APOLLO

Energy demand and supply and the Strait of Hormuz

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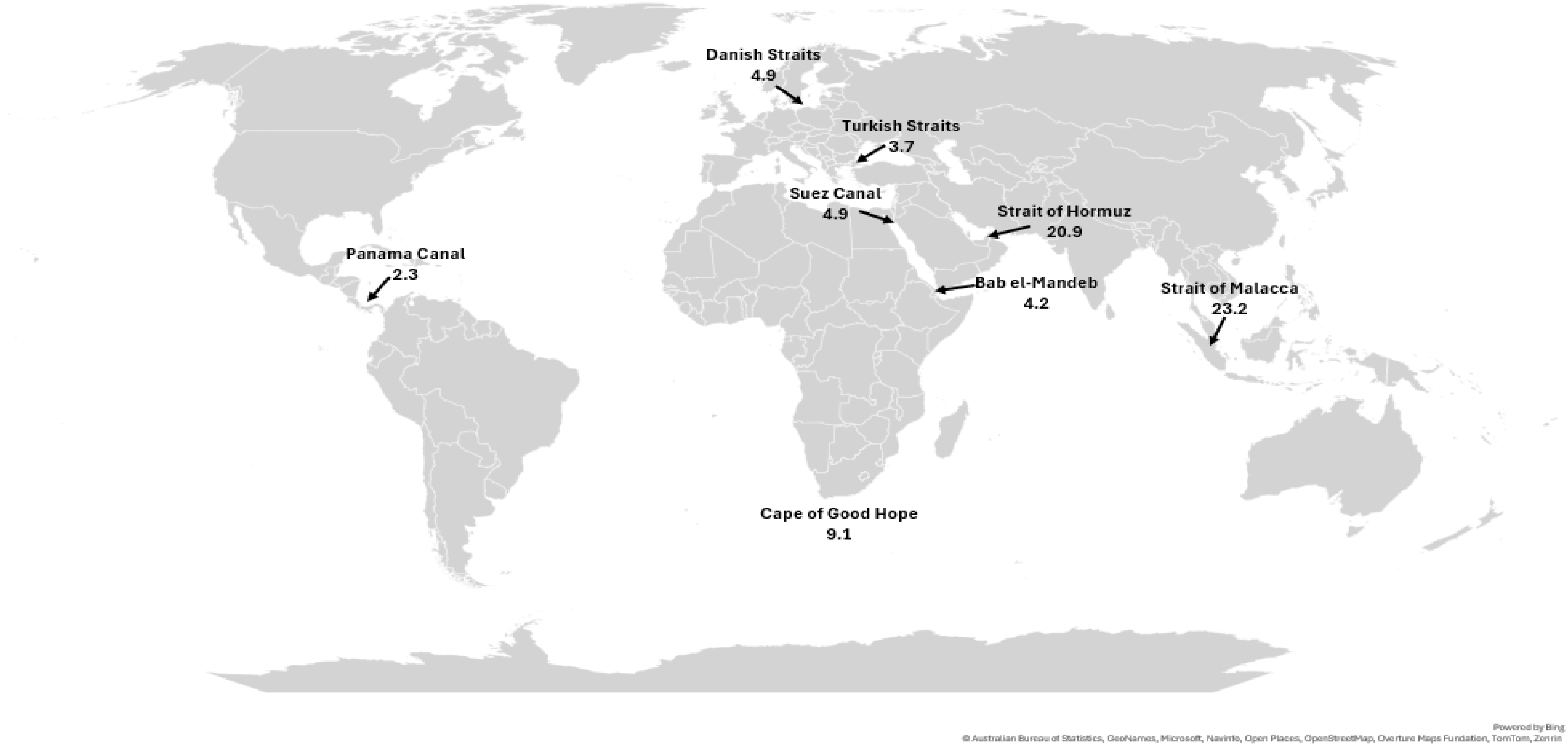
Apollo Global Management

July 2026

World oil transit

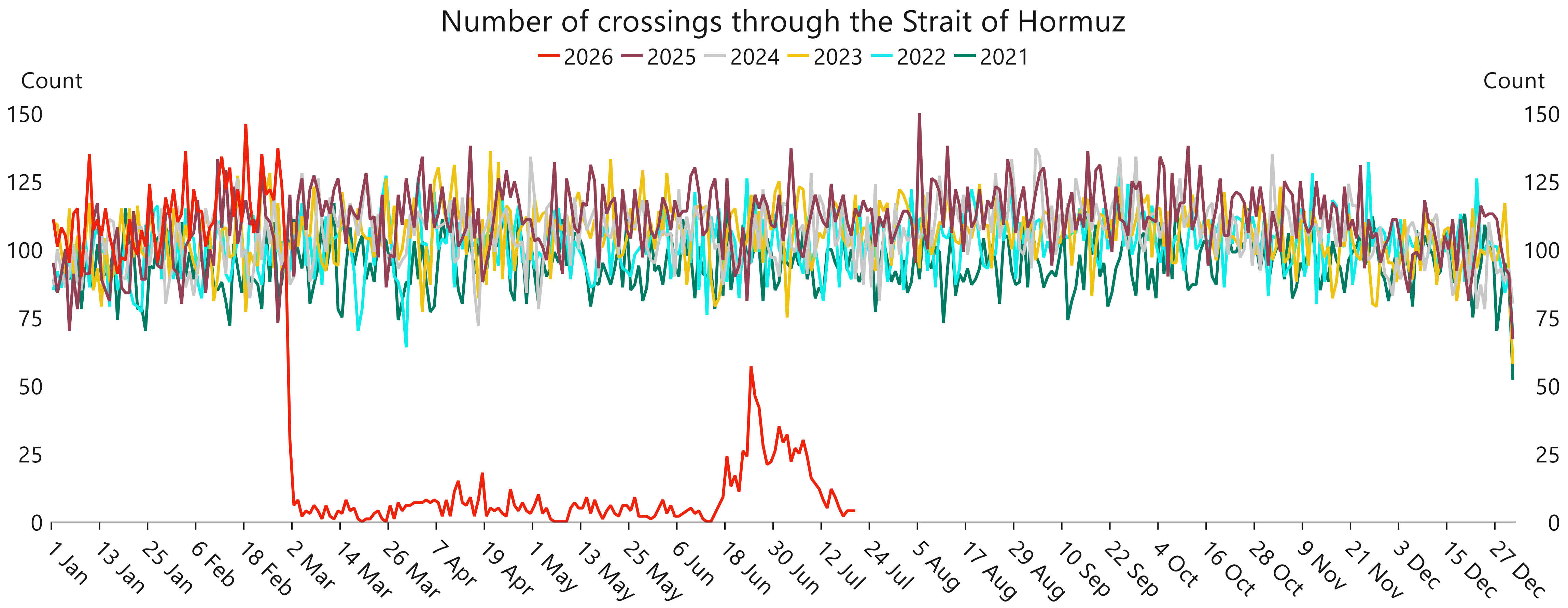
World oil transit (million barrels per day)



Source: EIA (International - U.S. Energy Information Administration (EIA)), Apollo Chief Economist.

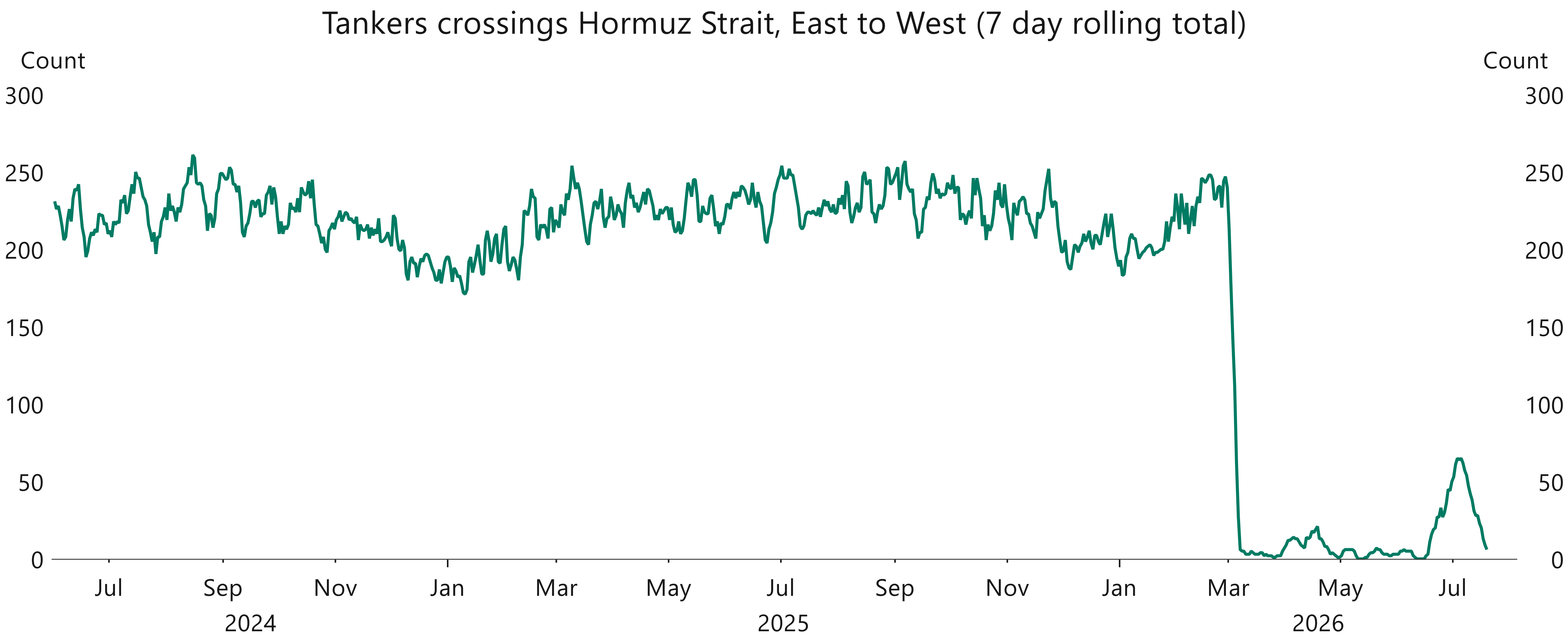
The Strait of Hormuz is important

Ship crossings in the Strait of Hormuz



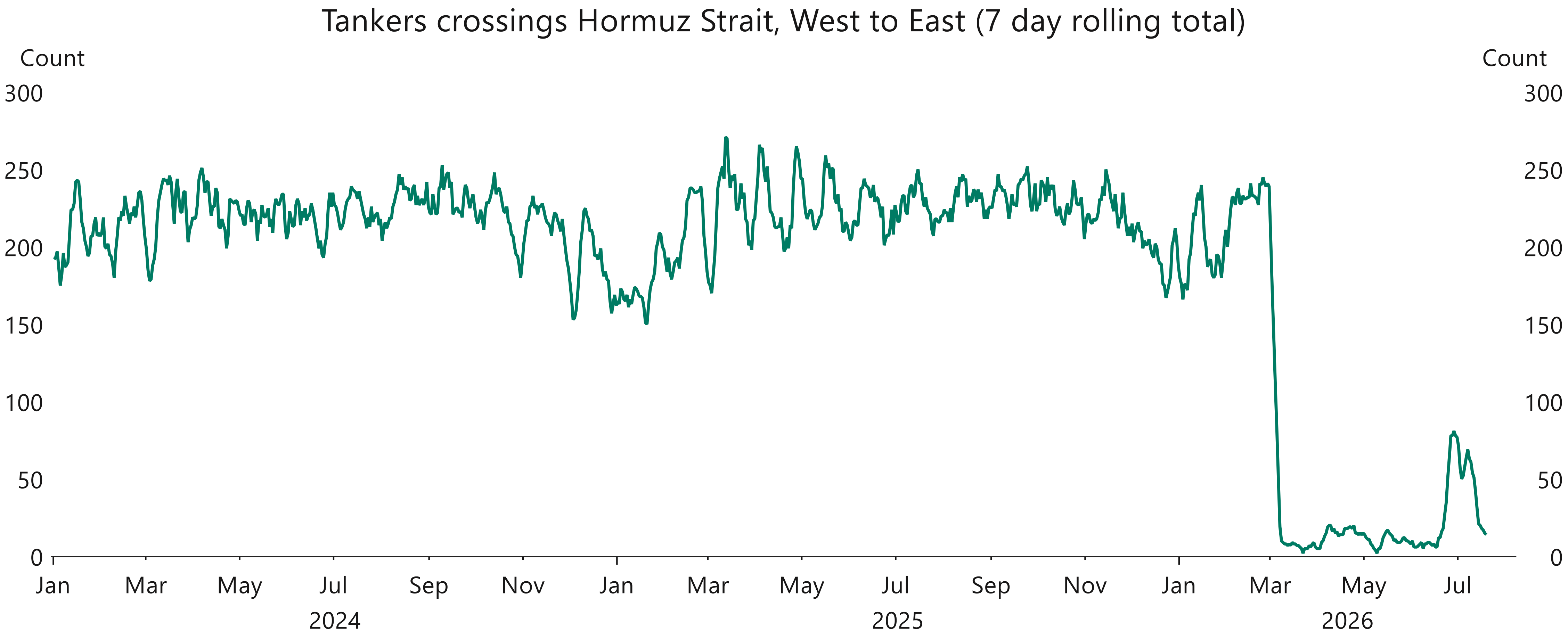
Source: Bloomberg, Macrobond, Apollo Chief Economist

