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Can improving oil flows contain the energy shock?

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Energy investors weighed mixed signals last week. Gulf crude exports have improved, while G7 countries agreed to release 100 million barrels of diesel and crude through emergency reserves. But Brent ended Friday at around USD 105 a barrel as attacks on shipping and energy infrastructure continued.

A further strike on Riyadh's international airport over the weekend underlined the risk of wider regional disruption.

Investors will assess whether traffic through the Strait of Hormuz can continue to recover and move more reliably toward pre-crisis levels and whether alternative supply routes can be further scaled up. Markets will also watch whether the US-backed proposal for an energy ceasefire between Russia and Ukraine gains support from both sides and translates into a durable reduction in attacks on energy infrastructure. Greater confidence in the availability of crude and refined products could help contain energy prices and reduce pressure on inflation, bond yields, consumer spending, and corporate margins. However, renewed attacks or fresh damage to infrastructure could quickly reverse recent progress.

We expect traffic through the Strait to recover gradually despite periodic setbacks. Risks, however, remain tilted toward continued energy market volatility. We recently raised our year-end Brent crude forecast by USD 5 to USD 100 a barrel amid declining inventories and escalating attacks in the Strait of Hormuz. For portfolios, this supports diversified exposure to broad commodities, which can provide protection against supply shocks, geopolitical stress, and inflation spillovers. A broad approach is preferable to relying on a single energy outcome, since industrial metals can also benefit

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from structural demand linked to electrification, AI infrastructure, and rising power consumption. Diversification across equities, bonds, commodities, and capital preservation strategies remains the more resilient response, in our view.

Original report – [What to watch in the week ahead, 12 October 2026.](#)

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