

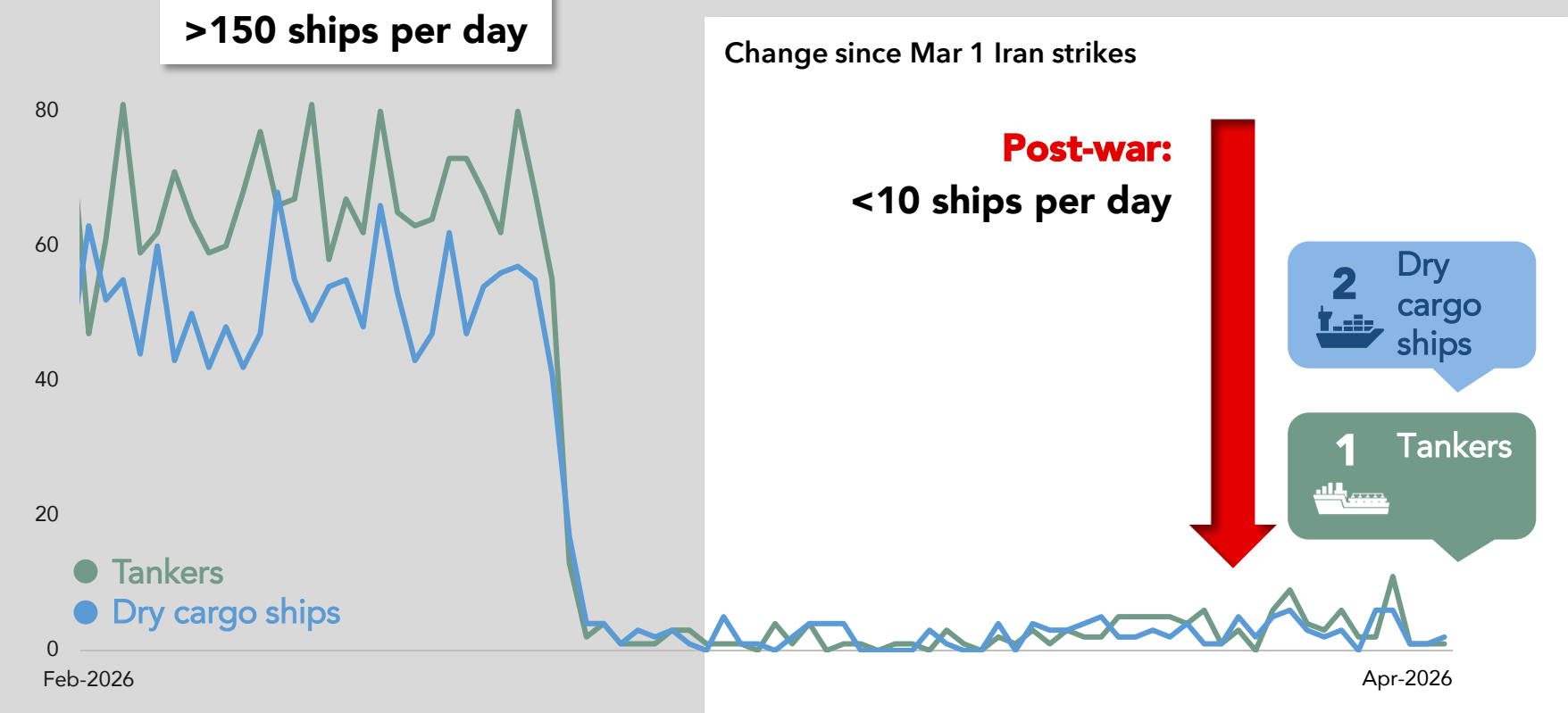
# Chart of the Day



## Full Hormuz Normalization Will Likely Take Longer Than Anticipated

Since the war began 53 days ago, daily shipping traffic through the world's most important geo-strategic chokepoint collapsed from more than 150 ships per day to less than 10. Over this period, markets continue to follow the ebb and flow of White House communication (up and down), rather than conduct a more robust risk-adjusted assessment of: (1) the importance of Hormuz to Iranian deterrence strategy (2) the limited asymmetric power required to control Hormuz, and (3) the large gaps between US and Iranian negotiating positions. Even in benign scenarios, full normalization of Hormuz shipping traffic to pre-war levels may take months longer than markets currently anticipate.

