brief reports them side by side with their trackers and methods without reconciling them, because they measure different things.

Source and tracker	Definition	Period	Count	Tier and status
IMF PortWatch	Daily transiting vessels, all types, satellite AIS derived, chokepoint polygon crossing	30 August 2026	6	Tier 4, read from the AEIG dashboard series file, not fetched from IMF PortWatch[17]
IMF PortWatch	Same definition, mean of the 30 daily observations in the month	1 to 30 August 2026	4.8 per day	Tier 4, read from the AEIG dashboard series file, not fetched from IMF PortWatch[17]
IMF PortWatch	Same definition, last pre-war observation	27 February 2026	95	Tier 4, read from the AEIG dashboard series file, not fetched from IMF PortWatch[17]
Lloyd's List Intelligence	Weekly transits, proprietary definition including its own dark-activity inference	week of 17 to 23 August 2026	108	Tier 3, UNVERIFIED in this pass[22]
United Against Nuclear Iran and JMIC	Cumulative transits since the 17 June memorandum	17 June to 31 August 2026	871	Not on the source register, UNVERIFIED in this pass[23]
Windward	Vessels transiting on a single day	7 September 2026	15	Tier 4, UNVERIFIED in this pass[24]
CBS News	Approximate daily transits, definition not stated	early September 2026	about 10 per day	Not on the source register, UNVERIFIED in this pass[25]

These rows cannot be reconciled even in principle. PortWatch counts crossings of a fixed polygon from satellite AIS and will not see a vessel transmitting no AIS signal, and the size of that unseen share in the Hormuz corridor is UNKNOWN, because no dated dark-transit share for this corridor was obtained from any publisher in either collection pass; Lloyd's List Intelligence counts on a proprietary dark-activity inference; UANI and JMIC publish a cumulative total whose denominator is a period rather than a day. The gap between PortWatch's 4.8 a day in August and Windward's 15 on 7 September is a disagreement about whether an untracked ship exists, not about traffic. Both pre-war comparators of 95 and 115 come from the same dashboard series file, whose chokepoint baseline is under revision, and are used here as an order of magnitude.

Around the strait, one publisher reports 27 projectile-strike incidents logged by the United Kingdom Maritime Trade Operations since 6 July 2026 with IMO traffic-separation arrangements still suspended, projectiles striking the VLCCs Sidr and Senegal Prosperity on 31 August with two seafarers killed, and Iran blacklisting eleven further vessels on 2 September to a total of 56. All three are UNVERIFIED and single-sourced to The Signal Group, which also reports war-risk cost for higher-risk Hormuz voyages at approximately 7.5 to 10 per cent of hull value in early September, corroborating the identical band AEIG published on 28 July, so it has held six weeks, and a TotalEnergies estimate of an additional $20 million per round-trip VLCC voyage on a statement of UNKNOWN date.[10,21] A pre-conflict Hormuz war-risk rate is UNKNOWN: the rates the record carries for the period before the conflict, approximately 0.1 per cent of hull value in Reuters prints of 21 to 23 July 2026, are northern Red Sea port quotes and not Hormuz quotes, and this brief does not divide one geography by the other.[39]

> **ASSESSMENT · MODERATE CONFIDENCE.**
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> Read the physical corridor as one in which throughput is a fraction of baseline on every measure available, in which the measures disagree by a factor of three because they disagree about dark tonnage rather than about traffic, and in which the fleet is now being reduced by kinetic action rather than merely idled. The CENTCOM removals are the one supply effect in this brief that a corridor deal does not undo, and they are why the downside case in Section 04 has a floor under it. Confidence is Moderate because a dated trapped-tonnage headcount and an independently verified incident log are both UNKNOWN, and because four of the seven transit rows are carried from earlier AEIG corridor reporting without an independent fetch. Rationale: the strike facts are Tier 1 primaries; the fleet-position and incident detail rest on one allowlist-candidate publisher; the transit table is unreconciled by design and two of its publishers are not on AEIG's source register.[10,14,15,17,21,22,23,24,25,39]

SECTION 03 · ASSESSMENT

The Spread

The Price of the Strait, in Public.

The most useful number in this brief is one the Baltic Exchange did not set out to create as an analytical instrument. On 27 March 2026 the Baltic introduced TD34, a Gulf of Oman to China VLCC route, and stated the reason in the same report: transits through the Strait of Hormuz had become extremely limited, which is to say TD3C could no longer be assessed against a reliable flow of fixtures.[2] The Baltic built a route beginning outside the strait because the route beginning inside it had stopped being assessable.

That left a spread no other free series provides. TD3C and TD34 are both VLCC routes to China, assessed by the same publisher, settled by the same panel, printed in the same weekly report on the same day, and the difference this brief is pricing is that one passes through the strait and the other does not. They differ in other respects too, in load region, voyage distance and cargo pool, so the spread is the best public proxy for the cost of the strait rather than a pure measurement of it. On 4 September 2026 the Baltic assessed TD3C at WS677.22 and TD34 at WS272.50, the latter up 42 points on the week with a round-trip TCE of over $261,800 a day against just under $704,000 for TD3C.[1] The difference is WS404.72 and about $442,200 a day, with TD3C at 2.49 times TD34 on Worldscale and 2.69 times on TCE.

Two readings follow. First, the non-Hormuz leg is not at a peacetime level. The last Friday assessment before the war, TD3C on 27 February 2026, was WS216.89 and $209,550 a day, which the Baltic then described as returns not seen since the spike of March 2020.[9] The route that never enters the strait now clears 25 per cent above where the route through the strait printed on the last pre-war Friday. The regional risk premium, the tonnage displacement and the war economy are all in TD34. Only the strait itself is in the spread.