Ship crossings in the Strait of Hormuz: East to West



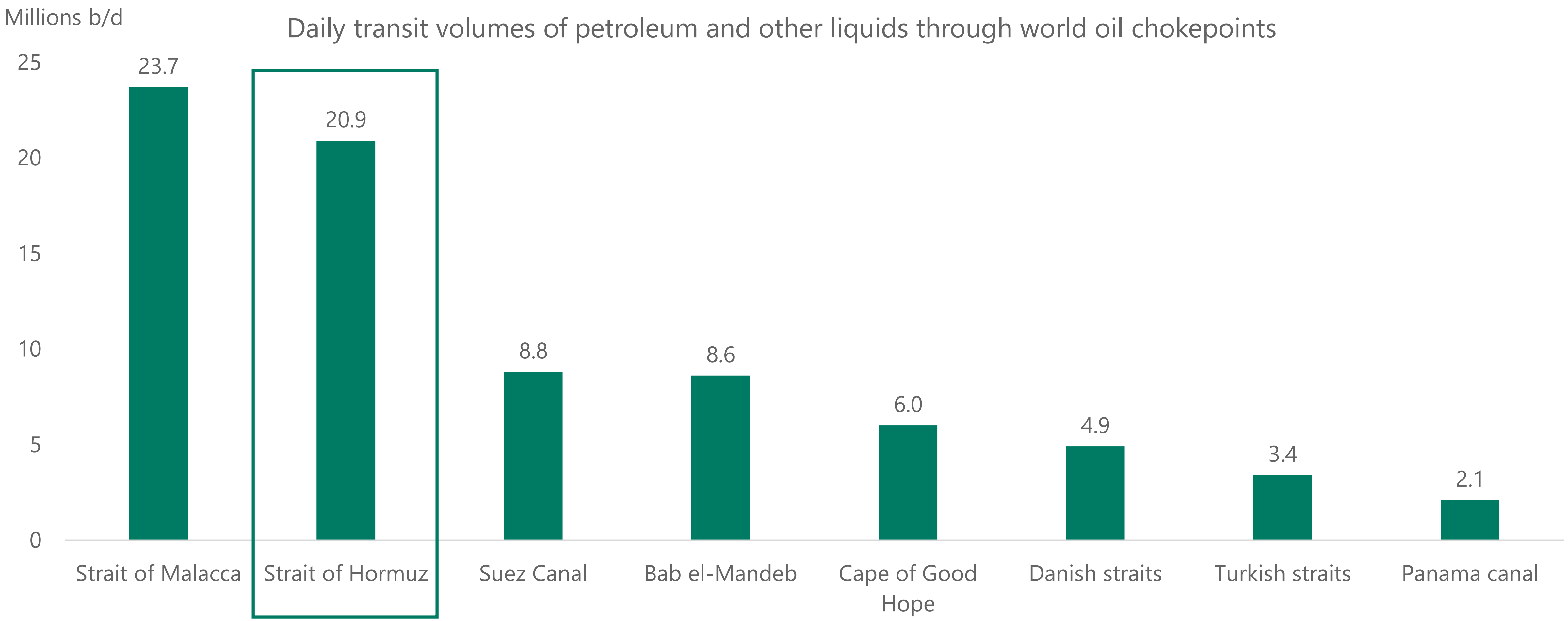
Source: Bloomberg, Macrobond, Apollo Chief Economist

Ship crossings in the Strait of Hormuz: West to East



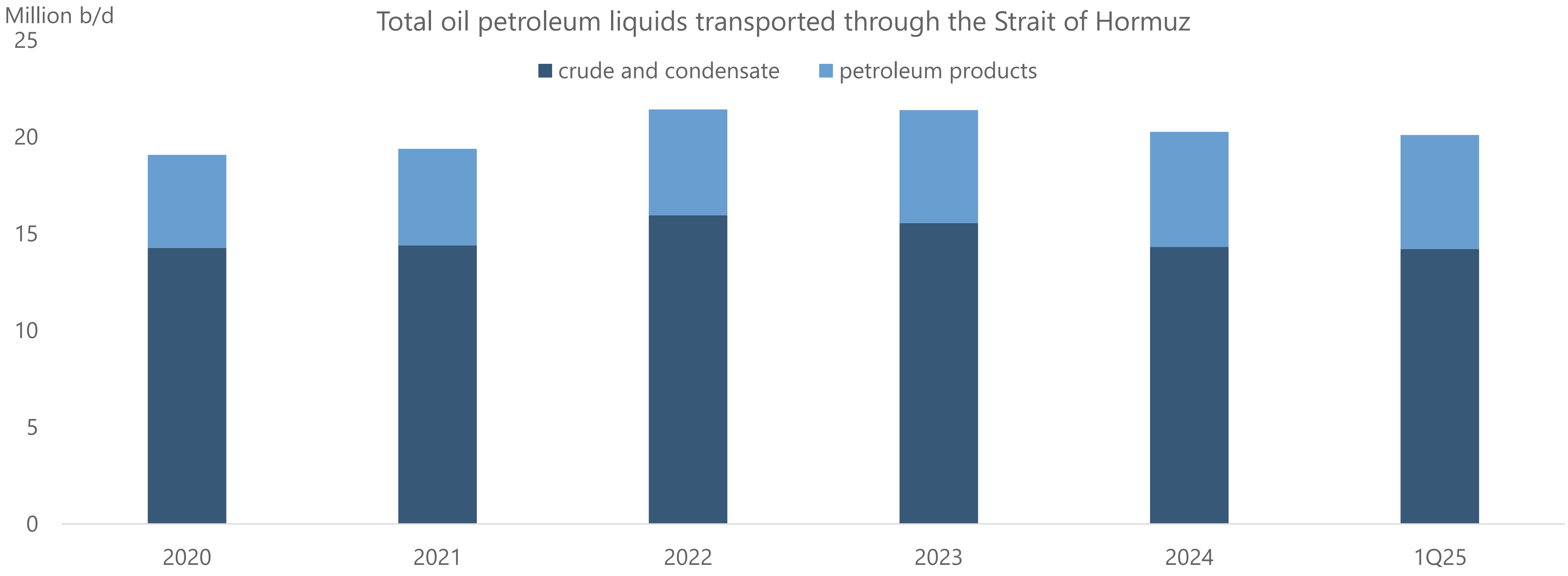
Source: Bloomberg, Macrobond, Apollo Chief Economist

The Strait of Hormuz is important for global oil



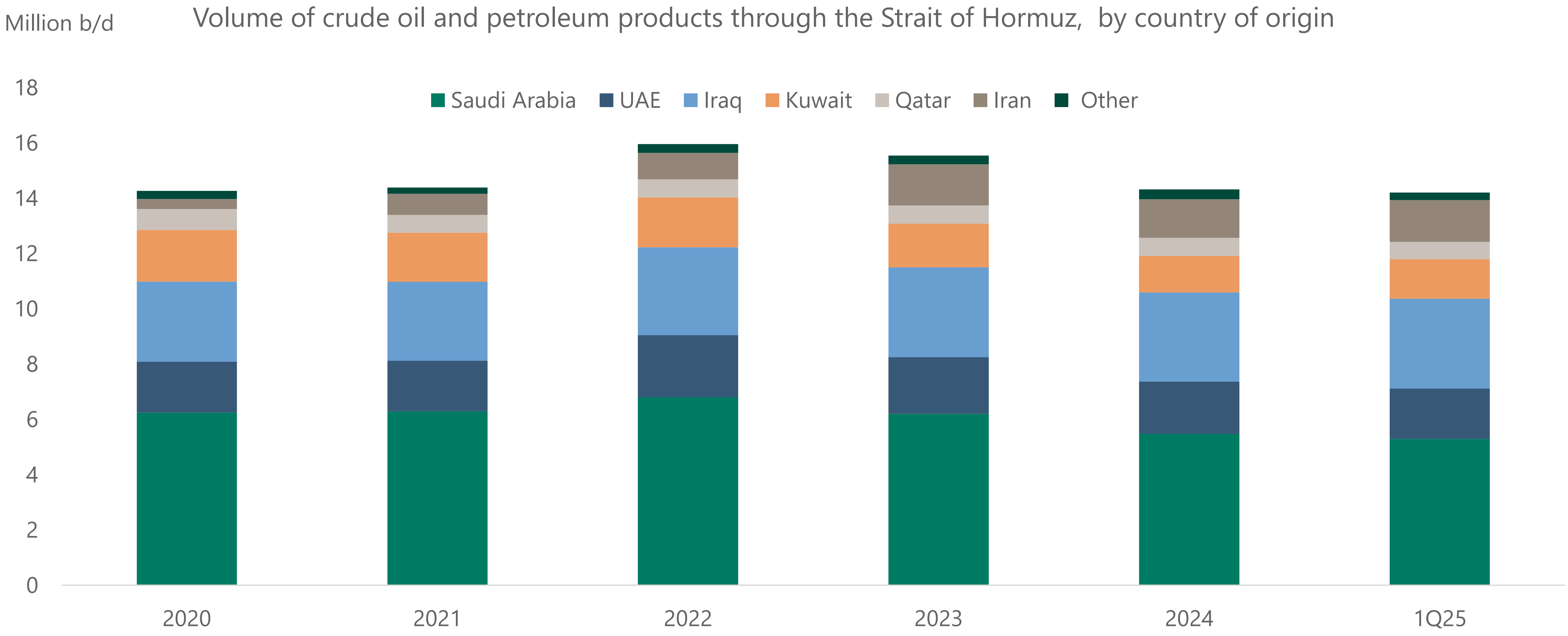
Source: U.S. Energy Information Administration (EIA) analysis, based on Vortexa tanker tracking and Panama Canal, Apollo Chief Economist.

Oil flows through Strait of Hormuz normally average around 20 million barrels per day



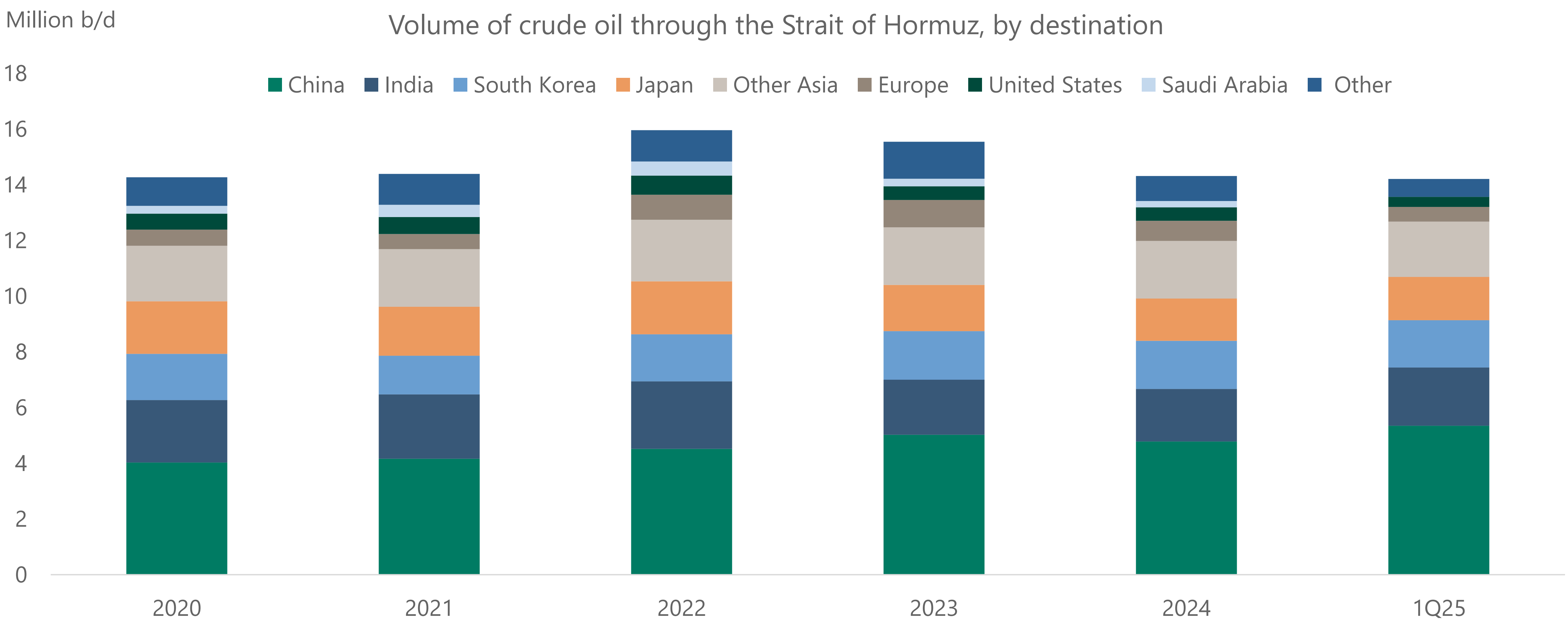
Source: U.S. Energy Information Administration (EIA) analysis based on Vortexa, Apollo Chief Economist

Volume of crude oil and petroleum products through the Strait of Hormuz, by country of origin



