



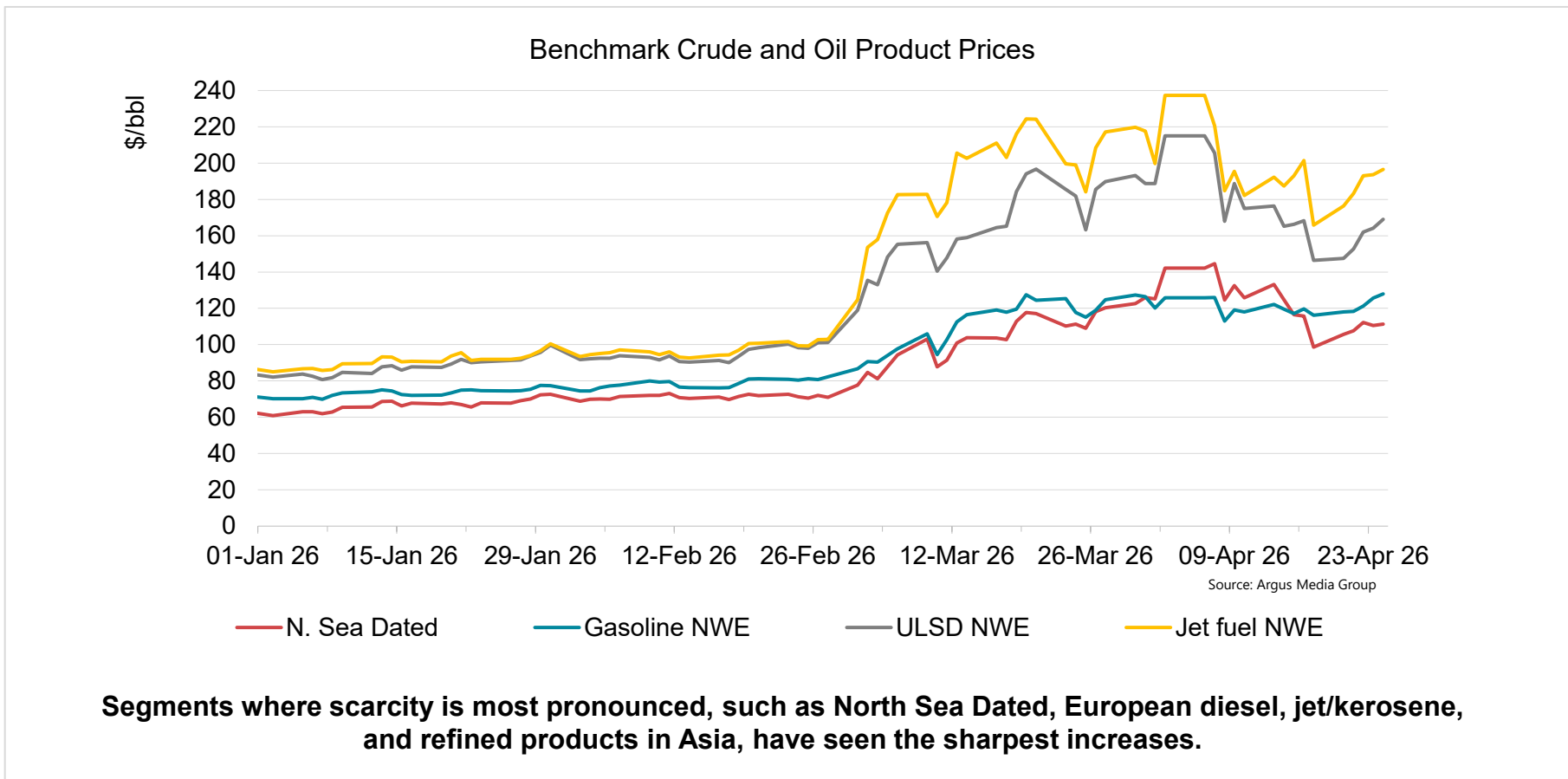
# Oil Market Update

Strait of Hormuz Part II: What's Changing in Global Energy Flows and Market Stability

