

## Stratas Advisors' Series Examines 'Global Supply in the Age of Turmoil'

HOUSTON, Aug. 6, 2019 /PRNewswire/ -- Stratas Advisors has kicked off a topical five-part series called "Global Supply in the Age of Turmoil." The series opens with "Part 1: Crisis in the Strait of Hormuz." This short research article provides an abbreviated historical perspective and a glimpse of regional supply in the context of current events.

Tensions in the Arab Gulf, also known as the Persian Gulf, have flared in recent weeks. Drones have been downed and incidents involving oil tankers in and around the Strait of Hormuz have become commonplace as Iran fights back against restrictive sanctions.

The recent flurry of events began on June 13 with a tanker attack, followed by the downing of a drone on June 20. July was pocked with numerous tanker incidents and another drone incident. The most recent event happened on Aug. 4.

"The latest event happened this past weekend when another tanker was seized. Despite the ongoing stream of events, we continue to view prospects for any intentional blockage of the Strait as having a relatively low probability of happening while some risks of mild military conflict remain," said Stephen Beck, senior director, Stratas Advisors.

During the past decade, the Strait of Hormuz has been constantly under political tension. However, no major military escalations or material impacts on crude shipments have been recorded. Notably, in January 2012, Iran threatened to block the Strait in retaliation of US and EU sanctions. However, during the subsequent four years, Iran made no material attempts to interfere with oil shipments through the Strait even though its production was squeezed below 3 million barrels per day during the sanction period. Based on historic patterns, Iran will be more likely to pressure the US and EU to lift sanctions by raising minor conflicts rather than mass blockages, Part 1 of the report reads.

As Iran gradually runs out of tanker spaces to store curbed crude exports due to US sanctions, it will seek to add more pressure to the international community to push the US to lift sanctions. Meanwhile, as the presidential election approaches, President Trump needs to make progress on reaching "great deals" as the trade talks with China drag on and nuclear talks with North Korea and Iran have stalled, Stratas Advisors contends.

"We will closely monitor the developments in the Persian Gulf. Stay tuned for our refreshed supply outlook," said Beck.

Upcoming subject topics in "Global Supply in the Age of Turmoil" are "North American Shale," "Venezuela," "Natural Gas" and "Is Turmoil Disruptive to Global Supply?"

**About Stratas Advisors**

Stratas Advisors, a Hart Energy company, is a leading global consulting and analytics provider to the world's fullstream energy industry across the upstream, midstream and downstream energy markets and key consuming sectors including automotive; transportation; power; petrochemicals; and heavy industries. The consulting advisory firm's team of experts provides forecasts and strategic insights to clients seeking to make better business decisions by anticipating key drivers shaping development. Via consulting engagements and subscription services, the firm's clientele rapidly assess opportunities, mitigate risk and implement strategies. Stratas Advisors is headquartered in Houston with offices in Brussels and Singapore.

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