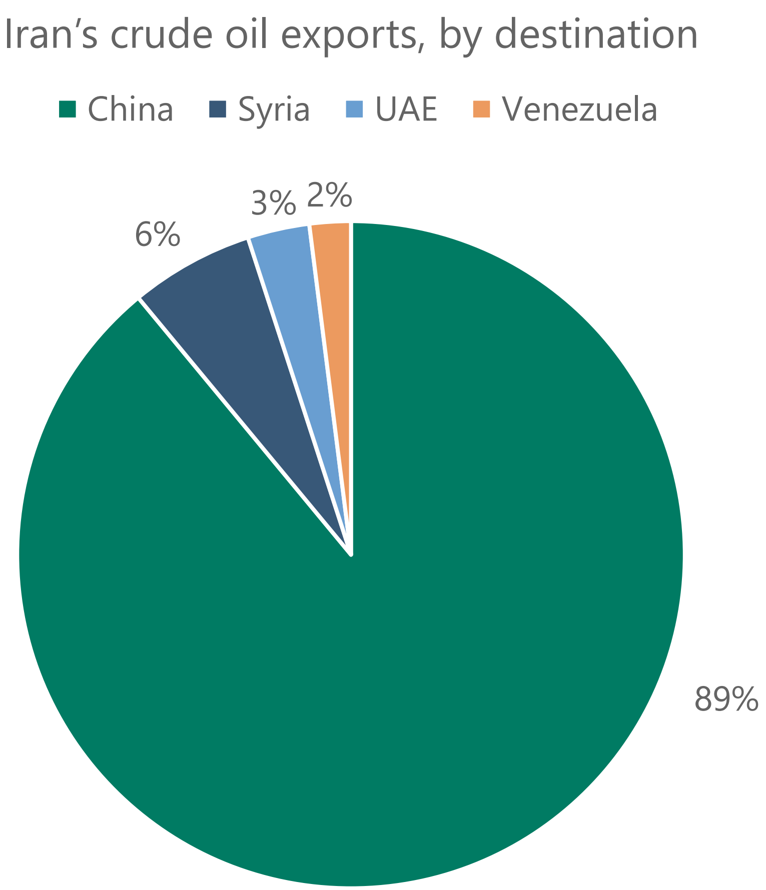
Data source: U.S. Energy Information Administration (EIA) analysis based on Vortexa, Apollo Chief Economist.

Volume of crude oil through the Strait of Hormuz, by destination



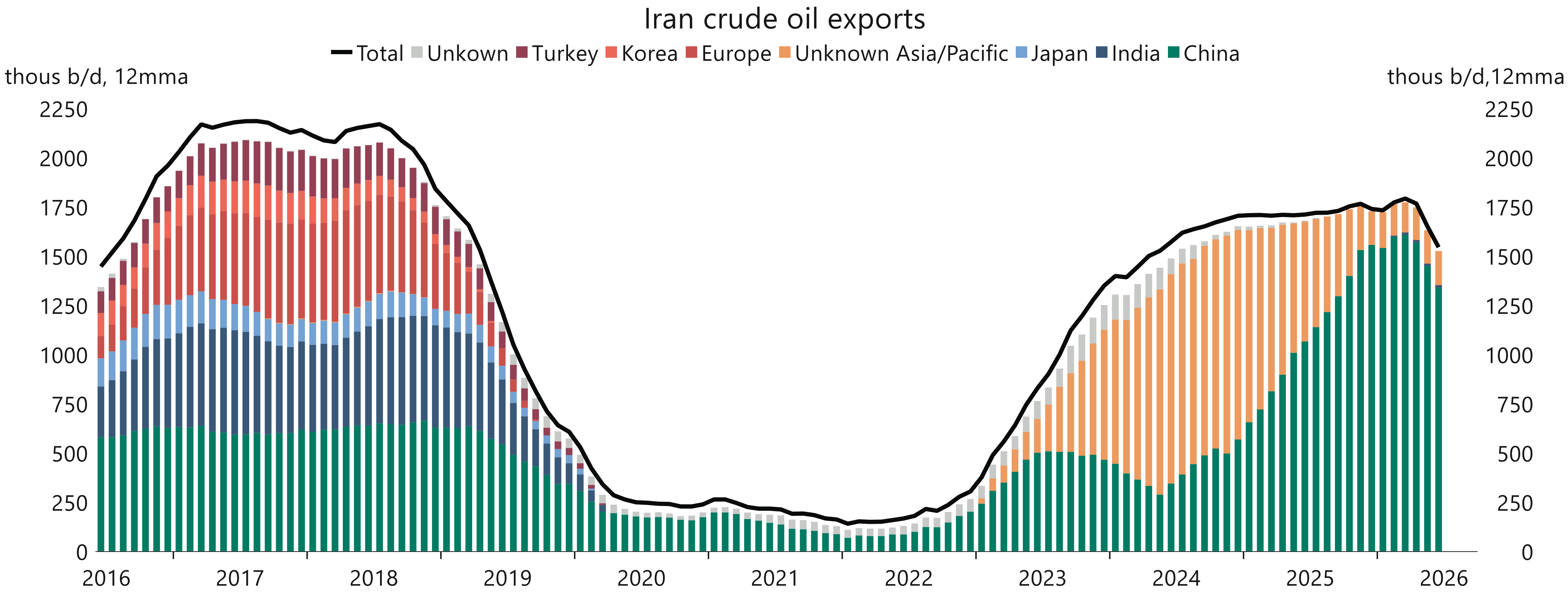
Data source: U.S. Energy Information Administration (EIA) analysis based on Vortexa, Apollo Chief Economist.

China normally buys 89% of Iran's oil exports



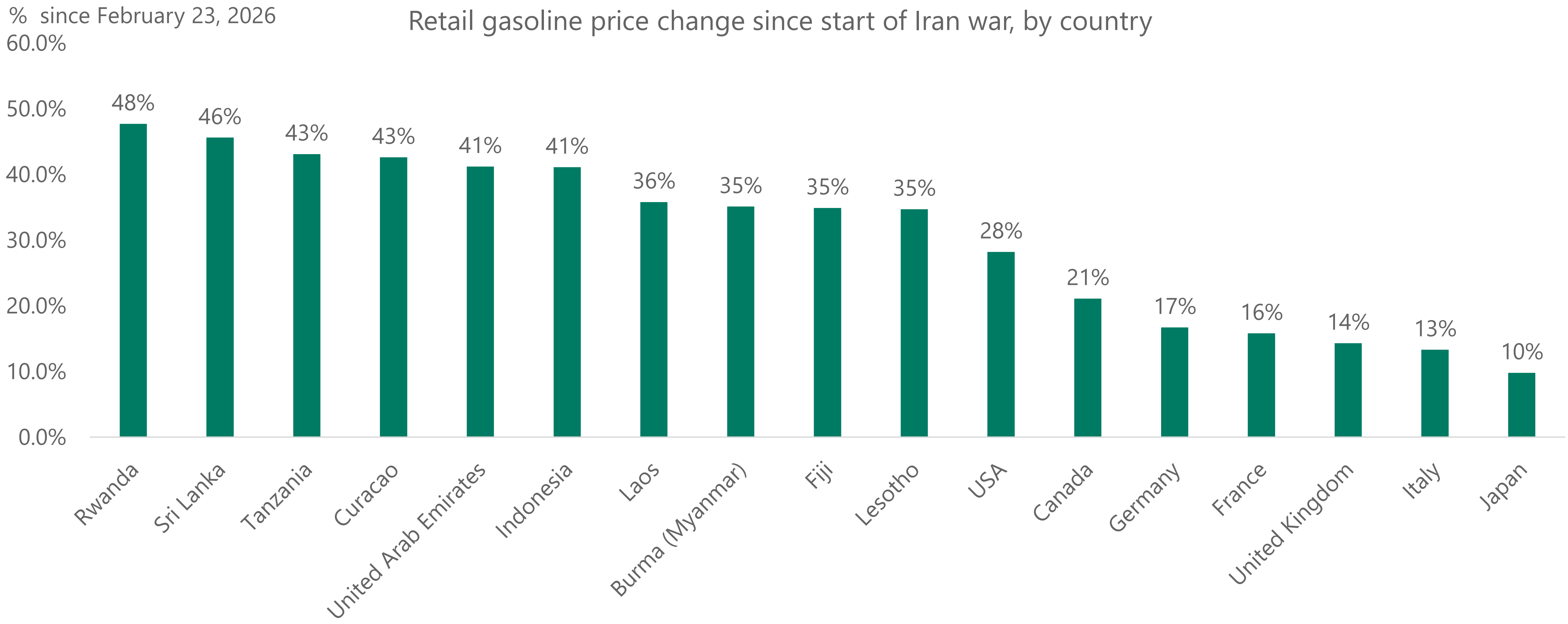
Data source: U.S. Energy Information Administration (EIA) analysis based on Vortexa, Apollo Chief Economist. Data as of 2023.

Iran crude oil exports



Source: Bloomberg, Macrobond, Apollo Chief Economist

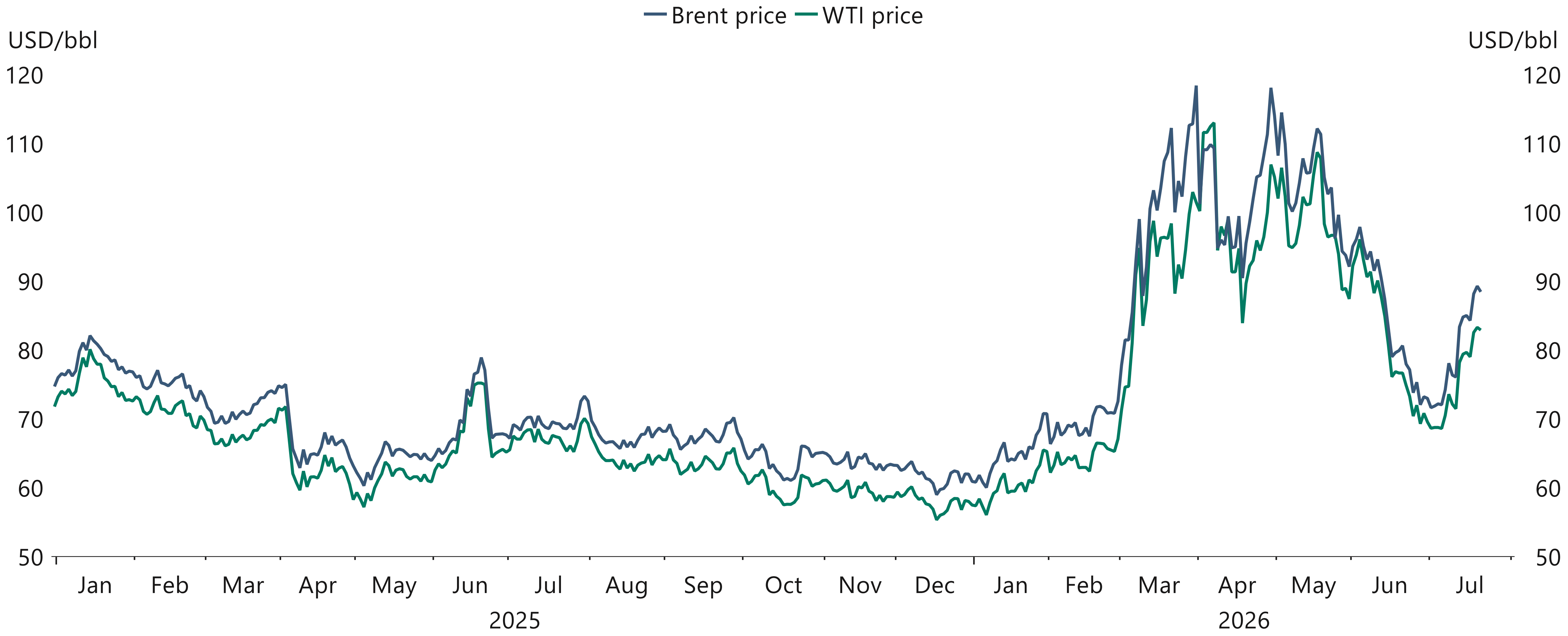
Change in retail gasoline prices since start of war



Source: Fuel price trends since the start of the war in Iran | GlobalPetrolPrices.com, Apollo Chief Economist