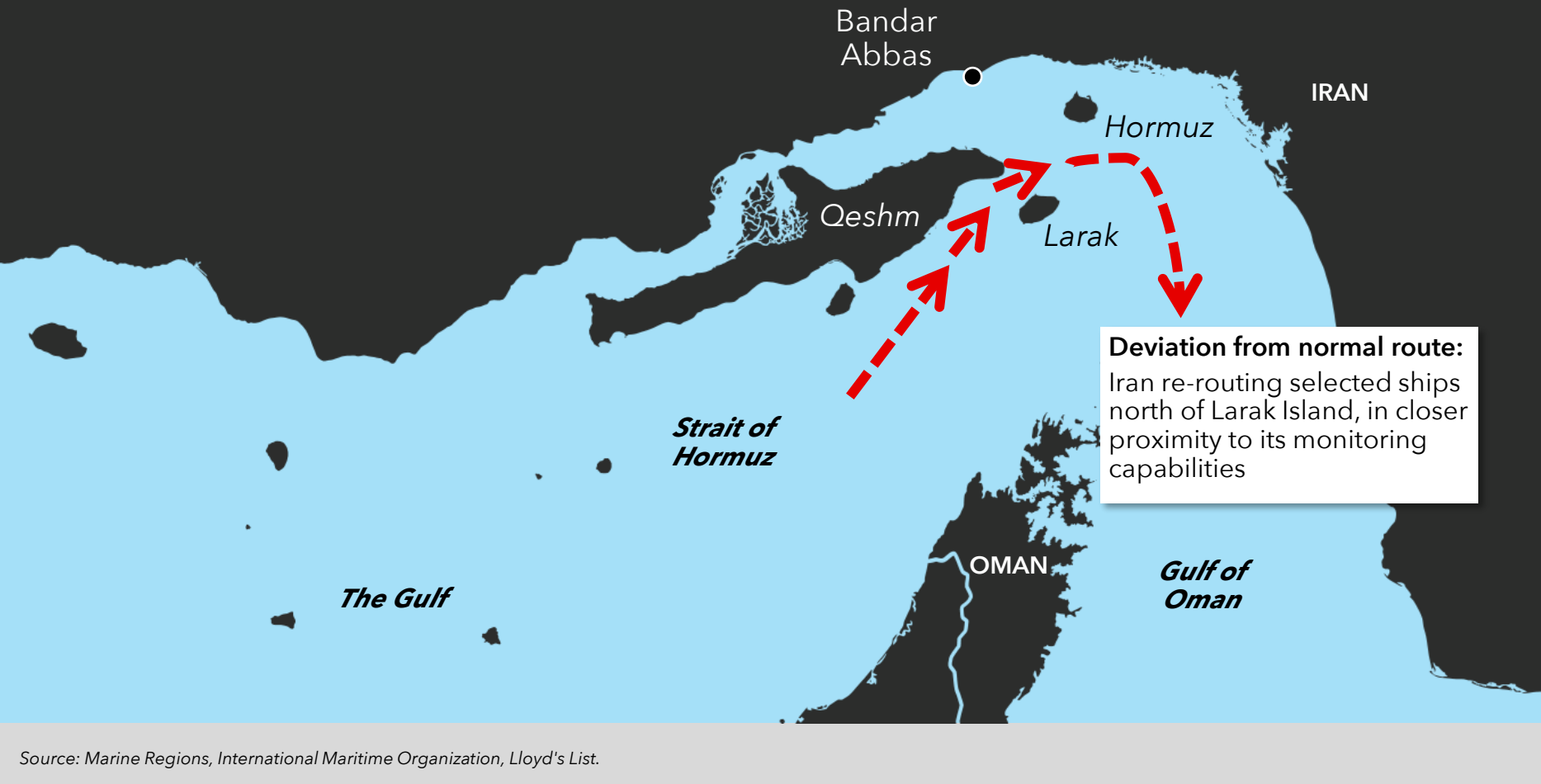
2026 YTD Strait of Hormuz bidirectional intraday ship crossings (over last 24 hrs)



Source: (1) Bloomberg. Data as of April 21, 2026.