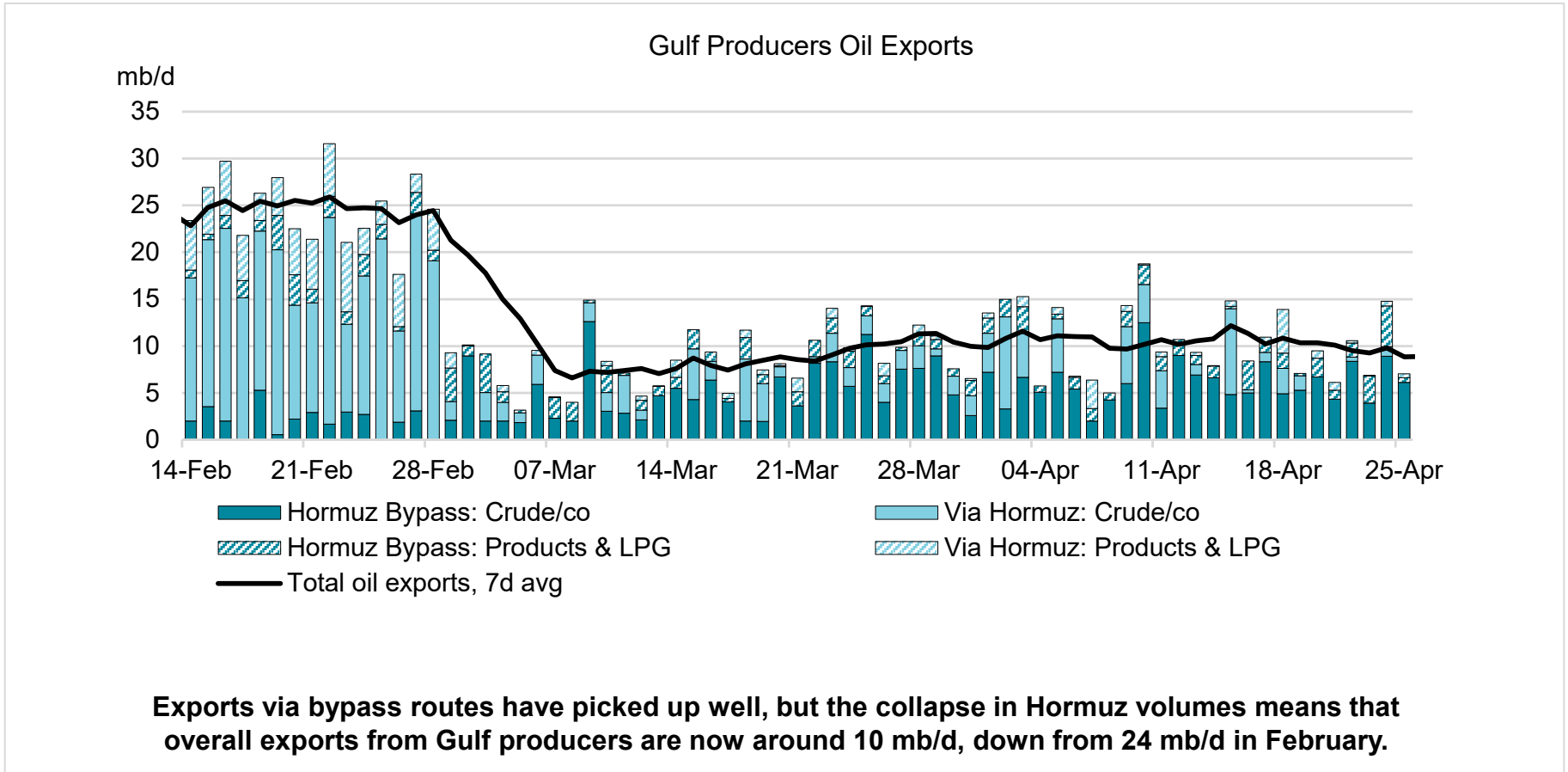
Webinar: Federation of German Industries and the World Energy Council Germany, 28 April 2026