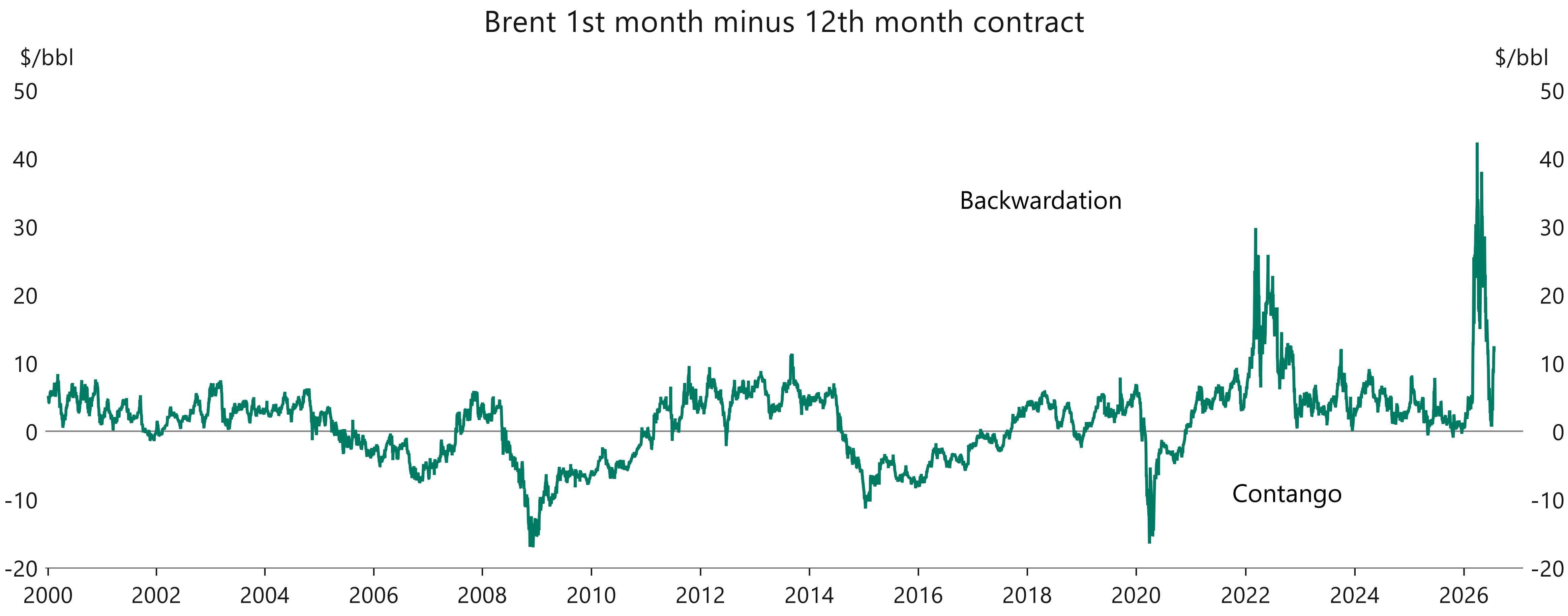
Market reaction: Oil prices and fuel costs

Recent developments in oil prices



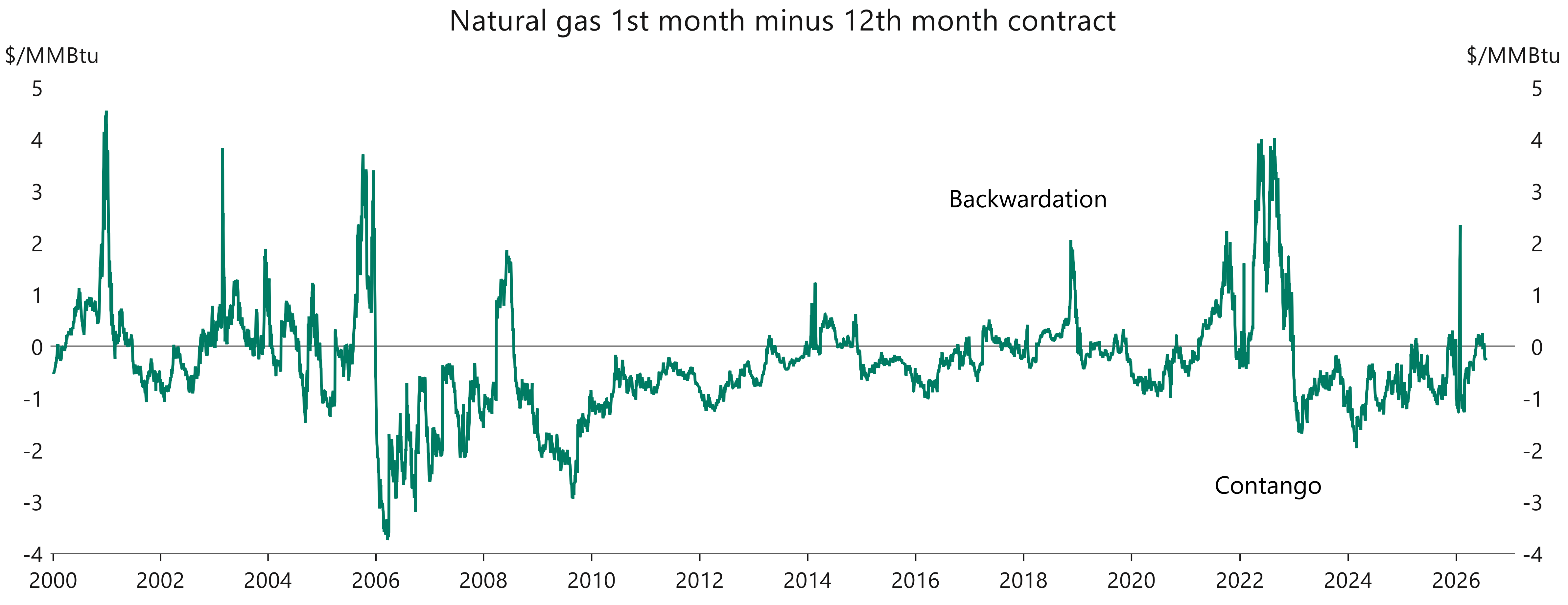
Source: Bloomberg, Macrobond, Apollo Chief Economist

Brent in backwardation



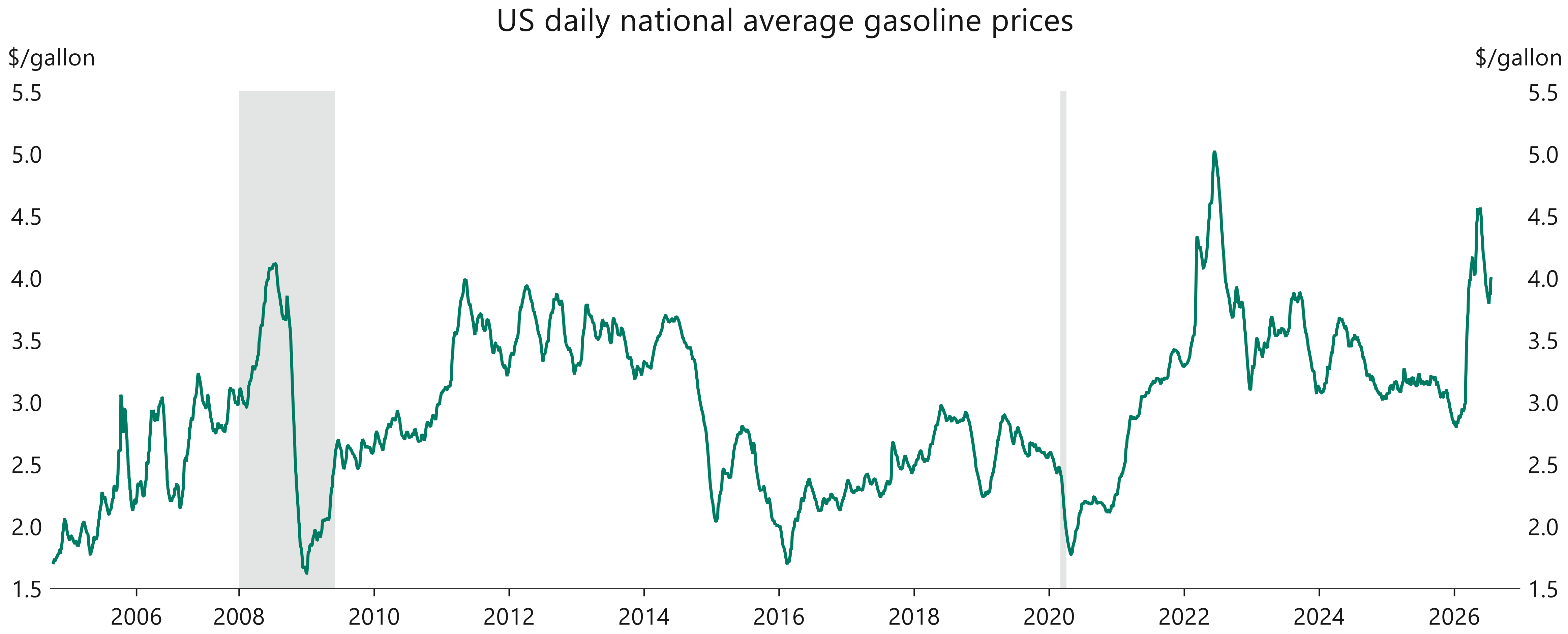
Source: Bloomberg, Macrobond, Apollo Chief Economist

Natural gas in contango



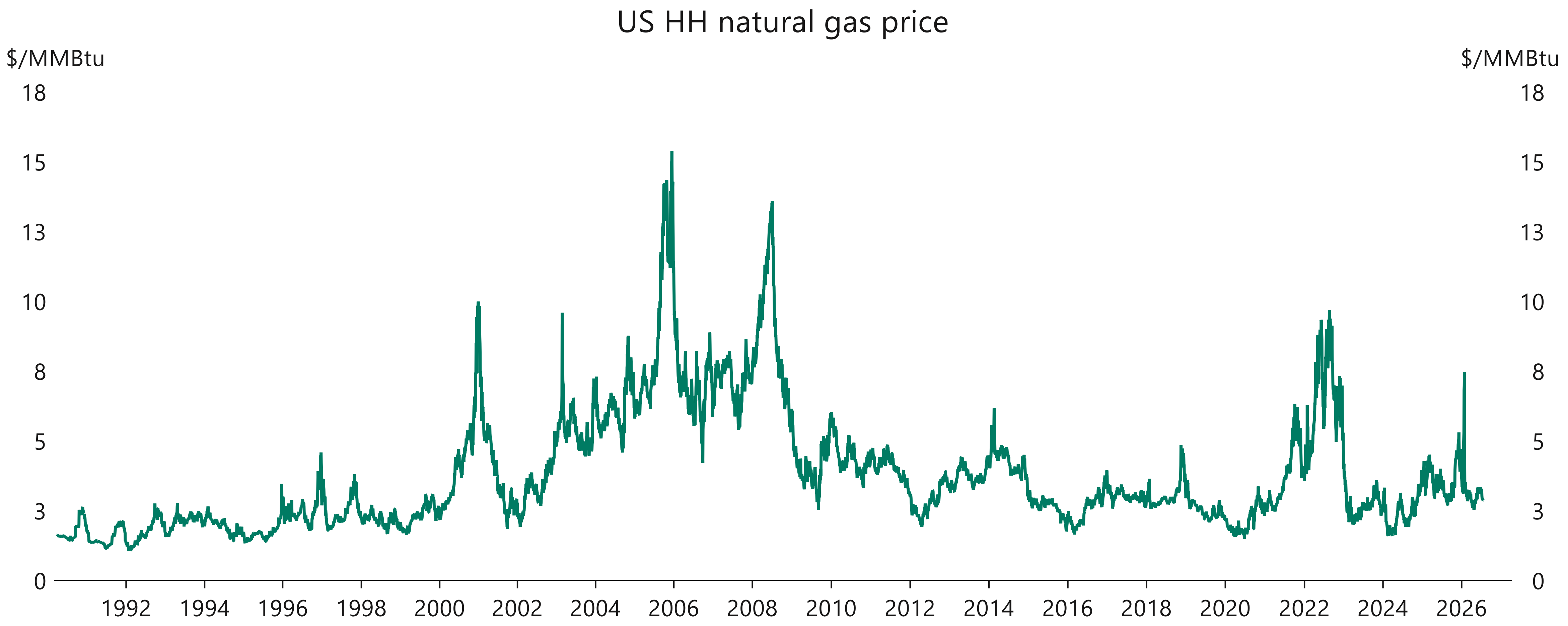
Source: Bloomberg, Macrobond, Apollo Chief Economist

