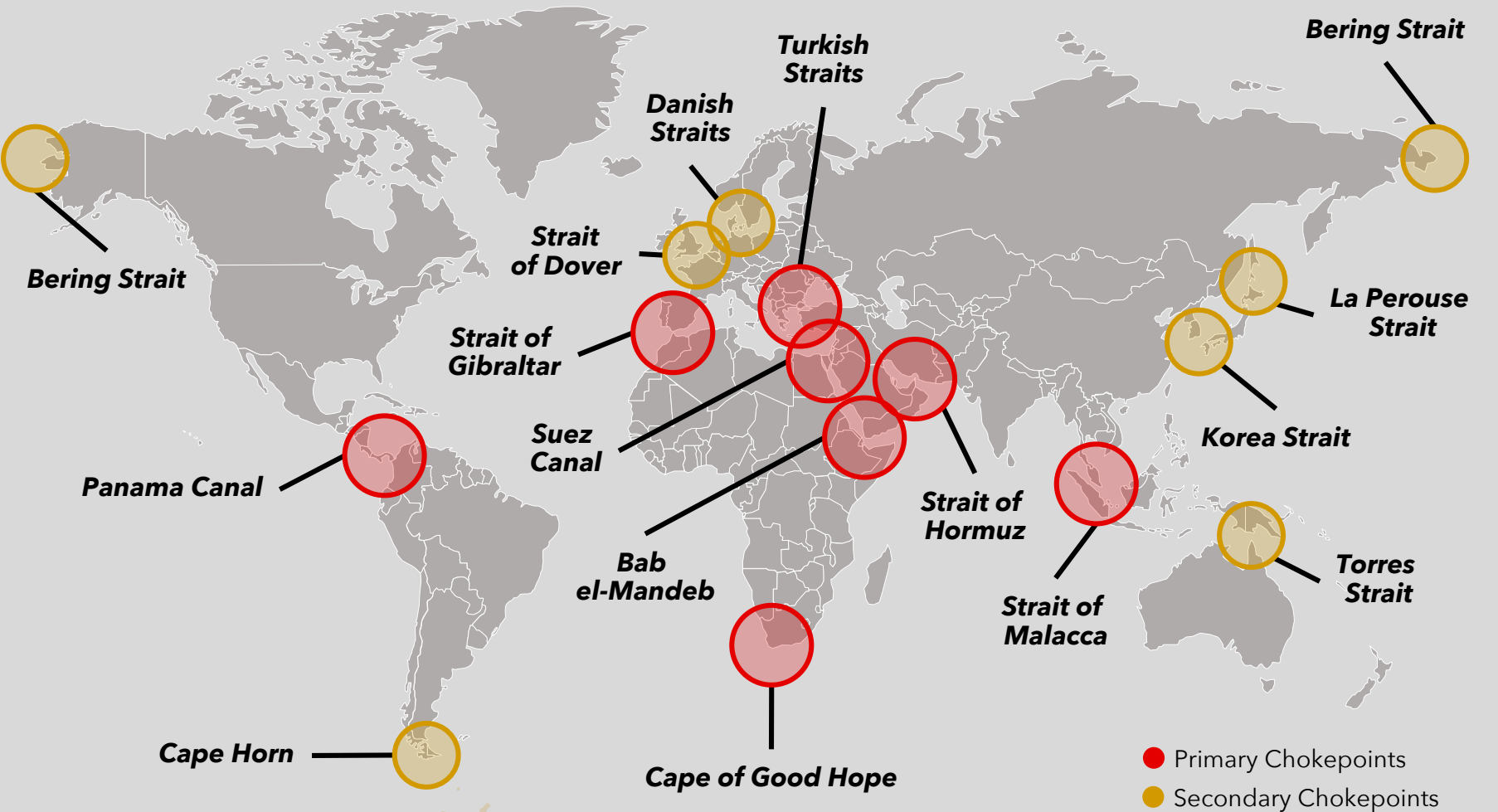


# Chart of the Day



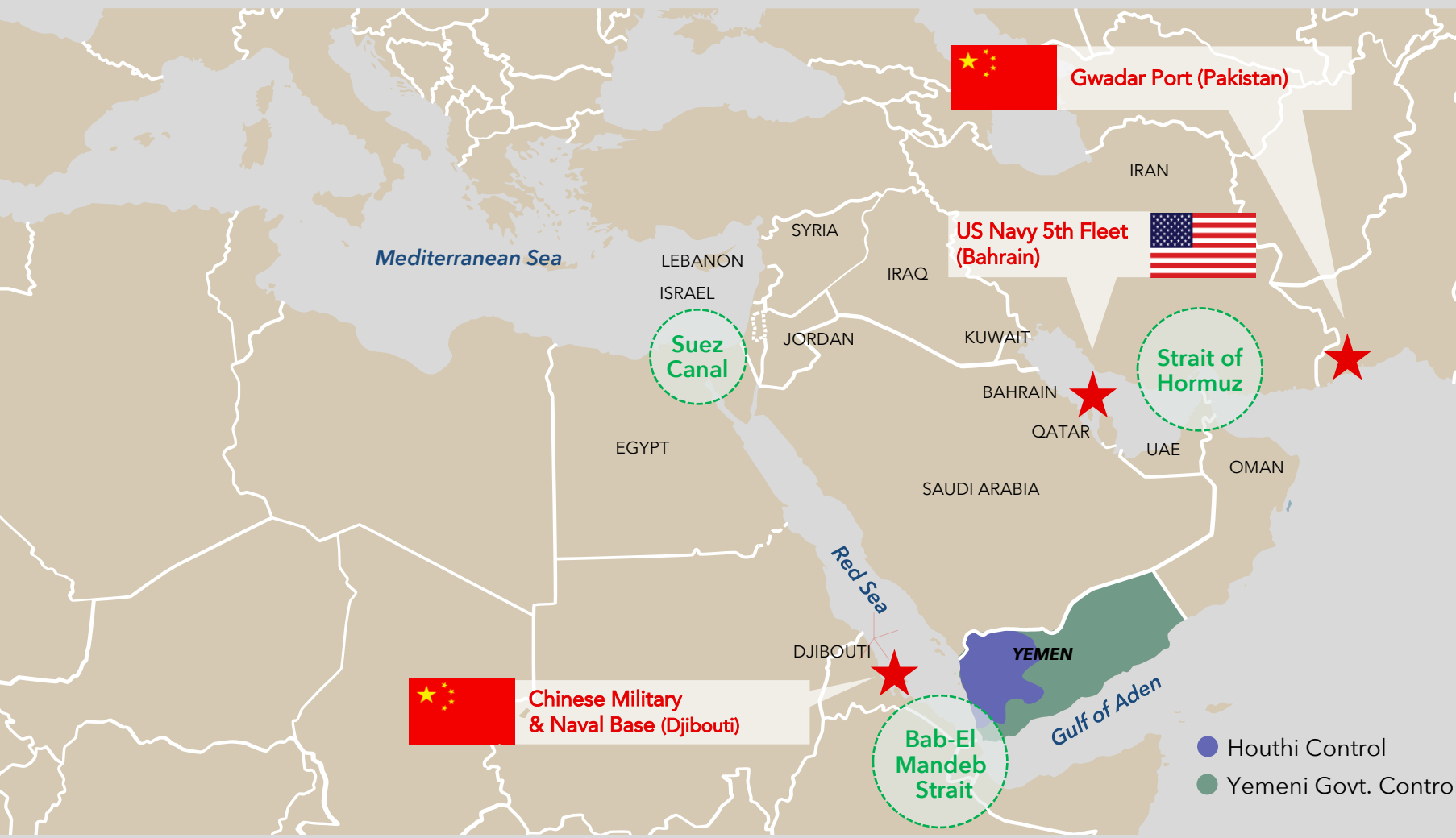
## The World's Most Important Maritime Chokepoints

The Middle East region contains several of the world's most critical geopolitical chokepoints for global commerce, as well as oil and gas transport.