Second, a corridor deal acts on the numerator and not on the denominator. TD34's rate is set by Gulf-region tonnage availability, the wider war premium and Chinese demand, none of which a US-Iran announcement resolves in a fortnight; TD3C is set by all of those plus the strait. Compression is therefore the mechanically necessary expression of a settlement in freight, and it should appear in the Baltic print before any transit count moves. One qualification now matters more than it did at collection: compression can arrive from the wrong direction, with TD34 rising on regional tightness rather than TD3C falling on a settlement, and the Petroline outage in Section 06 is precisely the kind of event that lifts the non-Hormuz leg. The direction has to be read before it is traded.

One caution belongs in the open. TD34 is a young route with less than six months of history, created in a disrupted market, and its panel liquidity is not published; the Baltic's own reason for creating it is a reason to expect thin flow on the new route too. It is the best public instrument available, which is not the same as a deep one. It is unaffected by the Bab el-Mandeb events of 10 to 12 September, because both legs run east to China.

ASSESSMENT · HIGH CONFIDENCE.

Track the TD3C minus TD34 spread as the corridor's primary price signal and treat compression driven by a falling TD3C, not by a rising TD34, as the first hard evidence that a settlement is being priced. Both legs come from one publisher, one panel and one report, so the spread carries none of the cross-publisher basis Section 01 documents, and the Baltic's own stated reason for creating TD34 establishes that the two routes were separated on the variable this brief is trying to price. Rationale: both assessments are dated Baltic prints from the same report, the creation date and rationale for TD34 are stated in the Baltic's week 13 report, and the pre-war comparison is drawn from the same publisher's series.[1,2,9]

SECTION 04 · ASSESSMENT

The Natural Experiment

Thirty-Eight Per Cent on a Document Nobody Signed.

In June 2026 the market ran the experiment this brief would otherwise have to model. A memorandum of understanding was reached on the US-Iran track on 17 June, was never signed, and collapsed on 8 July. What happened to the flagship rate in between is recorded in four consecutive Baltic Friday assessments.

On 19 June, two days after the memorandum, TD3C was assessed at WS450.56 and about $461,000 a day, still rising.[3] On 26 June it fell to WS318.89 and a TCE near $313,000, a move the Baltic itself described as a 33 per cent decline.[4] On 3 July it reached its trough at WS293.89 and about $286,500, with the Baltic reporting over a dozen ships on subjects within the previous couple of days for loading inside the Gulf and attributing the move to a relaxation of hostilities.[5] On 10 July, two days after the collapse, TD3C rebounded 48 Worldscale points to WS345 and $344,250, the Baltic noting that with the restart of hostilities rates for VLCCs from the Middle East had climbed.[6] The measured decline from post-memorandum high to trough is $174,500 a day, or 37.9 per cent over two weeks.[3,5]

Three properties make the episode load-bearing rather than anecdotal. First, the document was never signed: the repricing was driven by the expectation of a settlement rather than by a settlement, so whatever a signed agreement adds runs toward a larger move, not a smaller one. Second, almost no trapped tonnage was released. The firm's IMF PortWatch series shows daily Hormuz transits at 2 on 11 June and 0 on 13 and 14 June, rising through the memorandum window to a peak of 27 on 1 July, then collapsing to 4 by 10 July, against 95 on the last pre-war observation and 115 a year earlier, all read from the same dashboard series file and used as an order of magnitude.[17] Third, the reversal was faster than the fall: the decline took two weekly prints, the recovery began within two days and appeared in the very next Friday assessment.[6] The mechanism runs at announcement speed in both directions, a property AEIG documented independently in the war-risk market on 28 July, where underwriters repriced the southern Red Sea within seventy-two hours of a blockade declaration and ahead of any physical incident.[21]

The crude price moved with the freight and by much less, which is a second and independent reading of the same window. EIA's Europe Brent spot series has Brent at $80.46 a barrel on 19 June 2026, $68.68 on 3 July, a fall of 14.6 per cent across the same two weeks in which TD3C fell 37.9 per cent, and $76.50 on 8 July, up 11.4 per cent within three sessions of the collapse.[28] Freight and crude repriced in the same direction on the same days; freight moved roughly two and a half times as far.

That is the asymmetry: a long freight position at 4 September levels is paid a record rate to carry a risk whose one observed realisation is a 38 per cent drawdown inside two weekly prints, on a document that need not be signed, need not release cargo and need not survive a month.

What the episode does not establish must be stated with equal precision. It does not establish that the next repricing is 37.9 per cent: the base is more than twice as high, the trapped-tonnage position has changed, eight tankers have since been removed by kinetic action, and the corridor's principal pipeline bypass is out of service on a three-to-five-week estimate.[14,15,36] It does not establish a probability that an announcement occurs; that question is carried by a separate AEIG forward claim resolving on 30 September 2026 and scored in a separate AEIG publication, and this brief does not pre-empt it. A base rate for freight repricing across comparable chokepoint settlements is UNKNOWN. The forward payoff in the Outlook is the analyst's own judgment and is not the output of any model.

> **ASSESSMENT · HIGH CONFIDENCE.**
>
> Treat the asymmetry as measured rather than argued: the June 2026 window is a clean natural experiment in which the announcement channel was active, the physical channel was almost entirely inactive, and the rate fell 37.9 per cent in two weeks before recovering within two days of the reversal. The confidence attaches to the measurement and its direction, not to the size of any future move, which depends on a base, a fleet and a bypass network that have all changed. Rationale: four consecutive dated Baltic assessments bracket the episode, the Baltic's own commentary attributes the 3 July trough to relaxation of hostilities and to Gulf-loading fixtures on subjects, the PortWatch series establishes that the physical release was minimal, and EIA's Tier 1 Brent series corroborates the window independently at smaller amplitude.[3,4,5,6,17,28]

SECTION 05 · ASSESSMENT

Capital

The Vintage Bid and the Two Term Structures.