US retail gas prices are at around $4



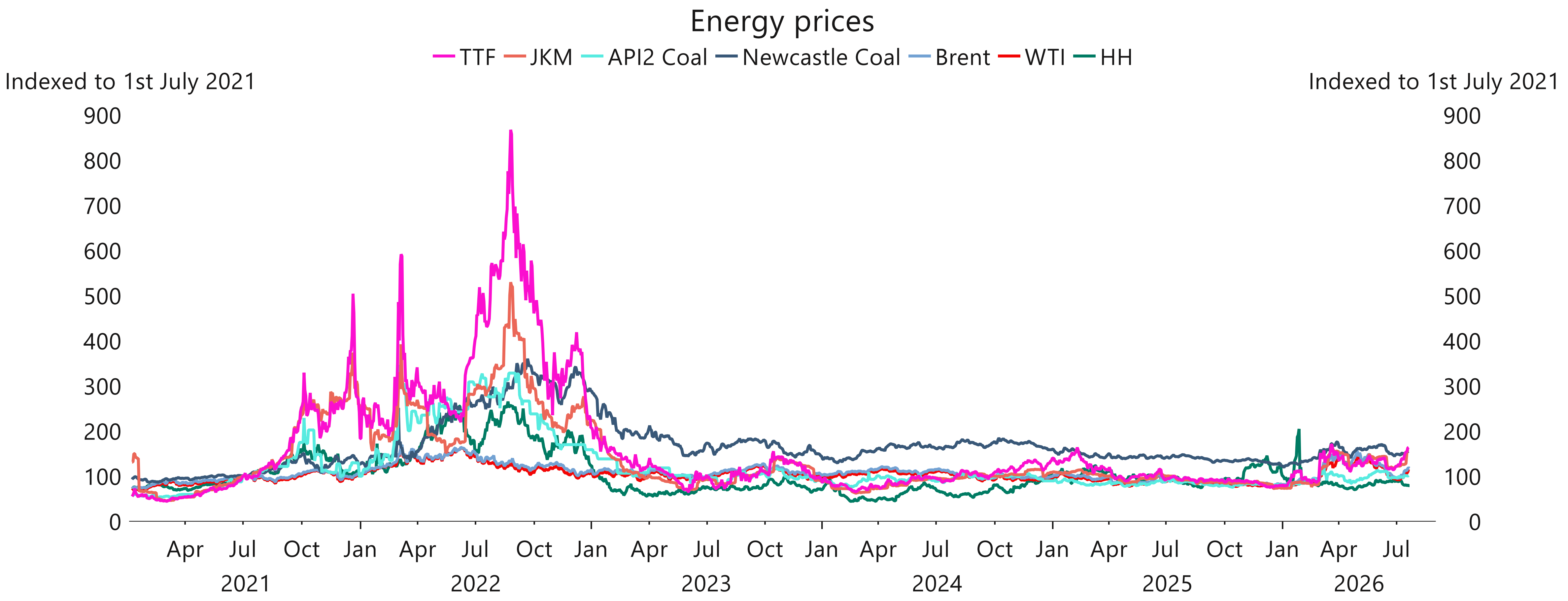
Source: Bloomberg, Macrobond, Apollo Chief Economist

US natural gas price



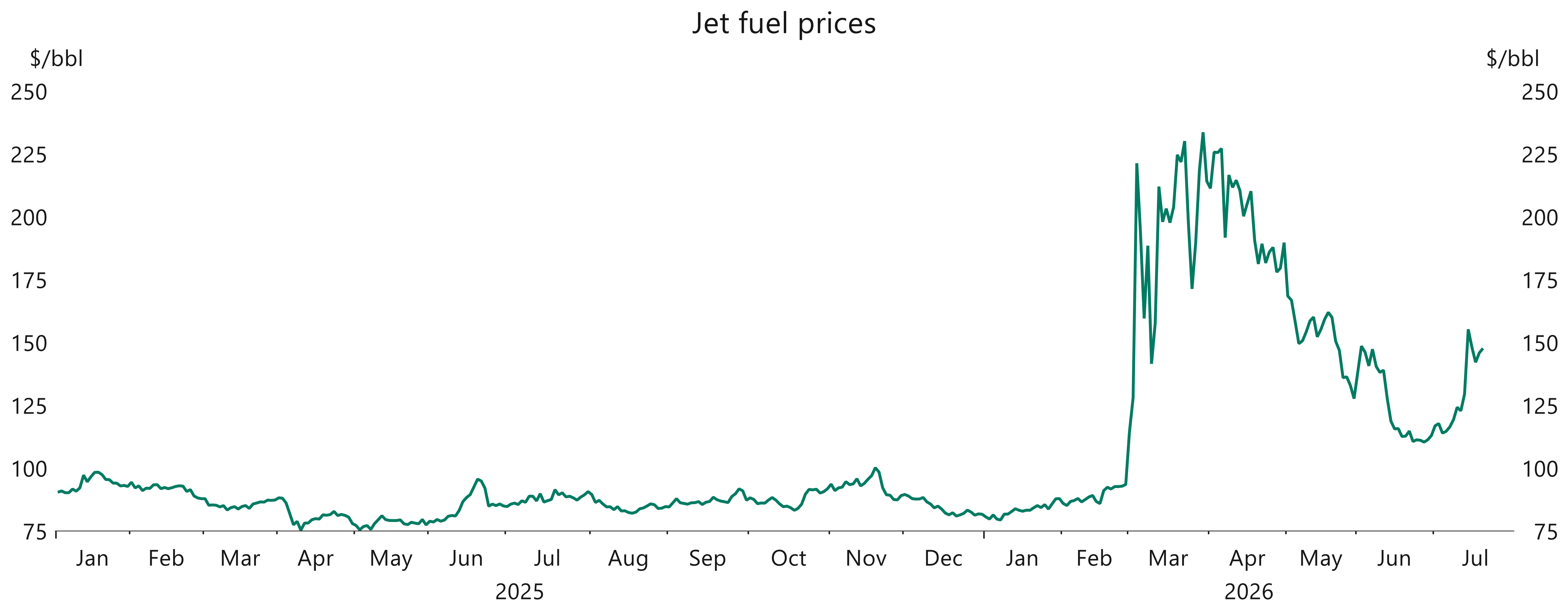
Source: Bloomberg, Macrobond, Apollo Chief Economist

Global energy prices relative to July 1, 2021



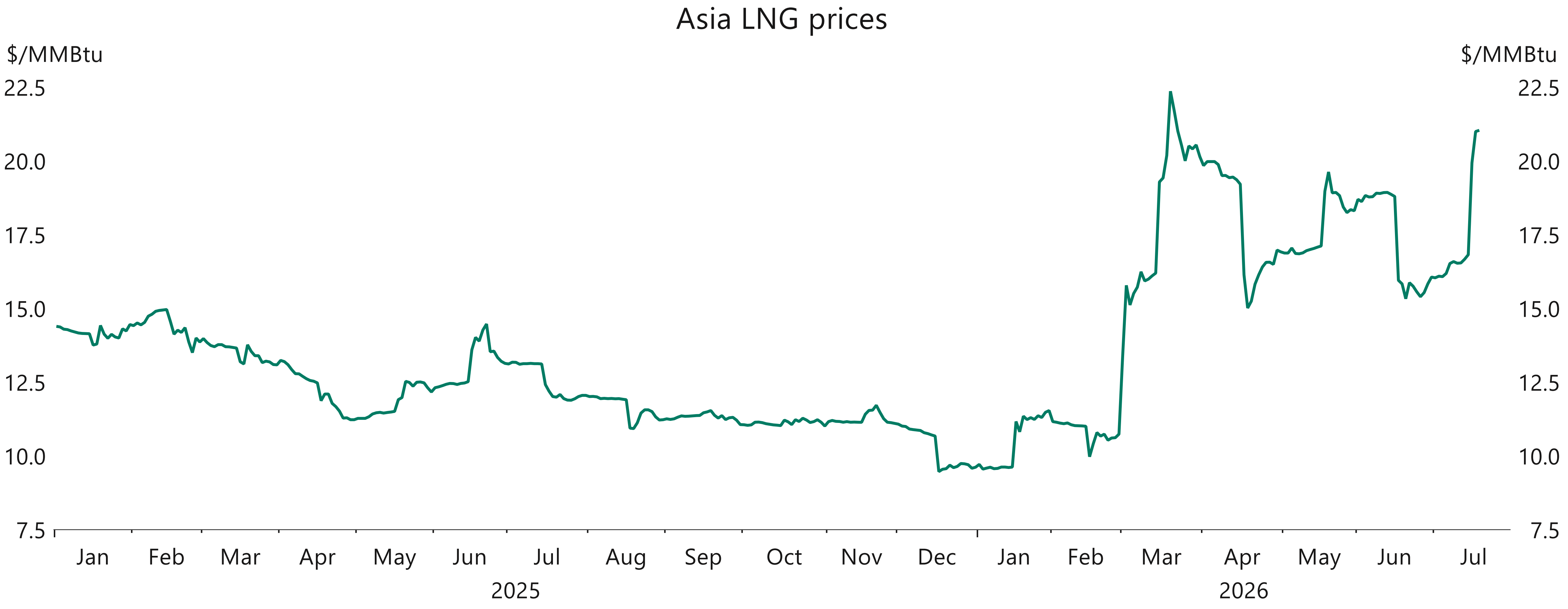
Source: Bloomberg, Macrobond, Apollo Chief Economist. Note: HH is the US natural gas benchmark, API2 is European Coal benchmark, JKM is the Asia Pacific LNG benchmark and TTF is the Netherlands natural gas pricing

Jet fuel prices rising again



Source: Bloomberg, Macrobond, Apollo Chief Economist. Note: Index used JETKSPOT Index

Asian LNG prices also higher than normal

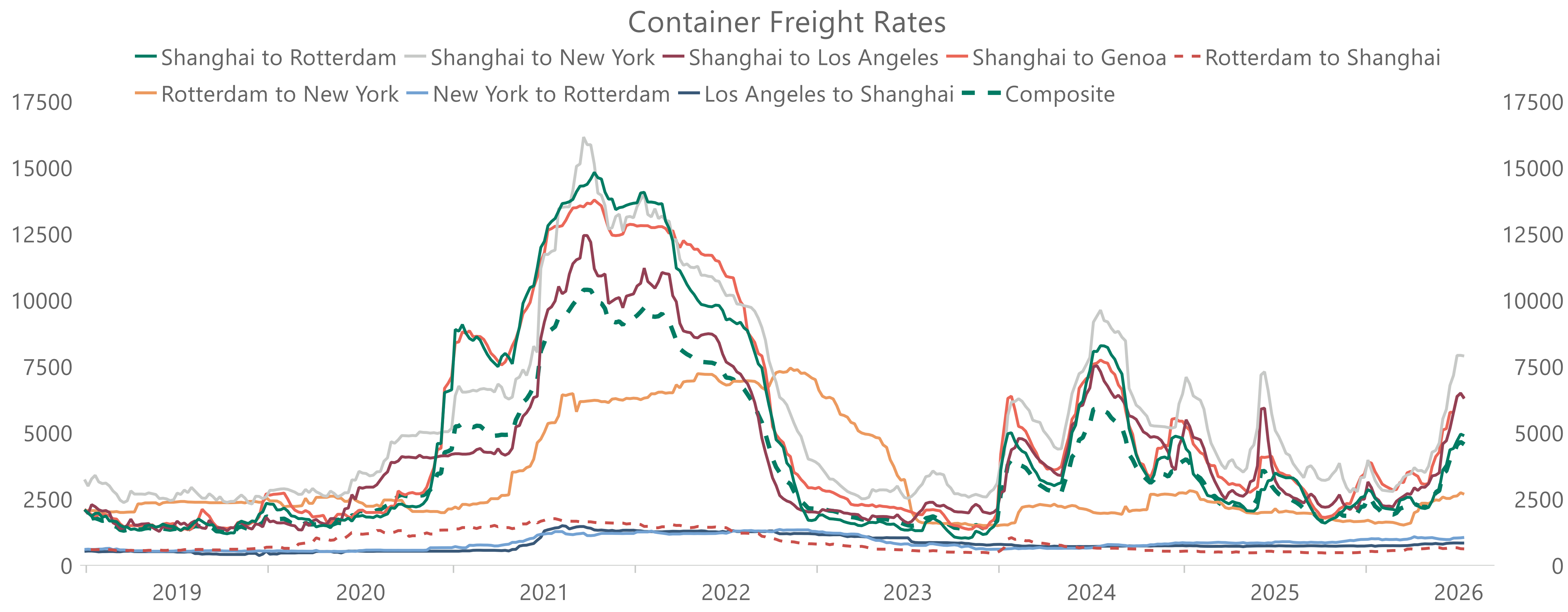


Source: Bloomberg, Macrobond, Apollo Chief Economist. Note: Index used JKL1 Comdty

China: Containerized freight index

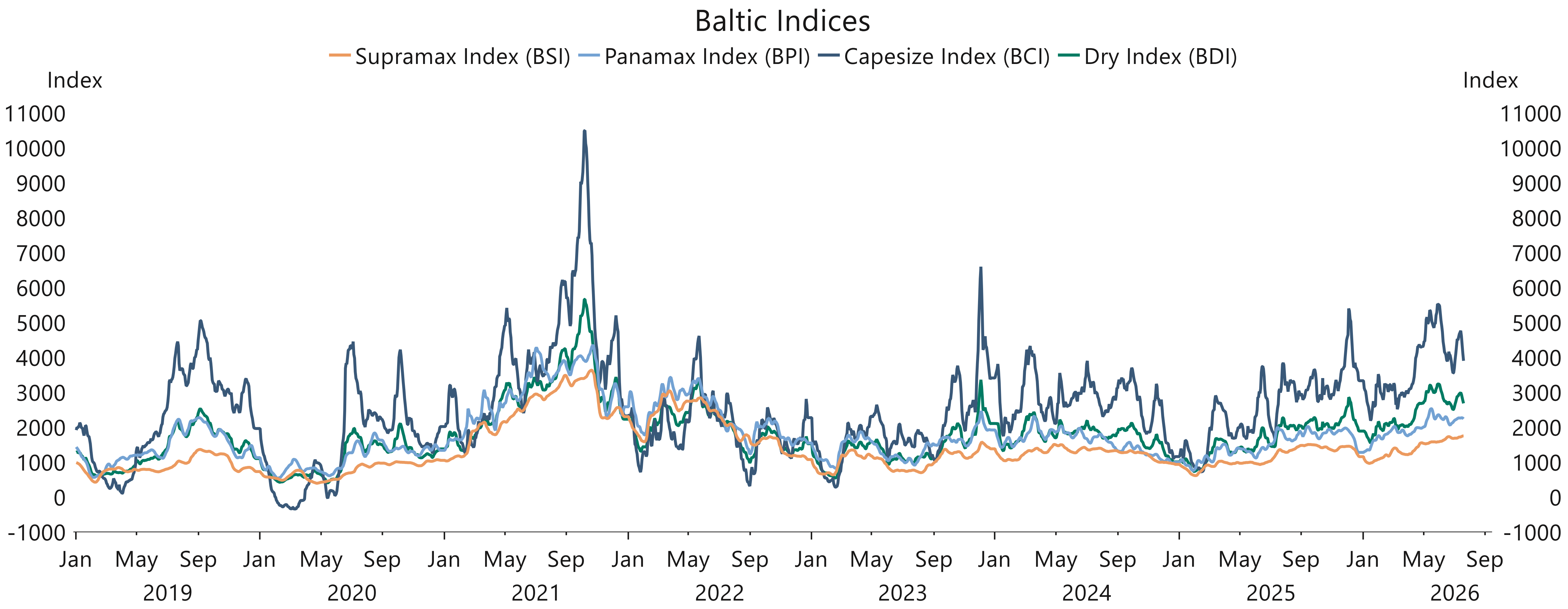
Source: Shanghai Shipping Exchange, Macrobond, Apollo Chief Economist