Toril Bosoni, Head of Oil Industry and Markets Division, IEA

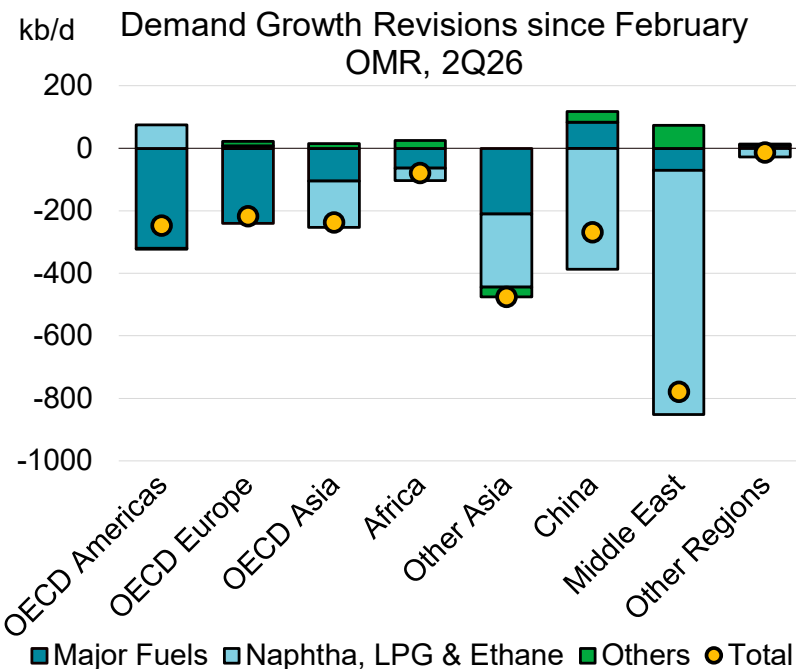
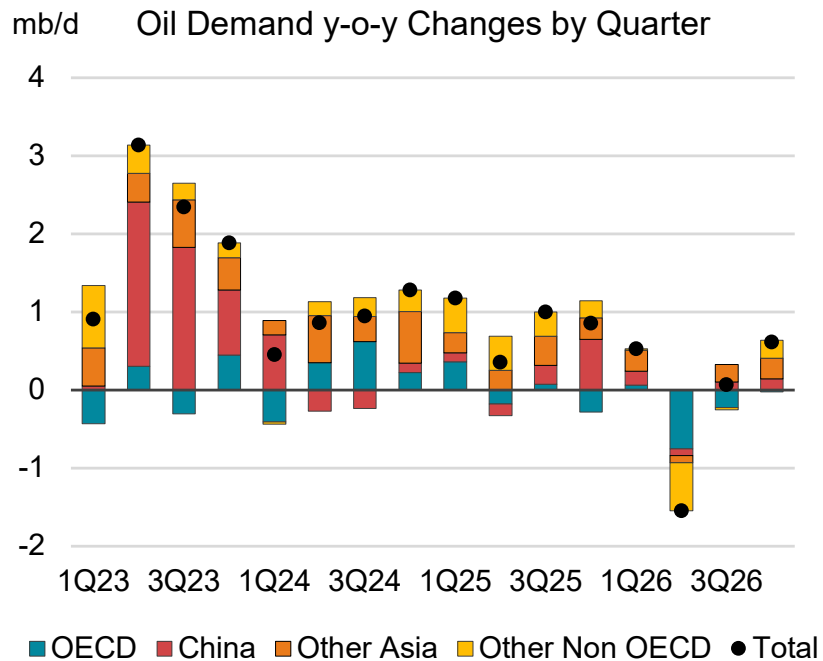
# Oil prices rally as physical benchmarks price acute scarcity