The freight market has been capitalised into the asset market, and on The Signal Group's benchmark set the shape of that capitalisation is diagnostic. Through end-August 2026 Signal marked VLCC benchmark values at $130.2 million for a newbuilding, $151.1 million at five years and up 30 per cent year on year, and $71.1 million at twenty years and up 90 per cent, against a VLCC scrap value of $20.8 million.[10,11] A twenty-year-old VLCC therefore carried a premium of $50.3 million over recycling value, 3.4 times scrap, and a twenty-year-old Suezmax a premium of $40.2 million, 4.4 times scrap.[10] The table publishes year-on-year gains of 42 per cent at ten years and 61 per cent at fifteen without publishing dollar values for those buckets; this brief prints no ten-year or fifteen-year value, because none appears in the source.[11]

The premium over recycling value, not the level, is the finding. A twenty-year-old hull marked at 3.4 times scrap and up 90 per cent in a year is not being valued on its remaining life; it is being valued on its ability to earn the current rate immediately, on a hull that exists now rather than in the thirty to thirty-six months a newbuilding berth implies. A second valuer corroborates the direction and not the level: VesselsValue's weekly matrix of 8 September 2026 has VLCC values higher in every age bucket on the week, by 2.8 per cent at twenty years.[27] Every level above comes from one commercial valuer, is dated through end-August 2026 rather than to a transaction, and has no corroborating mark from Clarksons or any broker sale list. Not one named vintage VLCC transaction with a date and a price was obtained. The marks may be exactly right, but a posted benchmark and a cleared transaction are different objects, and this brief cannot demonstrate that the vintage bid is being lifted rather than merely quoted.

The term structure is where the two markets can be read against each other. In the Baltic report of 4 September, BLNG1 Australia to Japan was assessed at $21,400 a day, down $9,000 on the week, with the Baltic attributing the weakness to elevated vessel availability across basins, while LNG carrier time charter rates stood at $56,000 a day for six months and $54,500 for one year.[12] A one-year forward rate at 2.5 times spot is a market paying a substantial premium for length, expecting the spot weakness to end.

The crude side does have a public number, and it is the most decision-relevant figure in this brief. Alibra Shipping's tanker time charter estimate assessed the VLCC one-year period rate at $125,000 a day on Wednesday 2 September 2026 and at $125,000 again on Wednesday 9 September, unchanged on the week, with two-year at $90,000 and three-year at $85,000.[26] Against the Baltic's TD3C round-trip spot TCE of just under $704,000 on 4 September, the one-year period rate is 17.8 per cent of spot and the three-year is 12.1 per cent.[1,26] The gap is $579,000 a day. That is the crude market's own statement that the September spot level is not one anyone will underwrite for a year, and it is a more direct reading of duration than the LNG cross-read. The Suezmax curve moved while the VLCC curve did not: the Suezmax one-year rose from $82,500 to $105,000 across the same two Wednesdays, which is where the period bid actually appeared.[26] These are one broker's estimates carried by a trade publisher, not cleared fixtures, and no second period assessment was obtained.

Owner behaviour is consistent with the curve but does not independently confirm it. On 3 September 2026, three weeks before quarter end, Scorpio Tankers published a release titled Announces Updates on Third Quarter 2026 TCE Rates and Time Charter-Out Agreements; its contents were not extracted and the rates it carries are UNKNOWN.[18] Two readings of that title are available and this brief cannot choose between them: an owner fixing out at a peak is converting spot exposure into contracted revenue, and an owner announcing charter-out in a record quarter is publicising strength. The body must be read before either is printed as a finding.

ASSESSMENT · MODERATE CONFIDENCE.

Read the vintage bid as a freight premium capitalised into asset prices rather than as a re-rating of tanker value, and read both term structures as public evidence that neither market will underwrite its current spot level for a year. Both point one way for an owner: convert spot into contracted revenue where the market pays for it, with the discount stated in the Decision table rather than assumed away, and do not underwrite a vintage acquisition against a rate with an eight-week vertical history and a documented two-week collapse behind it. Confidence cannot be raised above Moderate, because the value levels are single-sourced to one commercial valuer with no corroborating named transaction, the orderbook denominator is missing, and the crude period curve rests on one broker's estimate reached through a reprint. Rationale: the value marks and the orderbook count rest on one publisher, with a second valuer corroborating only direction; the LNG figures are Baltic assessments read through a Tier 3 reprint; the crude period figures are Alibra estimates carried by a Tier 3 publisher; the owner-behaviour evidence is one company-stated release whose body was not read.[10,11,12,18,26,27]

SECTION 06 · ASSESSMENT

The Bypass

The Relief Valve Was Shut.

Collection closed on 9 September. On or about 10 September 2026 drones launched from Maysan province in Iraq struck Saudi Arabia's East-West Crude Oil Pipeline, the Petroline, in the Riyadh and Madinah regions, and on 11 September the kingdom shut the line as a precaution; the Saudi energy ministry said specialist teams had begun securing the line and assessing its safety, and the foreign ministry said Saudi Arabia would hold off responding at this stage while reserving the right to take all measures necessary.[34,35] Satellite imagery credited to Vantor and distributed on 13 September shows a pumping facility destroyed and excavation already under way on the buried line; two regional officials told the Associated Press on 14 September that repairs could take three to five weeks including a major pumping station, and that the line may work partially meanwhile.[36] Saudi Aramco did not respond to the Associated Press. Allowlisted accounts differ on the exact dates of the strike and the closure, between 10 and 12 September; each is dated here as its publisher printed it.