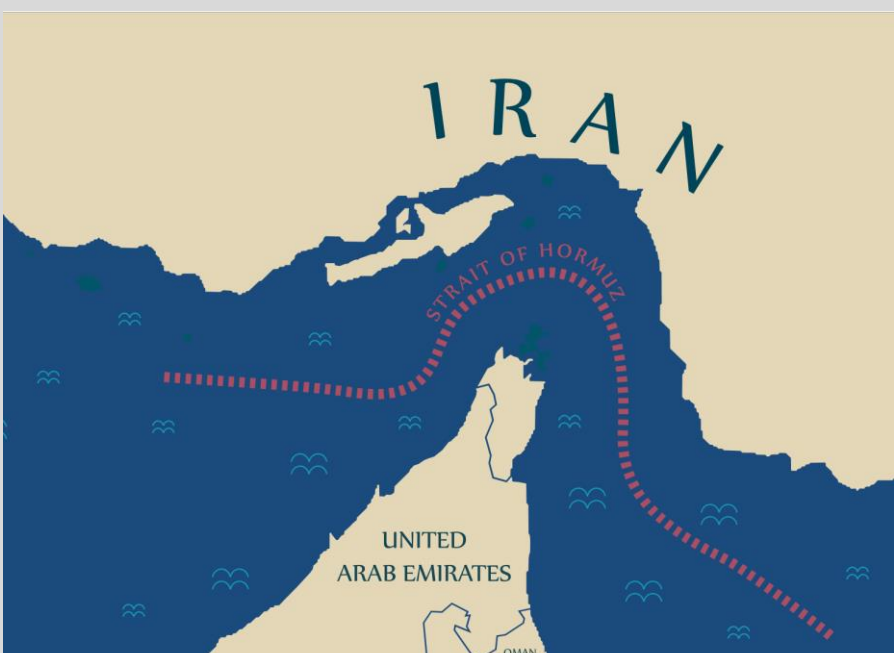


## Geostrategic Chokepoint: The Strait of Hormuz

The Strait of Hormuz is 20 miles wide at its most narrow point, with two 2-mile wide shipping lanes for outbound and inbound traffic, separated by a 2-mile buffer zone. The Strait contains eight major islands, several of which are controlled by Iran. Iran has never closed the Strait and the US Navy's 5th fleet, stationed in Bahrain, plays an active role patrolling the strategic waterway.



Accounting for 88% of Persian Gulf oil exports and 25% of total daily global oil transport, the Strait of Hormuz represents one of the most important geopolitical chokepoints for the global economy.



### Oil passage

- 25% of global oil (20 m/b/d)
- 30% of global seaborne oil
- 38% of Saudi's oil
- 88% of Persian Gulf oil

### LNG passage

- 20% of global LNG (largely from Qatar)

### Asian-bound markets

- ~85% of outbound oil & LNG proceeds to Asian markets
- ~7% of outbound oil proceeds to the US