# Oil flows through Hormuz remain restricted, bypass flows increase

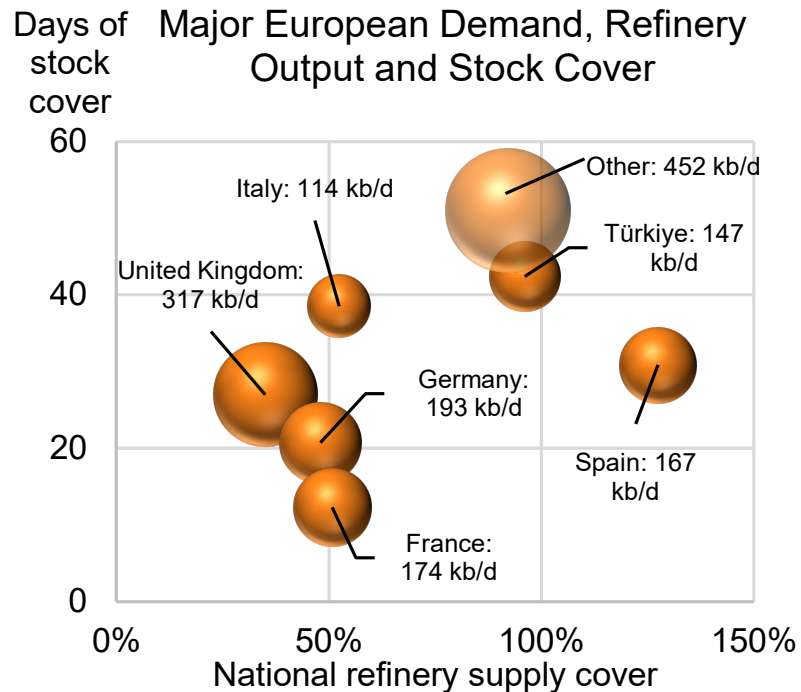
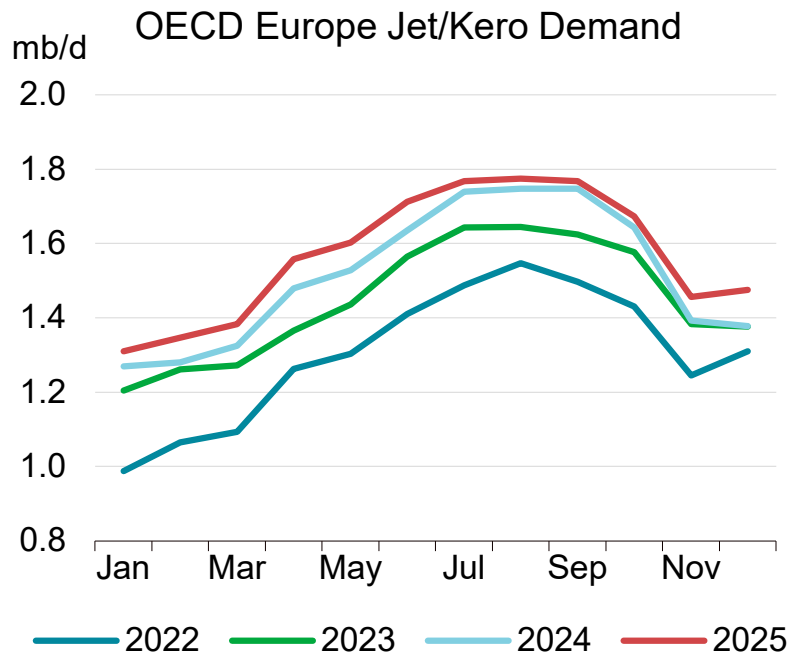


# Demand set to contract in 2026 as disruption mount



**We now estimate that demand will contract by 80 kb/d this year, with 2Q26's quarterly contraction set to be the first since the Covid-19 pandemic. OECD economies (-240 kb/d) and the Middle East (-250 kb/d) will dominate the fall.**

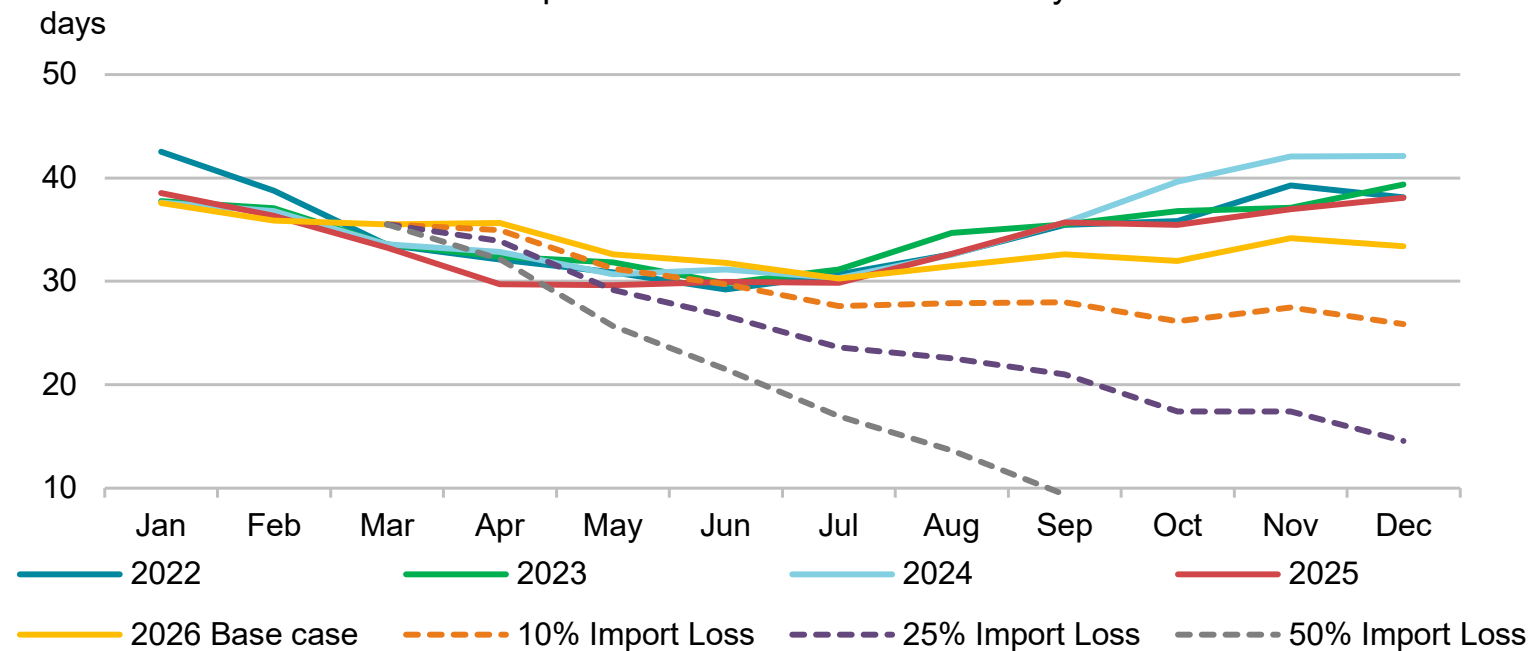
# OECD European jet fuel markets are tightening up