The arithmetic of substitution changes immediately, and it is the arithmetic this firm published in June. The Petroline runs 1,200 kilometres from the eastern oilfields to Yanbu on the Red Sea and is the larger of the two lines built to move Gulf crude without entering the Strait of Hormuz: 5 million barrels a day of design capacity, which Aramco reported raising to 7 million in March 2025.[32] The Abu Dhabi Crude Oil Pipeline to Fujairah is the other, at a nameplate 1.5 million barrels a day and a reported current capacity close to 1.8 million.[32] The US Energy Information Administration puts the two together at about 4.7 million barrels a day, in its own wording what the lines could provide in the event of a supply disruption rather than a nameplate sum, against 20.9 million barrels a day of oil moving through the strait in the first half of 2025; the International Energy Agency puts nearly 15 million barrels a day of that as crude, puts spare capacity on alternative routes generally at 3.5 to 5.5 million barrels a day, and records that sustainable flows at the Petroline's reported seven million barrel upgrade have not been tested.[32,33]

With the Petroline shut, the bypass that remains is the Abu Dhabi line alone, and the share of Hormuz flow it can carry is computed here on each publisher's own numbers rather than by mixing them. On the IEA's figures throughout, the Abu Dhabi line at 1.5 to 1.8 million barrels a day against nearly 15 million barrels a day of crude through the strait is 10.0 to 12.0 per cent. That is the only ratio for the remaining line that stays inside one publisher, because the EIA publishes no capacity for the Abu Dhabi line on its own: its 4.7 million barrels a day is the two lines together. What the EIA's own figures support is the combined ratio, about 4.7 against 20.9 million barrels a day of oil in the first half of 2025, or about 22 per cent, which is the pre-closure position on that publisher's numbers. Setting the IEA's line capacity against the EIA's oil denominator gives 7.2 to 8.6 per cent; that ratio crosses publishers, it is labelled as crossing them, and it is stated only because the EIA's oil denominator is the one most readers already hold. The pre-closure comparator inside the IEA is its 3.5 to 5.5 million barrels a day of spare against the same nearly 15 million, or roughly 23 to 37 per cent, a range the IEA states for alternative routes generally rather than for these two lines alone.[32,33]

An earlier version of this arithmetic printed about 31 per cent for the two lines combined. That figure divided the EIA's 4.7 million barrels a day by the IEA's 15 million, merging two publishers in one ratio, which this brief's own method rule forbids. It is withdrawn and replaced by the two publisher-consistent figures above.

On every pairing the direction and the rough size are the same: the bypass that remains carries between about a third and a little over two fifths of what the two lines together could, so roughly three fifths to two thirds of the engineered escape route from the Strait of Hormuz is out of service for the repair window. Three qualifications hold the arithmetic honest. The EIA's 4.7 million barrels a day is disruption-available capacity in that publisher's own words and is not the same quantity as the 5 to 7 and 1.5 to 1.8 million barrel nameplate figures, so the two are not added together anywhere in this brief. The Abu Dhabi line's nameplate is capacity and not spare capacity, because ADNOC already moves barrels through it to Fujairah, and the spare is smaller and is not separately published: it is UNKNOWN. And the outage is stated as temporary on a three-to-five-week estimate from unnamed regional officials, so the ceiling described here is a ceiling for the repair window rather than for the year.

The second event of the same week acts on the far end of the same route. Houthi forces took the Red Sea port of Mocha on 10 September 2026 and Mayun, also called Perim, the island that splits the Bab el-Mandeb into two channels, on 11 September, and now hold Hanish island and the whole of Yemen's Red Sea coastline.[37] Crude that leaves Yanbu for Asia leaves through the Bab el-Mandeb, which carried 4.2 million barrels a day of oil in the first half of 2025.[33] The bypass built to avoid one contested strait discharges into another, and both are now held at their narrowest point by a party to the same war.

> **ASSESSMENT · MODERATE CONFIDENCE.**
>
> Stop treating pipeline bypass capacity as available capacity, and size Hormuz exposure against the Abu Dhabi line alone until a restart is confirmed by the operator or the Saudi energy ministry. The near-term effect on the freight complex runs one way: less crude can leave the Gulf without a VLCC entering the strait, which supports TD3C and supports TD34 with it, and the second of those is the leg that must not be mistaken for settlement pricing when the spread compresses. Confidence is Moderate rather than High because the capacity figures are institutional estimates rather than operator disclosures, no Aramco statement of throughput or restart date was obtained, the repair estimate is attributed to unnamed officials through one wire service, and the spare capacity of the Abu Dhabi line is UNKNOWN. Rationale: the closure and its date rest on three allowlisted publishers reporting independently; the capacity and flow figures are Tier 1 EIA and Tier 2 IEA; the damage assessment rests on satellite imagery read by a wire service rather than by this desk.[32,33,34,35,36,37]