Container freight rates



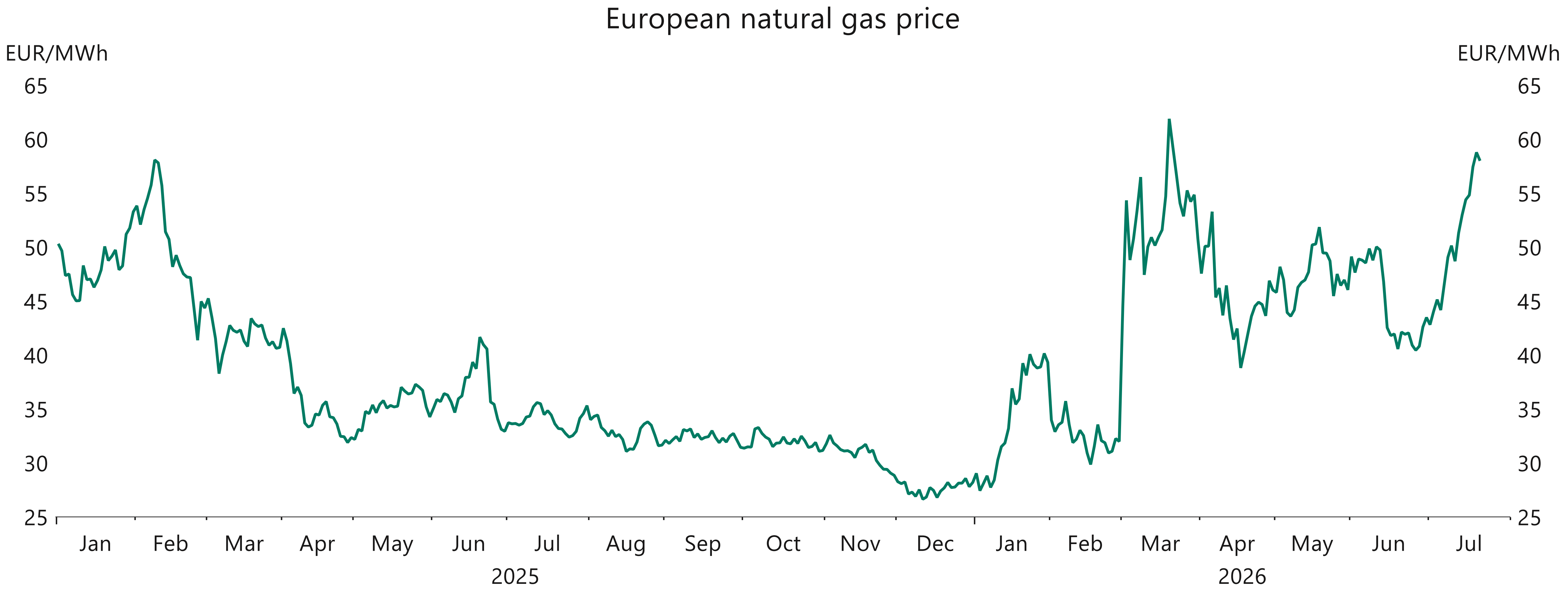
Source: WCI, Bloomberg, Macrobond, Apollo Chief Economist

Baltic Exchange indexes



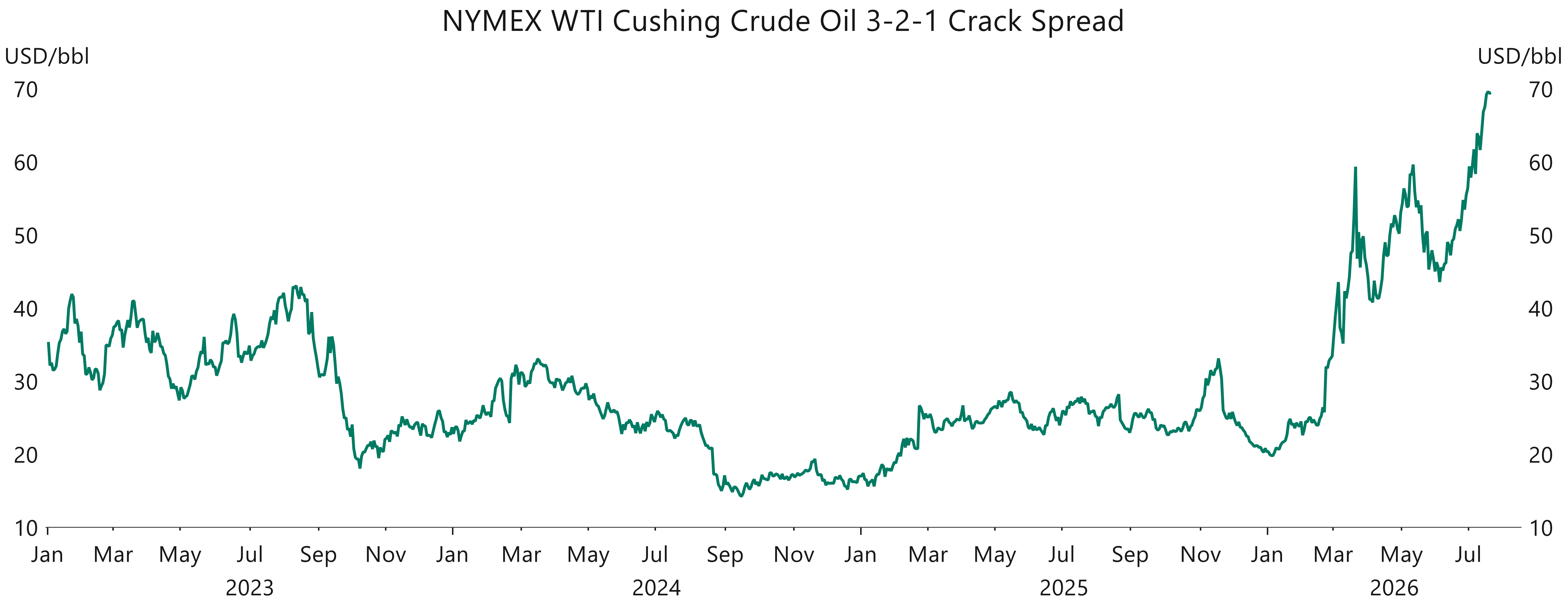
Source: Baltic Exchange, Macrobond, Apollo Chief Economist

European natural gas prices rising



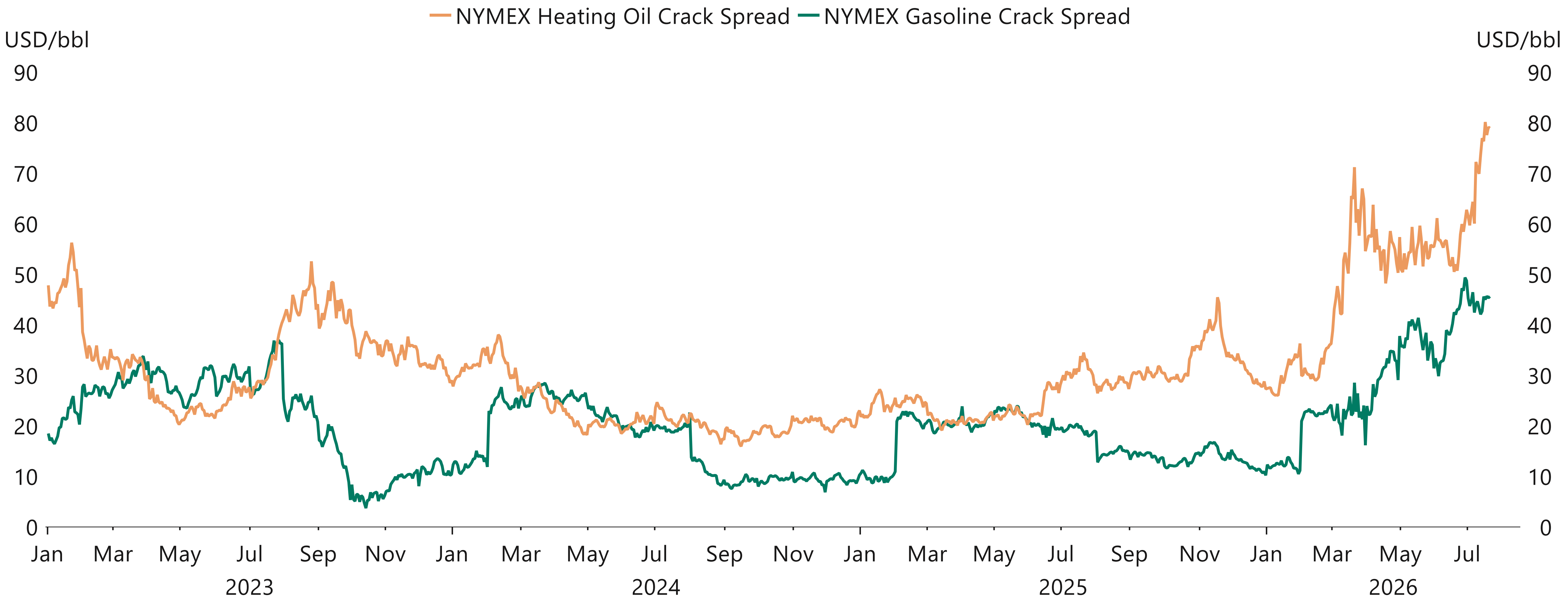
Source: Bloomberg, Macrobond, Apollo Chief Economist

Refining margin rising



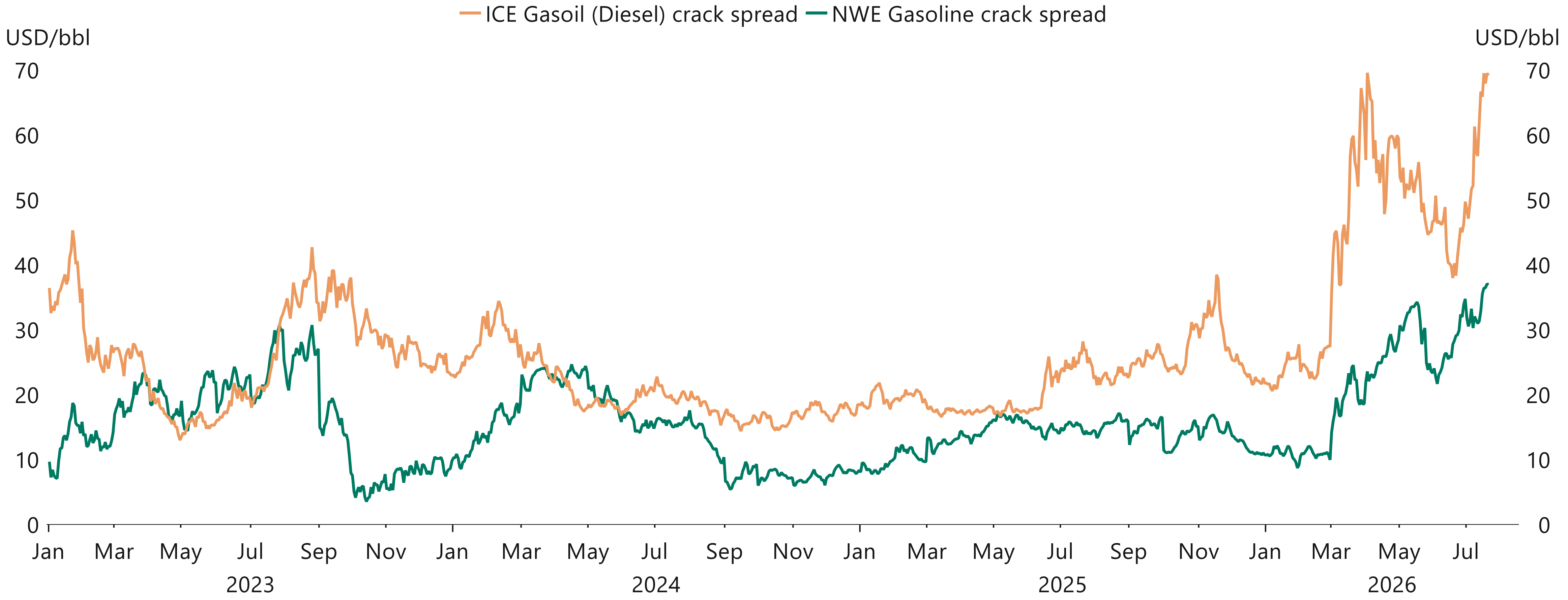
Source: Bloomberg, Macrobond, Apollo Chief Economist