**Demand is highly seasonal. Of the 1.6 mb/d of demand, domestic supply meets 1.1 mb/d and imports the remaining 0.5 mb/d. Inventory cover and domestic output relative to demand varies significantly between member states.**

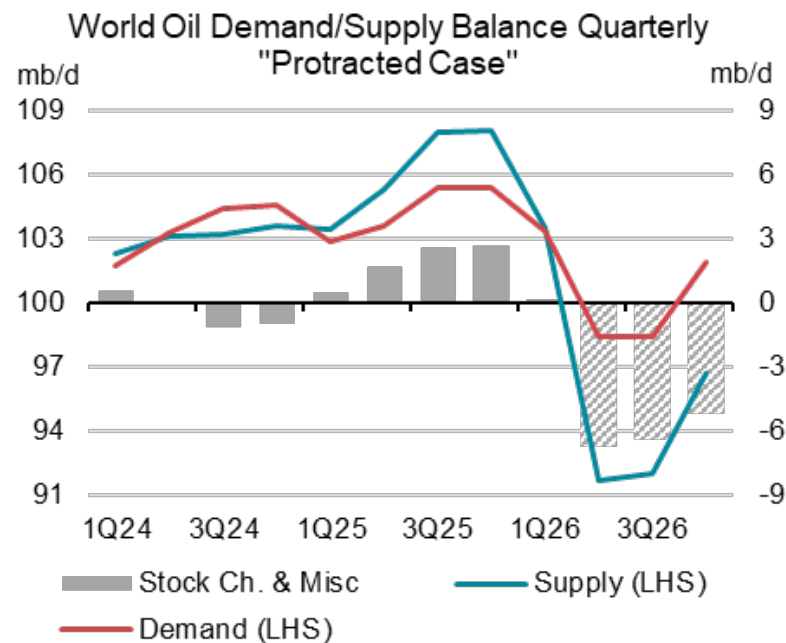
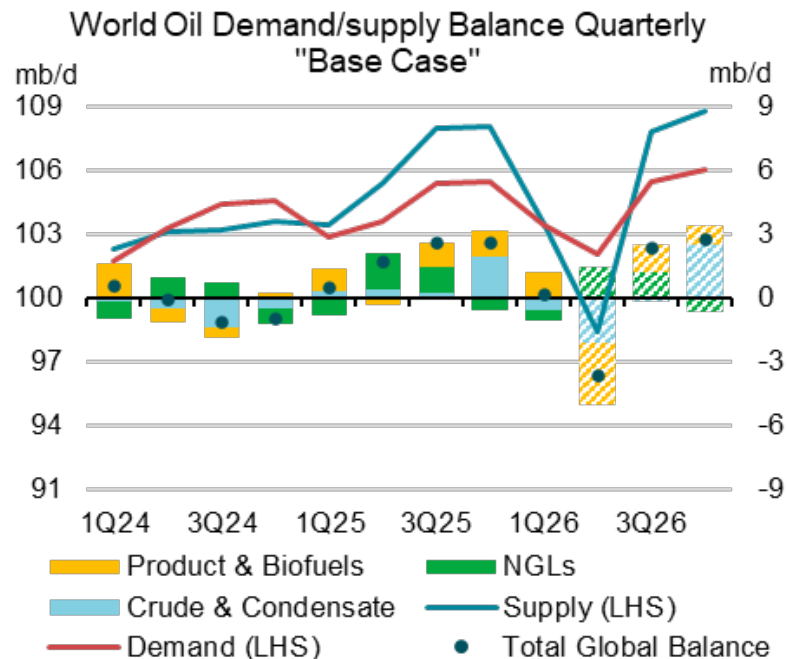
# The degree of success in importing from new sources is key