SECTION 07 · DECISION

Decision

Decision	Owner	Trigger	Pre-authorised action
Convert spot exposure to contracted revenue rather than chase the peak	Shipowner, commercial director	Baltic TD3C round-trip TCE prints above $600,000 a day on two consecutive Friday reports	Fix not less than one third of open VLCC days on twelve-month time charter at the prevailing period rate, which on 9 September 2026 was assessed at $125,000 a day against a spot round-trip TCE near $704,000, a discount of about $579,000 a day. The trade buys the removal of the two-week collapse risk in Section 04 and pays for it at that rate; size it against how much of the book can survive a repeat of June
Shorten the charterer's freight commitment window	Charterer, freight trading	Any public statement by the US or Iranian government confirming resumed direct negotiations	Move new Middle East Gulf fixtures to shorter laycans and index-linked terms; do not lock voyage rates on a fixed basis beyond fourteen days
Trade the strait, not the region	Trader, freight book	TD3C minus TD34 spread narrows through WS300 on any Baltic Friday report with TD3C falling on the week, not with TD34 rising on the week	Treat compression driven by a falling TD3C as the leading indicator of a settlement being priced and reduce long freight exposure before any transit count confirms it. Compression driven by a rising TD34 is regional tightness, including the pipeline outage in Section 06, and is not a settlement signal
Read each segment's own curve, not one as a proxy for the other	Energy trader, LNG chartering	One-year LNG time charter holds above twice BLNG1 spot, or the VLCC one-year period rate holds below a quarter of TD3C spot, on three consecutive weekly assessments	Keep LNG length short. Do not use the LNG curve as a proxy for the crude view now that the crude period curve is observable; the VLCC one-year rate is the crude duration signal and it is the one to track
Do not carry pipeline bypass capacity as available capacity	Risk, chartering and refinery supply	The Petroline remains shut, or is restarted without a stated throughput, on any given week	Size Gulf crude supply and Hormuz exposure against the Abu Dhabi Crude Oil Pipeline alone, at 1.5 to 1.8 million barrels a day of nameplate and an unpublished spare, until the operator or the Saudi energy ministry states a restart and a rate. Treat Yanbu liftings as carrying a separate Bab el-Mandeb risk, not as a Hormuz-free route
Require a publisher on every freight mark	Risk and middle office	Any internal mark or limit quoting a route TCE without naming the assessor	Reject the mark. Require publisher and route definition on every freight number, and carry the Baltic to Signal Group difference as a measured basis, not a reconciliation error
Refuse the vintage bid unless employment is contracted	Owner, sale and purchase and board	Any offer on a twenty-year-old VLCC at or above The Signal Group's end-August benchmark mark of $71.1 million	Decline unless matched by contracted employment covering at least half the payback period; the mark is single-sourced, a second valuer corroborates direction only, and no named transaction shows the bid clears

SECTION 08 · OUTLOOK

Outlook

Three Scenarios, Thirty to Ninety Days.

Construction confidence reflects analytical quality, not probability. The clock is the Baltic Exchange Friday print, and the operative dated observables are the weekly tanker report of 9 October 2026 and the restart of the Petroline.

Baseline · The Vertical Holds and Thins. Construction Confidence: High · Velocity: Gradual. No agreement is announced. The kinetic pattern of early September continues and the Petroline stays out for the stated three to five weeks before a partial or full restart. TD3C holds in a broad band around the current level or firms on the outage, with weekly moves driven by fixture flow and by the bypass rather than by news, and the spread stays wide because nothing has acted on the strait. War-risk cost holds in the reported 7.5 to 10 per cent band, the vintage bid holds on posted marks without named transactions behind it, and owners keep converting spot into period at a period rate that has not moved. SIGNAL TO WATCH: THE BALTIC FRIDAY TD3C PRINT REMAINING WITHIN ROUGHLY FIFTEEN PER CENT OF $704,000 A DAY THROUGH THE 9 OCTOBER REPORT, WITH THE SPREAD ABOVE WS350 AND THE VLCC ONE-YEAR PERIOD ESTIMATE NEAR $125,000.[1,2,10,26,36]

Deterioration · The Attack Surface Widens Beyond the Strait. Construction Confidence: Moderate · Velocity: Rapid. This is the branch the events of 10 to 12 September opened. The exchange of IRGC missile attacks and CENTCOM tanker strikes widens, removals extend beyond IRGC-linked tonnage, and the target set now demonstrably includes bypass infrastructure and the southern Red Sea approaches rather than the strait alone. A second strike on the Petroline or on Yanbu, or a Houthi interdiction from Mayun, would remove the remaining escape route rather than narrow it. Compliant tonnage withdraws further, war-risk quotes move above the 10 per cent upper bound with refusal replacing repricing in some classes, and TD3C extends the vertical. The asymmetry does not disappear in this branch: it grows, because a rate further from its non-war base has further to fall when the base is restored. SIGNAL TO WATCH: A STRIKE ON A HULL OR AN ASSET OUTSIDE THE CURRENT TARGET SETS; QUOTED COVER REFUSALS RATHER THAN PRICE RISES; A SINGLE-WEEK TD3C MOVE ABOVE 50 WORLDSCALE POINTS; A JOINT WAR COMMITTEE CIRCULAR EXTENDING THE LISTED AREAS AGAIN.[10,14,15,21,34,36,37,38]

Stabilization · The Corridor Question Is Settled or Appears To Be. Construction Confidence: Moderate · Velocity: Event-driven. An agreement is announced by both governments, or a credible enough approach to one that the freight market prices it. On the June 2026 precedent the spread compresses first, the headline rate follows within one to two Friday prints, and physical transits move last and least; the measured analogue is 37.9 per cent in two weeks on an unsigned memorandum that lifted daily transits to a peak of 27 against a pre-war 95, that pair being an order of magnitude from a dashboard series whose baseline is under revision rather than an exact count.[17] This brief's judgment, and it is the analyst's own rather than a model output, is that a signed agreement acting on a base more than twice as high produces a larger proportionate move and front-runs any observable change in throughput. Three things now floor it rather than the two that floored it at collection. Eight tankers destroyed in four days do not come back. The war-risk designations, the war-pricing precedent and the sanctions perimeter unwind on quarterly review cycles rather than on announcement, the structural finding of PMR-2026-0601-MEAST-002. And an agreement covering the Strait of Hormuz does not repair a Saudi pipeline, does not return the Abu Dhabi line's spare capacity and does not remove Houthi forces from Mayun: while the Petroline is down and the Bab el-Mandeb approaches are held, crude that would move on a settlement still has to move on a VLCC through the strait, so a settlement landing inside the repair window should produce a smaller freight fall than one landing after it. SIGNAL TO WATCH: THE SPREAD NARROWING THROUGH WS300 ON A FALLING TD3C ON ANY BALTIC FRIDAY REPORT; BALTIC COMMENTARY REPORTING SHIPS ON SUBJECTS FOR GULF LOADING, THE LANGUAGE THAT MARKED THE 3 JULY TROUGH.[1,2,3,5,14,15,17,20,36,37]

The forward claims. Two claims are proposed to the register with this brief, stated here in the words in which they are lodged.