US refining margins



Source: Bloomberg, Macrobond, Apollo Chief Economist

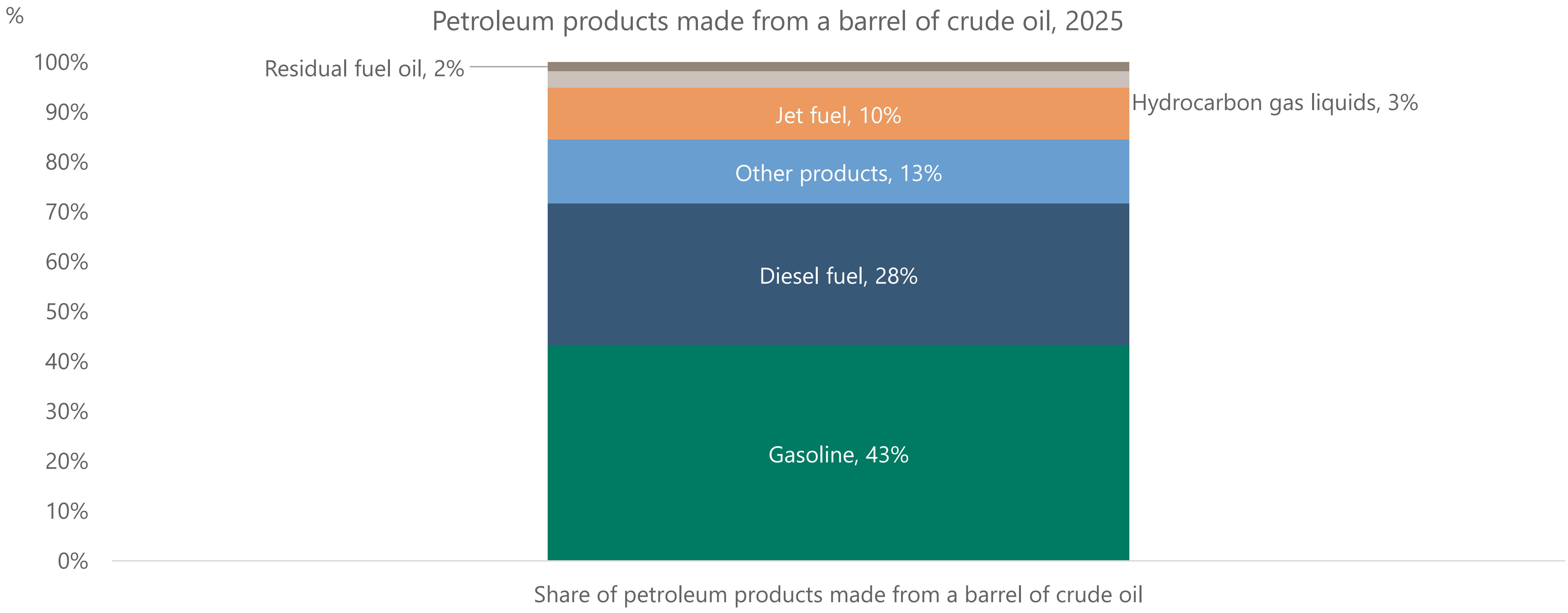
Europe refining margins



Source: Bloomberg, Macrobond, Apollo Chief Economist

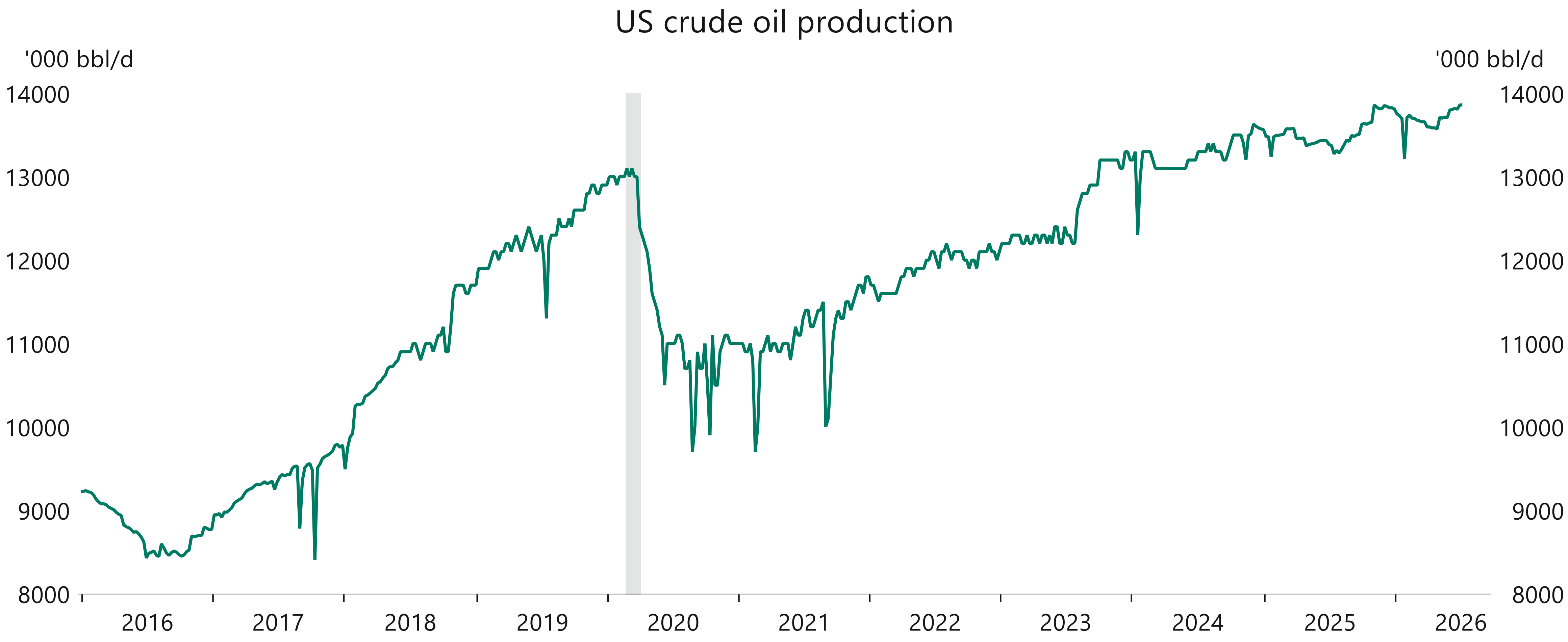
US resilience: Energy independence and supply

Petroleum products made from a barrel of crude



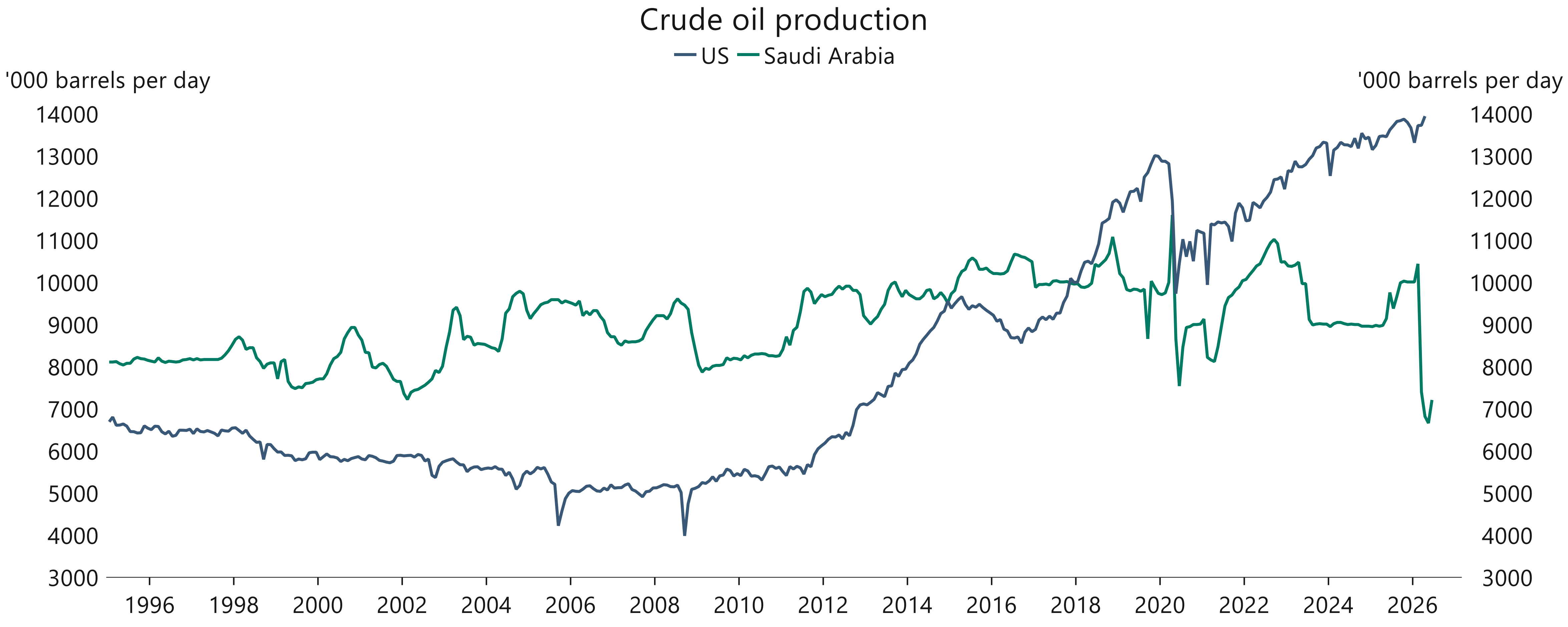
Source: EIA, Apollo Chief Economist

US oil production at record-high levels



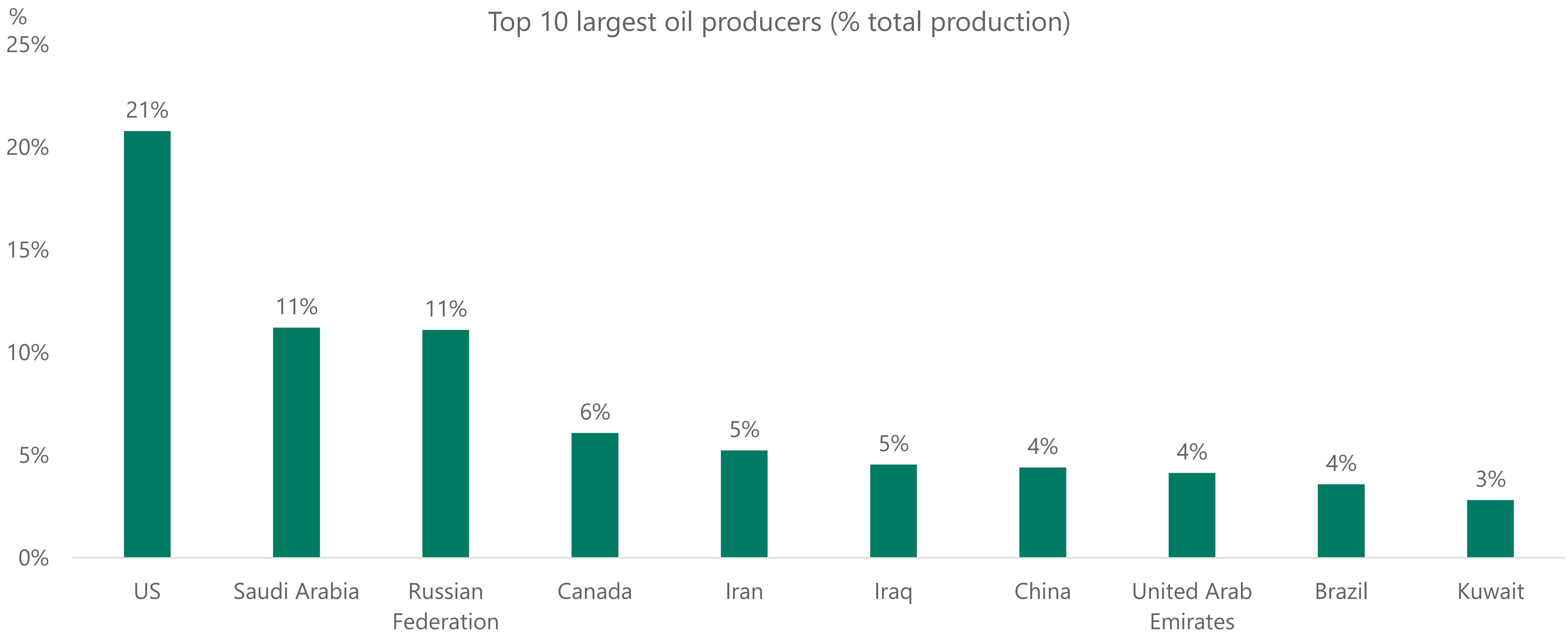
Source: Bloomberg, Macrobond, Apollo Chief Economist