## The Larak Island Route & IRGC Control

Control of Hormuz is core to Iranian deterrence and negotiating leverage in the months ahead. To this end, Iran's announcement on Friday, April 17 that the Strait of Hormuz was "completely open" proved to be both premature and misaligned with Iran's domestic distribution of power. IRGC control of Hormuz currently stipulates that passage is (1) for commercial ships only, (2) along Iranian designated routes only (around Larak Island, close to shore), and (3) IRGC coordinated-controlled. The US blockade outside of Hormuz, considered an act of war by Iran, has further tightened the flow of traffic.



Source: Marine Regions, International Maritime Organization, Lloyd's List.

## 2026 Global Growth Revised Lower

Since the US-Iran war began, dozens of prominent public and private sector economic institutes and research groups have downgraded their 2026 growth forecasts for the global economy. Primary channels of contagion include a supply side inflation shock, fuel shortages, shipping disruptions, infrastructure damage, lower consumer confidence and a tightening of financial conditions.

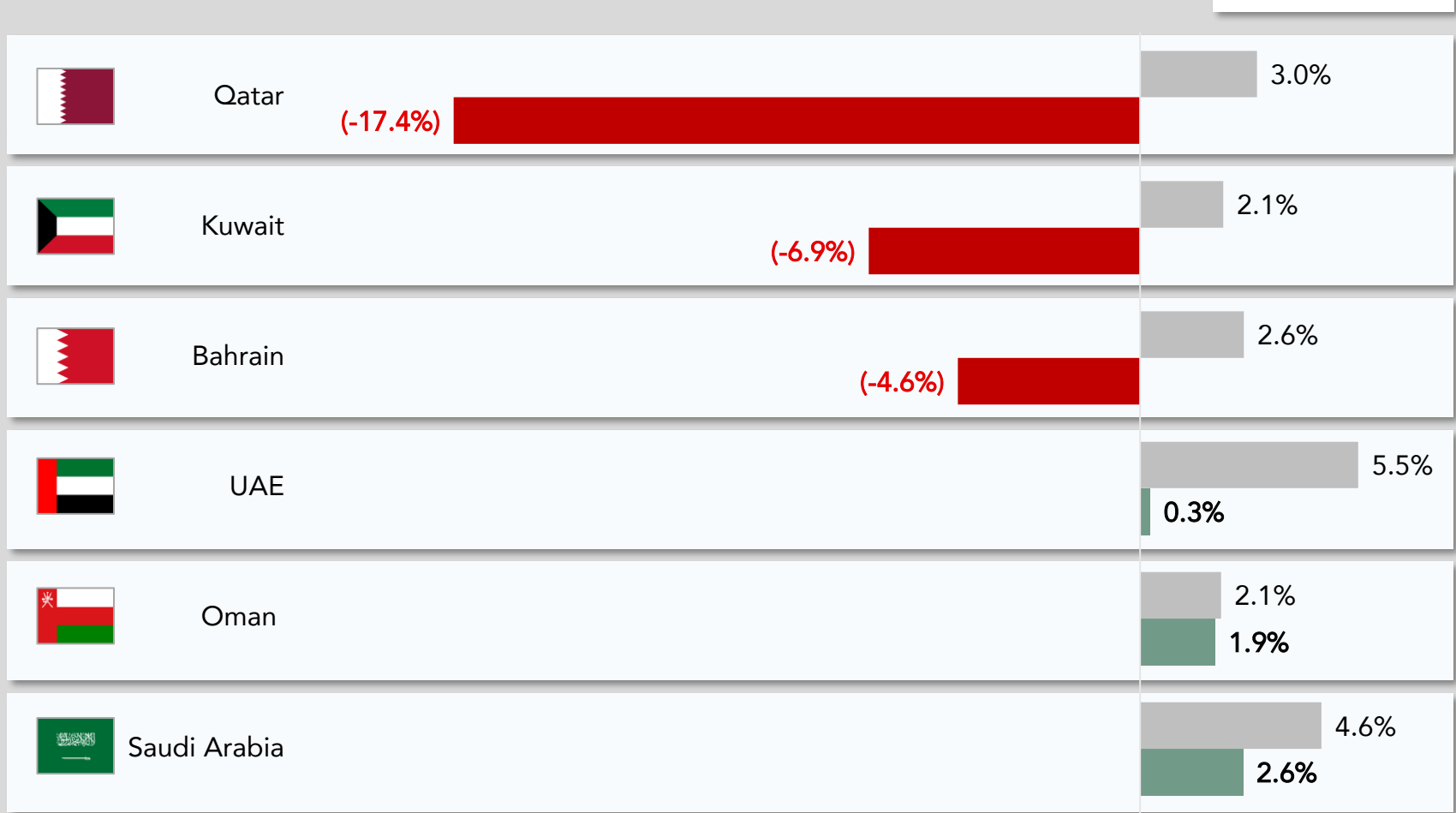
GDP growth forecasts, y/y (January 2026 vs. April 2026)