Claim 1, numeric: The Baltic Exchange TD3C round-trip time charter equivalent for the 270,000 mt Middle East Gulf to China route, as published in the Baltic Exchange weekly tanker report dated 9 October 2026, will be $690,000 per day, within an interval of $320,000 to $1,020,000 per day.

Claim 2, binary and conditional: Conditional on the governments of the United States and Iran both publicly announcing an agreement covering the Strait of Hormuz on or before 15 November 2026, the first Baltic Exchange TD3C round-trip time charter equivalent assessment published on or after the fourteenth day following that announcement will be at least 25 percent below the last Baltic Exchange TD3C round-trip time charter equivalent assessment published before the announcement date.

Both name the Baltic Exchange as publisher and the 270,000 mt Middle East Gulf to China route as the definition, and both resolve on the Baltic weekly tanker report and no other publication, because Section 01 documents a second reputable publisher printing materially different TCEs on identical routes on identical days. Claim 1 is a point and interval rather than a threshold of at or above $400,000, because a threshold the current print already clears by 76 per cent would score a hit under outcomes ranging from a sharp retracement to a further doubling. Claim 2 resolves void if no announcement occurs on or before 15 November 2026, scored neither hit nor miss, because the announcement probability is carried separately in the firm's register and Claim 2 is deliberately the conditional leg; its probability is conditional on the announcement and is the analyst's own number. Both were lodged before the pipeline closure of 11 September 2026 and neither number incorporates it; the Stabilization scenario states the direction in which that event cuts.

Indicators that would move this read. The TD3C minus TD34 spread and the direction of any compression in it; the Baltic TD3C print, weekly; the VLCC one-year and three-year period estimates against TD3C spot; a confirmed Petroline restart with a stated throughput; Houthi activity from Mayun against Bab el-Mandeb traffic; IMF PortWatch daily transits, read as an AIS-visible lower bound; reported war-risk cost against the 7.5 to 10 per cent Hormuz band; the ratio of one-year LNG time charter to BLNG1 spot; the Baltic to Signal Group gap on TD15 and TD22; and CENTCOM release frequency on tanker strikes.

SECTION 09 · SCORECARD

Scorecard

The Two-Front Corridor, 28 July 2026, judgment 5. Scored here for the first time, and scored half wrong.

The judgment the firm actually made on 28 July 2026 was judgment 5 of The Two-Front Corridor (PMR-2026-0728-MEAST-001), carried at **Moderate confidence**: "The rerouting cushion is thinner than in 2024." The clause inside it that touches this brief read that "the Yanbu relief valve that substituted for Hormuz now sits inside the threat envelope."[21] Three things have to be said about that judgment before any September event is attached to it.

First, its confidence and its shape. It was a Moderate-confidence judgment about a rerouting cushion across two vessel classes, and the Yanbu wording is a sub-clause within it. It was not published as a standalone judgment and is not presented as one here. It is scored at the confidence it carried and not at a higher one. No prior AEIG publication has scored it, so this brief is the first and only place it is scored, and nothing below is a second scoring of a call already on the record.

Second, the container half failed, on transit counts this desk read from the publisher rather than from any AEIG text. Lloyd's List Intelligence recorded 1,088 transits of the Suez Canal between 20 July and 16 August 2026 against 1,070 between 22 June and 19 July, on a four-week average of 946 between January and mid-June, and named containerships and LNG carriers as the drivers of the recovery.[40] Two weeks further on, the same publisher tracked 294 transits of the Red Sea's northern chokepoint in the week of 17 to 23 August and 290 in the week of 24 to 30 August, about 36 per cent below normal levels and about 30 per cent above 2025.[41] Suez volumes did not collapse and did not stay reversed. The July reading of a one-week reversal as the start of a trend was mistaken, and the firm's call on the cushion was wrong on the larger of its two halves. One limitation belongs in the open: Lloyd's List Intelligence publishes these as all-vessel transit counts and not as a container-only series, and no container-only count was obtained in either collection pass, so the container half is scored on the all-vessel series with the publisher's own attribution of the recovery to boxships and gas carriers alongside it.

Third, the tanker half holds, and it is resolved on the strike off Yanbu rather than on anything that happened in September. On 24 August 2026 the Saudi-flagged VLCC Amzan, 320,926 deadweight tonnes and built in 2014, was struck about 63 nautical miles west of Yanbu; a fire broke out on the main deck, the crew were reported safe and no pollution was observed, and the Houthi military spokesman Yahya Saree claimed the attack as a ballistic missile strike within the group's declared blockade of Saudi-linked shipping.[42,43] Tanker calls at Yanbu had by then fallen by more than a third since the Houthi ban was declared on 20 July, and Lloyd's List Intelligence calculated the fall in crude exports from Yanbu at a third or more over the same period.[42,43] The shift to dark loading is observable in named hulls rather than in a published share: crude loaded at Yanbu crossed the Bab el-Mandeb with transponders off aboard the Greek-owned Suezmax Lesvos and the India-flagged VLCC Desh Vaibhav over the first weekend of August 2026, with further dark crossings of Saudi, Algerian and Sudanese cargoes across the same three days.[44] A relief valve whose loading port is under declared blockade, whose calls are down by more than a third and a proportion of whose cargoes leave with the transponders off is a relief valve inside a threat envelope. That is what the July sub-clause said, and on this evidence it held. No dated share of Yanbu liftings moving dark was obtained from any publisher, so the dark-loading shift is carried as named-vessel evidence and not as a quantity.