### More reliant exporters

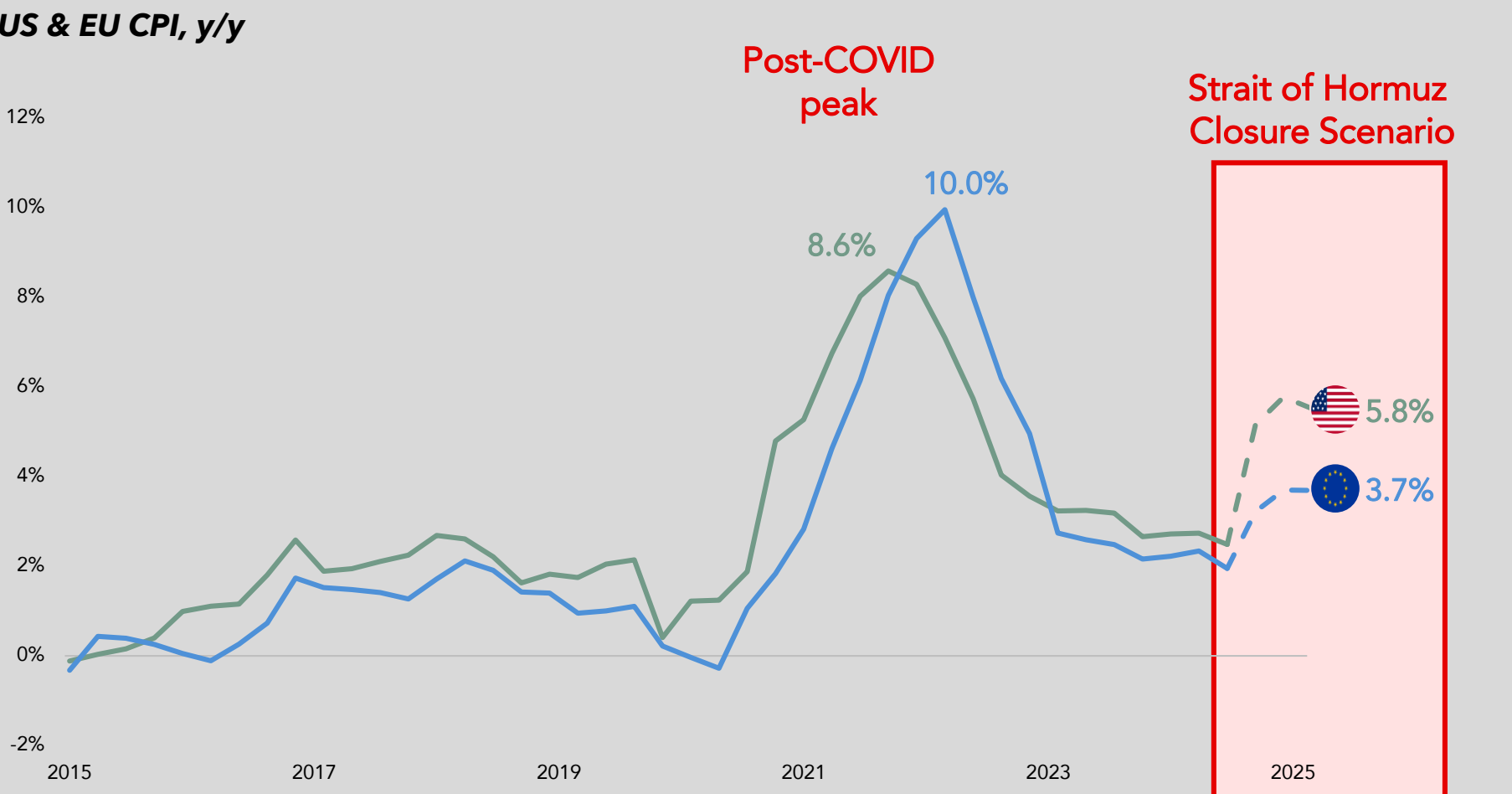
- Iran, Iraq, Kuwait, Qatar and Bahrain

### Less reliant exporters

- Saudi Arabia (746 mile pipeline to Red Sea)
- UAE (pipeline to Gulf of Oman)

## Inflation Impact of Strait of Hormuz Closure

In the unlikely event of a Strait of Hormuz closure, Oxford Economics predicts oil prices above \$130, a rise in US inflation close to 6%, and an increase in EU inflation to levels nearly double the ECB's target.



Source: (1-4) National Geographic. News Sources. Oxford Economics. Data as of June 16, 2025. Closure scenario is Oxford forecast through 2025.

## Global Corporate & Investment Banking Capital Markets Strategy Team



**Tom Joyce**  
Managing Director  
Tom.Joyce@mufgsecurities.com  
(212) 405-7472



**Stephanie Kendal**  
Vice President  
Stephanie.Kendal@mufgsecurities.com  
(212) 405-7443



**Angela Sun**  
Associate  
Angela.Sun@mufgsecurities.com  
(212) 405-6952

"Macro stability isn't everything, but without it, you have nothing."