Region	Jan 2026	Apr 2026	Change
<b>North America</b>			
US	2.5%	1.9%	↓
Mexico	1.4%	1.2%	↓
Canada	0.9%	1.1%	↑
<b>Eurozone</b>			
Spain	2.4%	2.4%	↔
France	0.8%	0.7%	↓
Italy	0.6%	0.4%	↓
Germany	0.7%	0.3%	↓
<b>Other Europe</b>			
Poland	3.8%	3.6%	↓
Sweden	2.4%	2.2%	↓
Norway	2.2%	1.2%	↓
Switzerland	0.9%	0.8%	↓
Russia	(-0.1%)	0.7%	↑
UK	1.0%	0.4%	↓
<b>LatAm</b>			
Colombia	3.0%	3.0%	↔
Argentina	2.3%	2.5%	↑
Chile	2.2%	2.0%	↓
Brazil	1.6%	1.5%	↓
<b>MENA</b>			
Iran	2.1%	?	↓
Israel	4.2%	3.1%	↓
Saudi Arabia	4.3%	2.6%	↓
UAE	4.5%	0.3%	↓
Qatar	6.4%	(-17.4%)	↓
Kuwait	3.4%	(-6.9%)	↓
Oman	2.3%	1.9%	↓
Bahrain	3.0%	(-4.6%)	↓
Egypt	4.9%	4.5%	↓
Türkiye	3.0%	2.5%	↓
<b>APAC</b>			
India	6.5%	6.2%	↓
Indonesia	5.1%	4.9%	↓
China	4.5%	4.7%	↑
Philippines	5.4%	4.6%	↓
Singapore	3.1%	3.6%	↑
Australia	2.5%	2.2%	↓
South Korea	2.1%	1.9%	↓
Thailand	1.5%	1.4%	↓
Japan	0.7%	0.3%	↓

Source: (1) Oxford Economics. Data as of April 21, 2026. Bahrain, Iran, Israel Jan 2026 forecast is Bloomberg consensus.