Scored together, judgment 5 is half wrong: the container half failed and the tanker half held, at the Moderate confidence the judgment carried. That is the whole of the scorecard claim this brief makes on the 28 July judgment, and it rests on August evidence.

What happened in September is a new development on a different threat vector, and it is recorded as that and not as a hit. The drones that struck the East-West Crude Oil Pipeline on or about 10 September 2026 were launched from Maysan province in Iraq, no party claimed them, and they hit the inland line in the Riyadh and Madinah regions; Saudi Arabia shut the line on 11 September.[34,35,36] The envelope the firm described on 28 July was the Houthi maritime one around the Yanbu loading leg. This is a different actor, a different asset and a different geography. The July text named Yanbu, the loading port; it did not name the pipeline. It did not forecast a strike, name a date, name an attacker or state a probability, and nothing in this brief should be read as claiming otherwise. A judgment that the seaward end of the relief valve sat inside a threat envelope is neither evidence for, nor confirmed by, an inland strike on the line that feeds it.

Joint War Committee circular JWLA-034 of 29 July 2026 is cited in this brief as a Listed Areas change and is not offered here as corroboration of anything about the pipeline.[38] It is a hull war-risk instrument, issued in answer to attacks on Saudi vessels. What it corroborates is a maritime threat envelope, which is the envelope that was already scored.

Net, and stated plainly: the September pipeline closure adds nothing to the scorecard. The 28 July judgment is scored once, above, and on August evidence: half wrong at Moderate confidence, the container half failed on the Suez transit record and the tanker half held on the 24 August Amzan strike. The September closure is not part of that scoring and is not claimed as a hit. What it tells us is something the firm did not call: the relief valve has now been taken out at its landward end, by a party and along an axis the July envelope did not contemplate. What it does not tell us is that the

July judgment was right about this event. The corpus lesson is the one this scoring draws and this event extends. A cushion is not one thing, and neither is a threat envelope: an asset can sit inside one envelope and be removed from service by another.

The Re-Priced Corridor, judgment 6, the substitution ceiling binds. Holds, and the ceiling has come down. That judgment was carried at Moderate confidence on the arithmetic of pipeline capacity: combined Abu Dhabi Crude Oil Pipeline and Petroline spare capacity offsetting at most a quarter of normal Hormuz crude flow, with no pipeline alternative for Qatari LNG.[20] The freight record supplied the first demonstration. TD34, the route that does not enter the strait, was assessed at just over $261,800 a day on 4 September, 25 per cent above the $209,550 that TD3C itself printed on 27 February, the last Friday before the war.[1,9] The alternative to the strait was not clearing at normal cost; it was clearing at a war price of its own. The events of 10 to 12 September supply the second and harder demonstration, and they change the arithmetic rather than only the reason. With the Petroline shut the bypass that remains is the Abu Dhabi line alone, 1.5 to 1.8 million barrels a day of nameplate against 20.9 million barrels a day of oil through the strait on EIA's count and nearly 15 million barrels a day of crude on the IEA's: between 7 and 12 per cent of normal Hormuz flow depending on which publisher's denominator is used, against about 22 per cent for the two lines combined on the EIA's own figures and roughly 23 to 37 per cent on the IEA's own. Section 06 sets out the derivation publisher by publisher; no ratio here merges the two, and the brief's earlier figure of about 31 per cent, which did, is withdrawn.[32,33] The ceiling the firm identified in June has come down by roughly three fifths to two thirds for the duration of the repair, on every publisher-consistent pairing. The judgment stands and is strengthened: the ceiling binds not because alternative capacity does not exist, but because it is priced inside the same war and can be taken off line by it.

The corridor cost-base claim is advanced by this brief and is not resolved by it. The claim, locked at probability 0.65 on 1 June 2026 with the closing Outlook assessment of The Re-Priced Corridor, holds that the corridor's structural cost base does not return to its January 2026 floor on a horizon shorter than two quarters, and resolves on 1 December 2026 on hull war-risk quotes and Joint War Committee Listed Areas status against the January baseline. That date has not arrived and this brief does not pre-empt it. Eleven weeks from resolution the evidence sits far from the January floor. War-risk cost for higher-risk Hormuz voyages is reported at approximately 7.5 to 10 per cent of hull value, a band this brief corroborates against AEIG's own 28 July publication and which has therefore held six weeks, and far above the 1.0 per cent that PMR-2026-0601-MEAST-002 recorded for non-US-nexus tonnage on the claim's own lock date.[10,20,21] The Listed Areas have been extended rather than withdrawn, and the freight cost base is at its 2026 high on the flagship route.[1,38] On the evidence available the claim looks likely to land. This brief records that as a directional read on an open claim, not as a resolution.

The Re-Priced Corridor, judgment 2, the DFC backstop is operationally inert. Not refuted, not refreshed, and the mechanism has moved. That judgment was carried at High confidence on 1 June 2026 on the evidence that zero policies had been written under the $40 billion facility as of 18 May and that access was gated on naval escorts that had not materialised at scale.[20] Whether any policy has been written since is UNKNOWN, and is the first question this brief would answer next. The binding cost in September is not the availability of cover but the freight and the premium: a record round-trip TCE, a reported 7.5 to 10 per cent hull war-risk band, eight hulls removed by kinetic action, and the principal pipeline bypass out of service.[1,10,14,15,36] A reinsurance facility gated on naval escorts addresses none of the four. The firm was right in June and remains unrefuted, and it was right about a constraint that is no longer the constraint that binds.