## OECD Europe - Jet Fuel/Kerosene Inventory Cover



**Considering a number of scenarios where Europe replaces lost Middle East volumes, the European market needs to raise imports from other sources to replace 75% if not 90% of the lost volumes to stabilise inventory levels.**

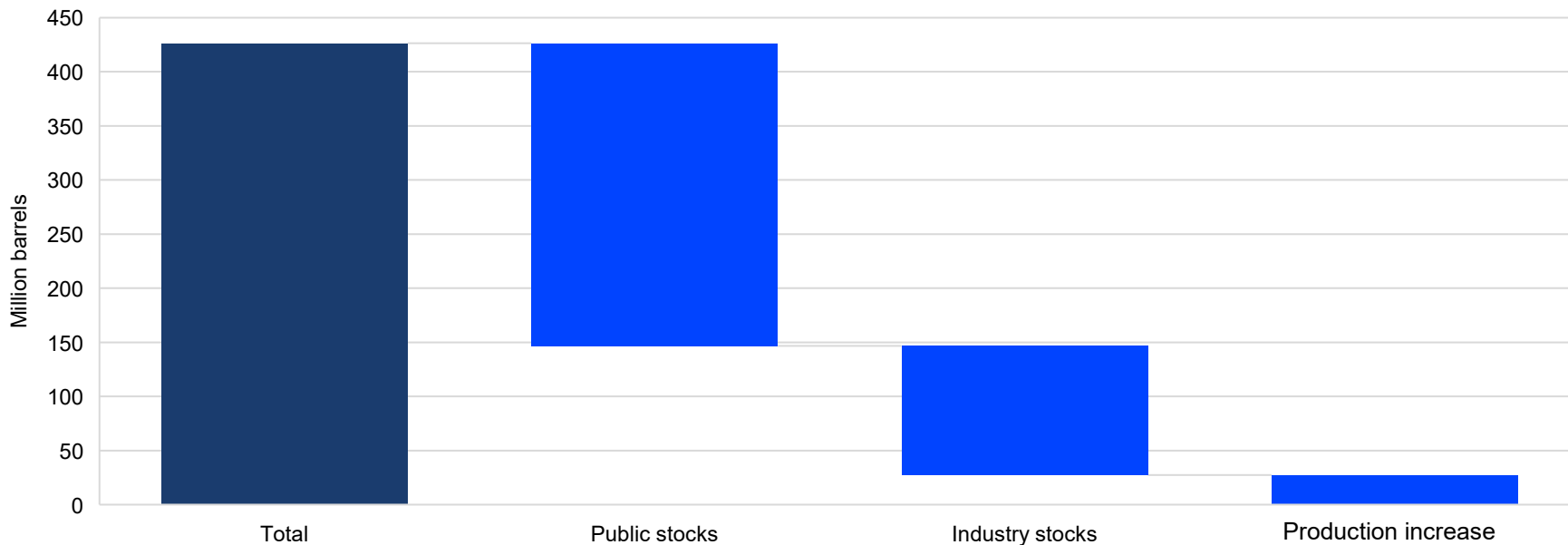
# Two scenarios bracket probable outcomes for the oil balance



**If oil flows gradually resume from May, allowing oil supply to recover, deficits flip to a surplus. With protracted disruptions, hefty deficits persist through 4Q26, requiring significant demand reductions.**