## Severe Damage to Gulf Economies

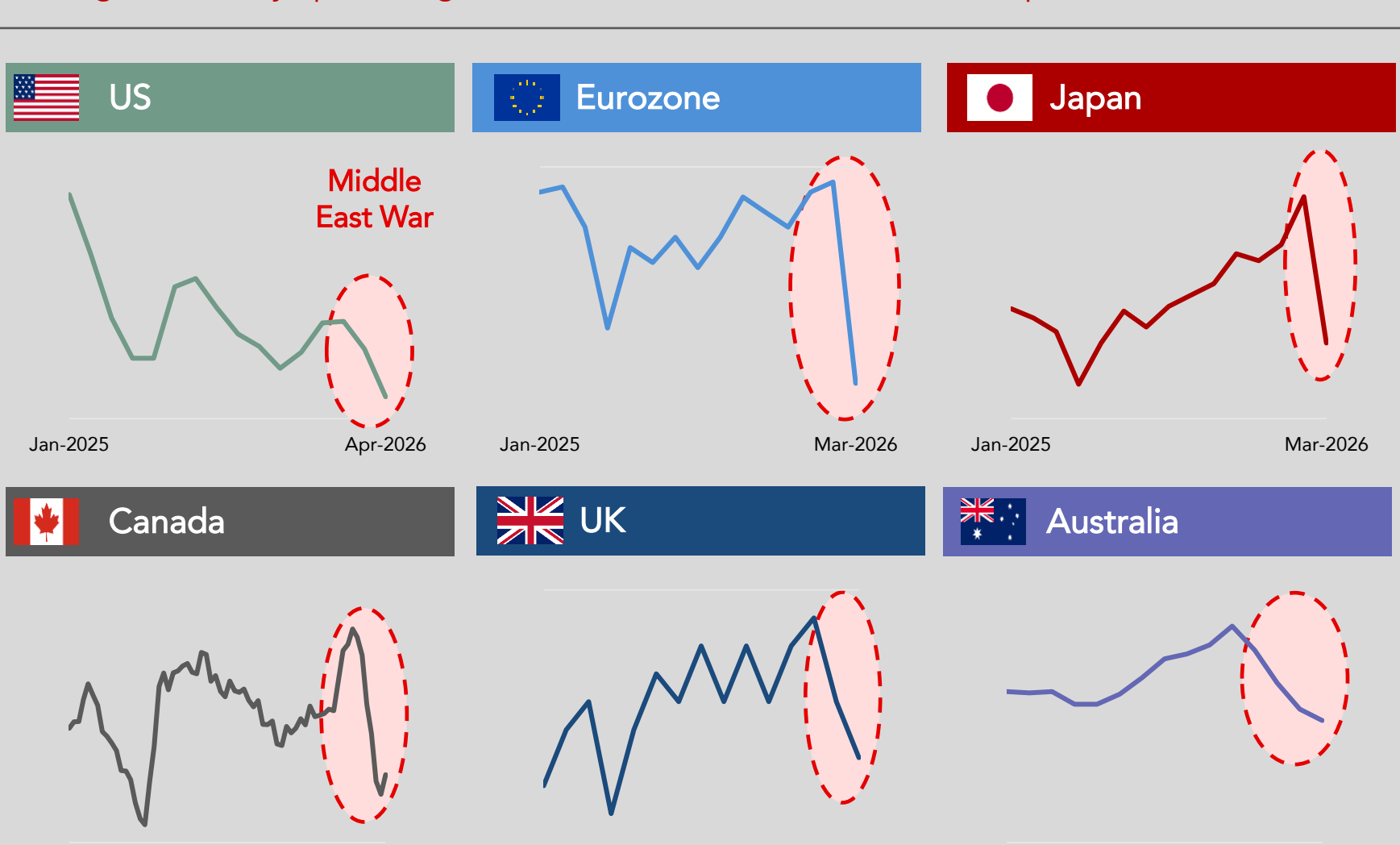
The US-Israeli-Iran War has already done **severe damage to Persian Gulf economies, with high differentiation by country** driven by numerous variables including: pipeline bypass capacity; scale of infrastructure damage; energy revenue dependencies; reliance on tourism and aviation; import disruption and food security; and impact on longer-term economic transformation strategies (i.e., vision strategy)



Source: (1) Oxford Economics. Data as of April 21, 2026.

## Shock to Global Consumer Confidence

The US-Iran war has been a shock to global consumer confidence primarily through three interconnected channels: (1) higher energy costs and inflation fears; (2) financial market volatility and recession concerns; and (3) heightened geopolitical risk and war uncertainty. Generally speaking, economies east of Suez (i.e., Asia) have been hit most directly, with contagion already spreading toward countries west of Suez (Europe, N. America).



Source: (1-6) Bloomberg. Data as of April 21, 2026.

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