Claims resolving in a separate AEIG publication are referenced as pending only. Three register claims, on whether Hormuz is open to unrestricted commercial transit on 1 October 2026, on whether a US-Iran agreement is announced by both governments by 30 September 2026, and on the EIA Brent price print on 1 October 2026, resolve between 30 September and 1 October 2026 and are scored in that publication. This brief pre-empts none of them, and Claim 2 composes with the announcement claim rather than duplicating it.

What this brief adds to the corpus. Two instruments the corridor cluster did not have, and one closed gap: the TD3C minus TD34 spread as a public, dated, single-publisher proxy for the price of the Strait of Hormuz; the June 2026 window as a measured natural experiment, corroborated independently by EIA's Brent series at roughly two fifths of the freight amplitude; and the crude period curve, Alibra Shipping's VLCC one-year time charter estimate at 17.8 per cent of the Baltic Exchange's spot round-trip TCE, which is the market's own answer to the question this brief exists to ask.[2,3,5,17,26,28]

SYNTHESIS

A record rate carrying a two-day fuse

The market is priced for the war continuing. June 2026 measured what it does when a deal appears, and the bypass that would have cushioned the next move is out of service.

01 · THE LEVEL

TD3C at just under $704,000 a day

The Baltic's 4 September assessment is the year's high, reached in consecutive weekly gains from $344,250 on 10 July. The 6 March print sits 30 per cent below it on Worldscale.

02 · THE INSTRUMENT

The spread is the price of the strait

WS677.22 against WS272.50 in one report on one day, about $442,200 a day. It is the only place in free market data where the cost of the strait is separated from the cost of the region.

03 · THE EXPERIMENT

An unsigned memorandum took 37.9 per cent

From about $461,000 a day on 19 June to about $286,500 on 3 July, with almost no trapped tonnage released. A signed agreement bounds larger, and the reversal took two days.

04 · THE FLOOR

The relief valve was shut

With the Petroline out from 11 September the Abu Dhabi line is the only crude bypass still running, at 1.5 to 1.8 million barrels a day against a three to five week repair estimate.

> **The decision is not whether the rate is high. It is whether the book survives a repeat of June, which the period market will insure at $125,000 a day against a spot near $704,000, and whether the desk is watching the spread rather than the headline, because compression on a falling TD3C is a settlement being priced before any transit count confirms it.**

SOURCE REGISTRY

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2. Baltic Exchange, "Tanker report week 13," 2026-03-27. [Tier 4]
3. Baltic Exchange, "Tanker report week 25," 2026-06-19. [Tier 4]
4. Baltic Exchange, "Tanker report week 26," 2026-06-26. [Tier 4]
5. Baltic Exchange, "Tanker report week 27," 2026-07-03. [Tier 4]
6. Baltic Exchange, "Tanker report week 28," 2026-07-10. [Tier 4]
7. Baltic Exchange, "Tanker report week 10," 2026-03-06. [Tier 4]
8. Baltic Exchange, "Tanker report week 32," 2026-08-07. [Tier 4]
9. Baltic Exchange, "Tanker reports weeks 9, 11, 12, 16, 20, 22, 24, 29, 30, 31, 33, 34 and 35 of 2026," the remaining Friday assessments in the TD3C path. [Tier 4] [The week 33 report of 14 August 2026 carries no TD3C line on the free page; its assessment is not reproduced in this brief]
10. The Signal Group, "Weekly Tanker Market Monitor, week 35 2026," freight and fleet data as of 2026-09-04, asset values through 2026-08-31. [Not on the source register; proposed for admission at Tier 4] [UNVERIFIED for the UKMTO incident count, the 31 August Sidr and Senegal Prosperity strikes and the 2 September blacklisting]
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13. Cyprus Shipping News, "Tankers: VLCC Market Trending Higher," 2026-09-09. [Not on the source register; proposed for admission at Tier 3] [Reprint of source 1, not independent of it]
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15. US Central Command, "U.S. Destroys 5 IRGC Tankers After Iran Targets Another American Warship," 2026-09-08. [Tier 1]
16. US Central Command, "CENTCOM Completes Strikes on IRGC Targets in Iran," 2026-09-01. [Tier 1] [Cited for existence and date only; body not read in full]
17. IMF PortWatch, daily chokepoint transits, Strait of Hormuz, data through 2026-08-30, read from the AEIG dashboard series file and not fetched from IMF PortWatch. [Tier 4] [IMF PortWatch is not separately listed on AEIG's source register; the IMF data portal is admitted at Tier 2] [The dashboard file's chokepoint baseline is under revision; the pre-war comparators are used as an order of magnitude]
18. Scorpio Tankers Inc., "Announces Updates on Third Quarter 2026 TCE Rates and Time Charter-Out Agreements," 2026-09-03. [COMPANY-STATED] [Title and date only; body not extracted]
19. CMB.TECH, investor relations calendar, accessed 2026-09-09. [COMPANY-STATED]
20. Aegean Intelligence Group, "The Re-Priced Corridor," PMR-2026-0601-MEAST-002, register AIG-MAR-26-001, 2026-06-01.
21. Aegean Intelligence Group, "The Two-Front Corridor," PMR-2026-0728-MEAST-001, 2026-07-28.
22. Lloyd's List Intelligence, weekly Strait of Hormuz transit count for the week of 2026-08-17, as carried in earlier AEIG corridor reporting. [Tier 3] [UNVERIFIED; not independently fetched]
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Timeliness. Current to 14 September 2026. The clock is the Baltic Exchange Friday print, and the operative dated observables are the weekly tanker report of 9 October 2026 and the restart of the East-West Crude Oil Pipeline, put at three to five weeks from the closure of 11 September.

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