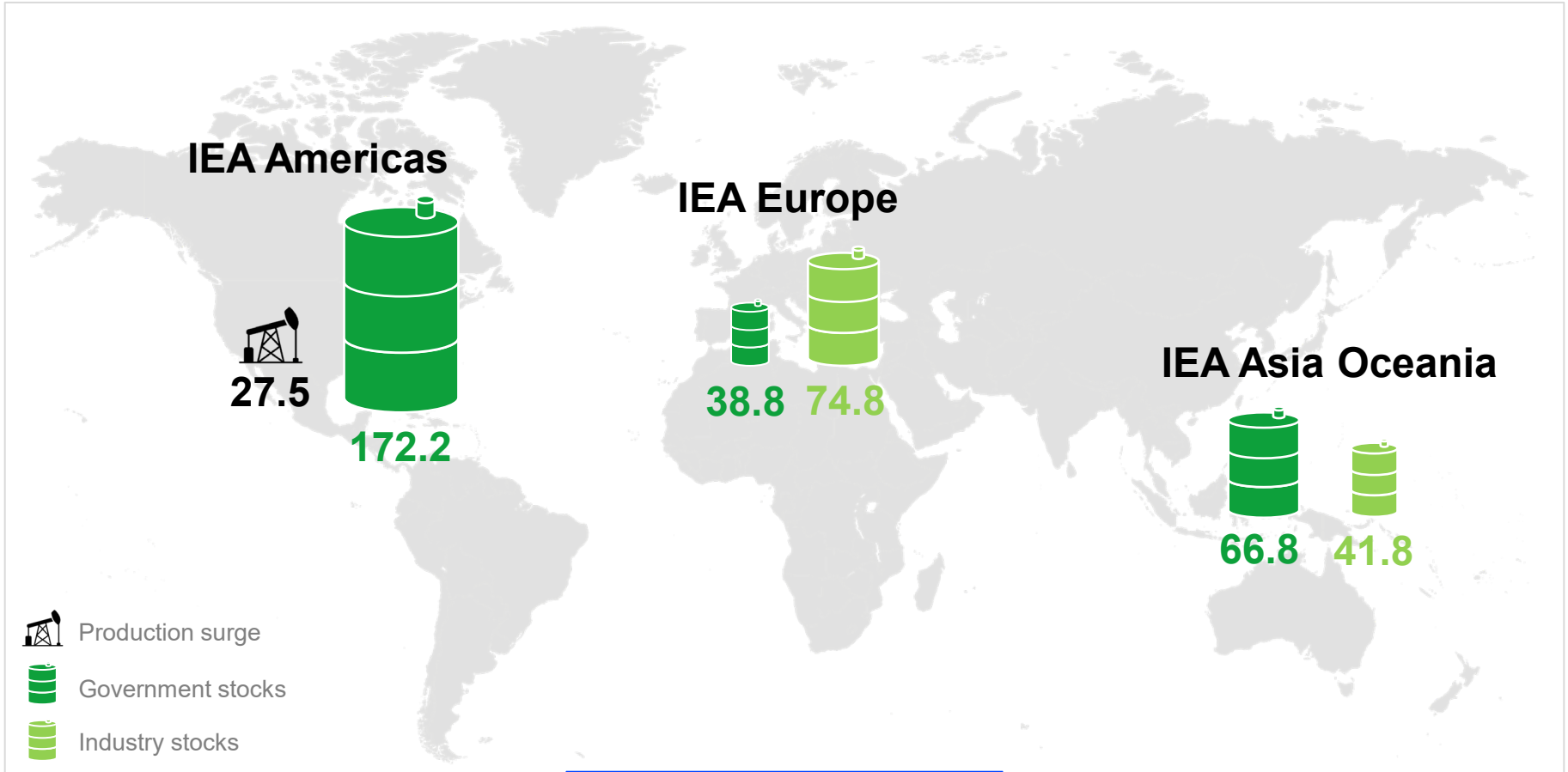
# Stocks committed to be made available as part of March 2026 Collective Action

Breakdown of contributions to March 2026 IEA Collective Action – public stocks, industry stocks, other



**IEA Member Countries committed to make available around 400 mb of emergency oil stocks, including 280 mb of public stocks and 119 mb from lowering industry stockholding obligations.**

# 2026 IEA Collective Action: Regional Overview (in million barrels)



Production surge



Government stocks



Industry stocks



## [Oil Market Report - April 2026 – Analysis - IEA](#)