US oil production higher than in Saudi Arabia



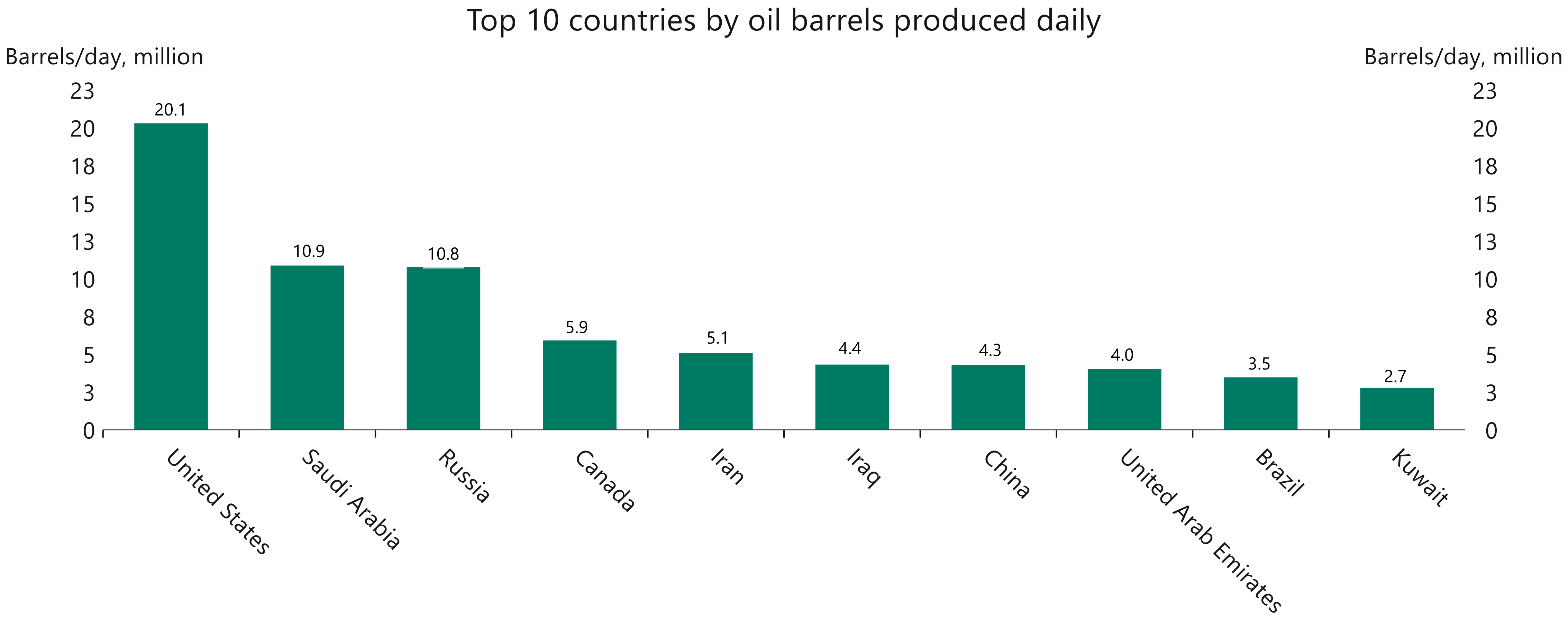
Source: Bloomberg, Macrobond, Apollo Chief Economist

US is the largest producer of oil in the world



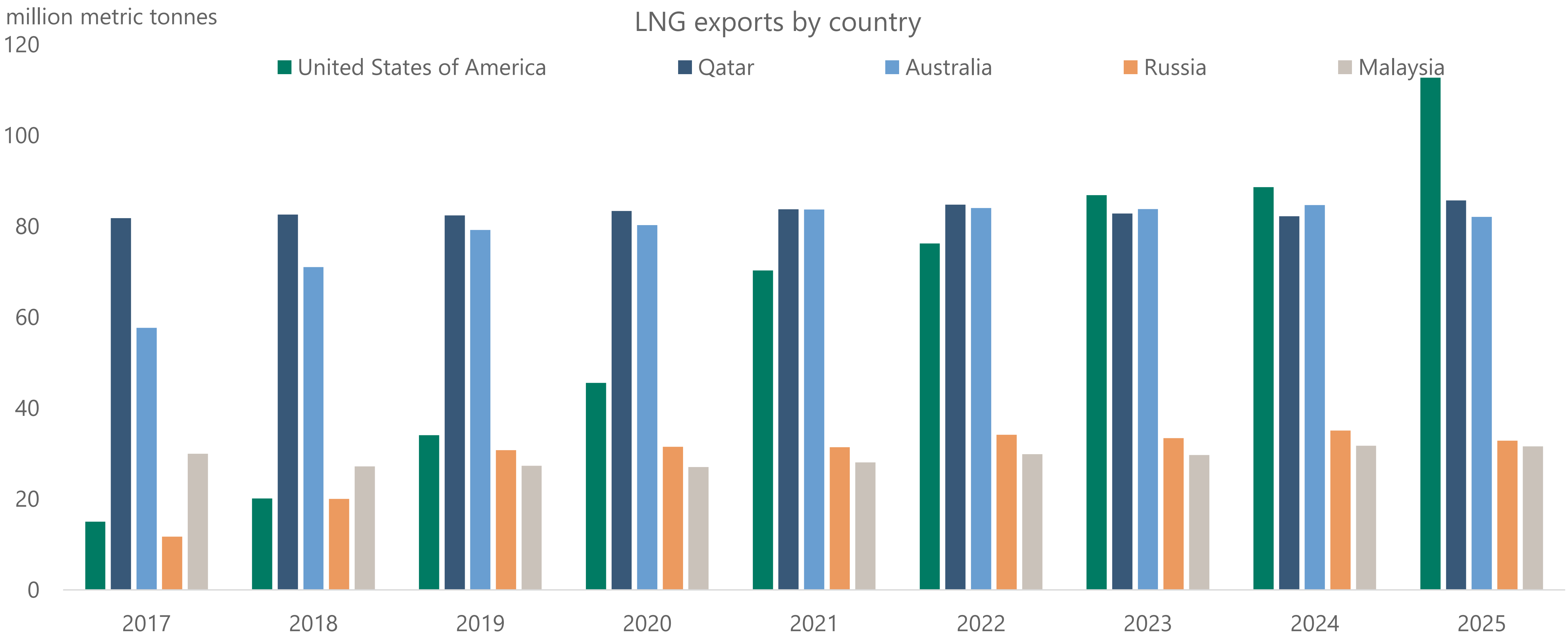
Source: Statistical review of world energy, Apollo Chief Economist

Top 10 global oil producers



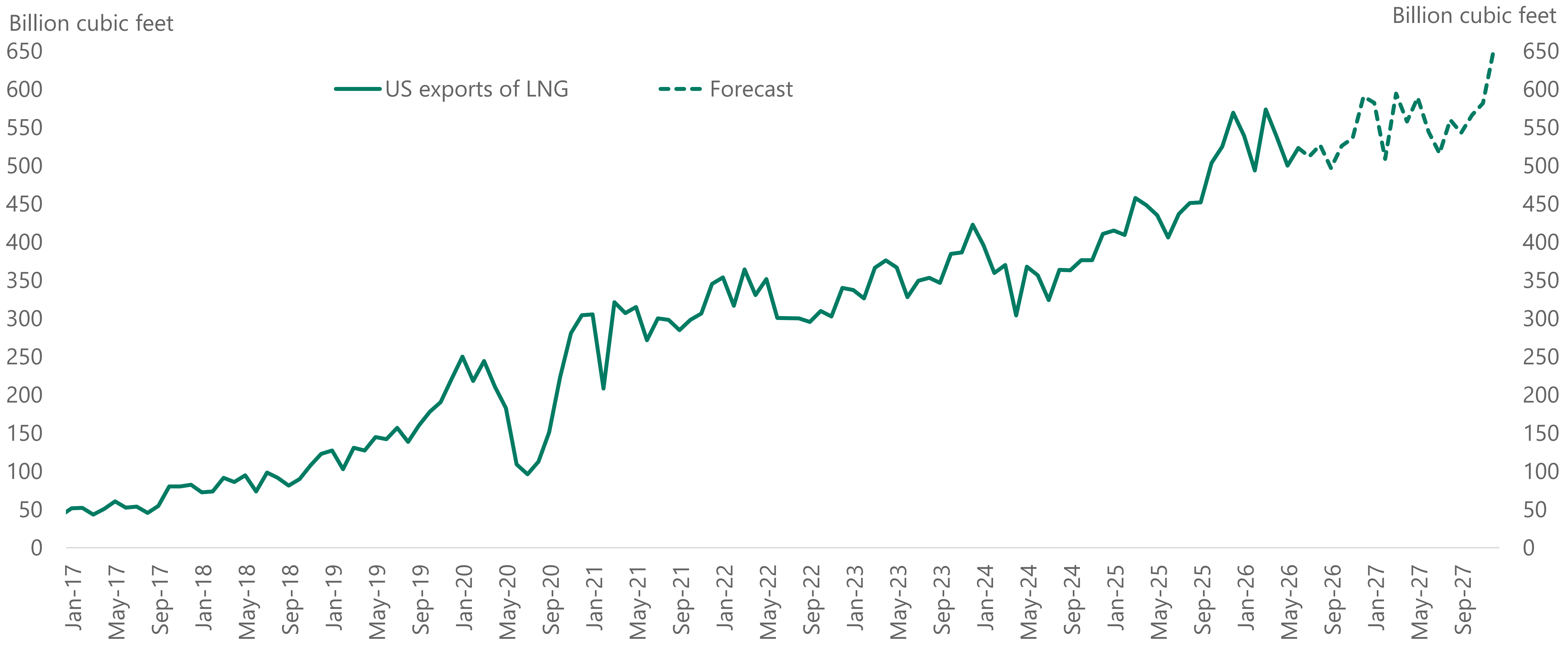
Source: Energy Institute, Macrobond, Apollo Chief Economist. Data as of 2024.

US is now the largest LNG exporter



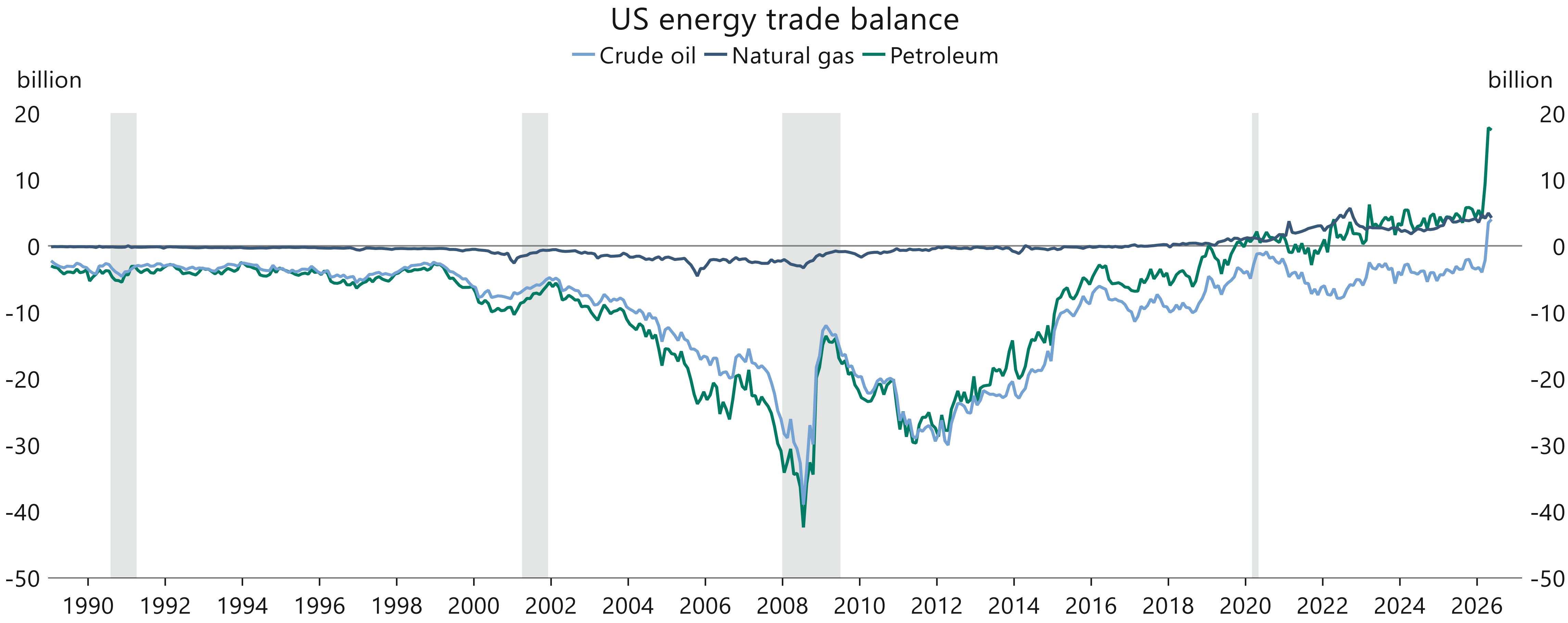
Source: Bloomberg, Apollo Chief Economist

US exports of LNG



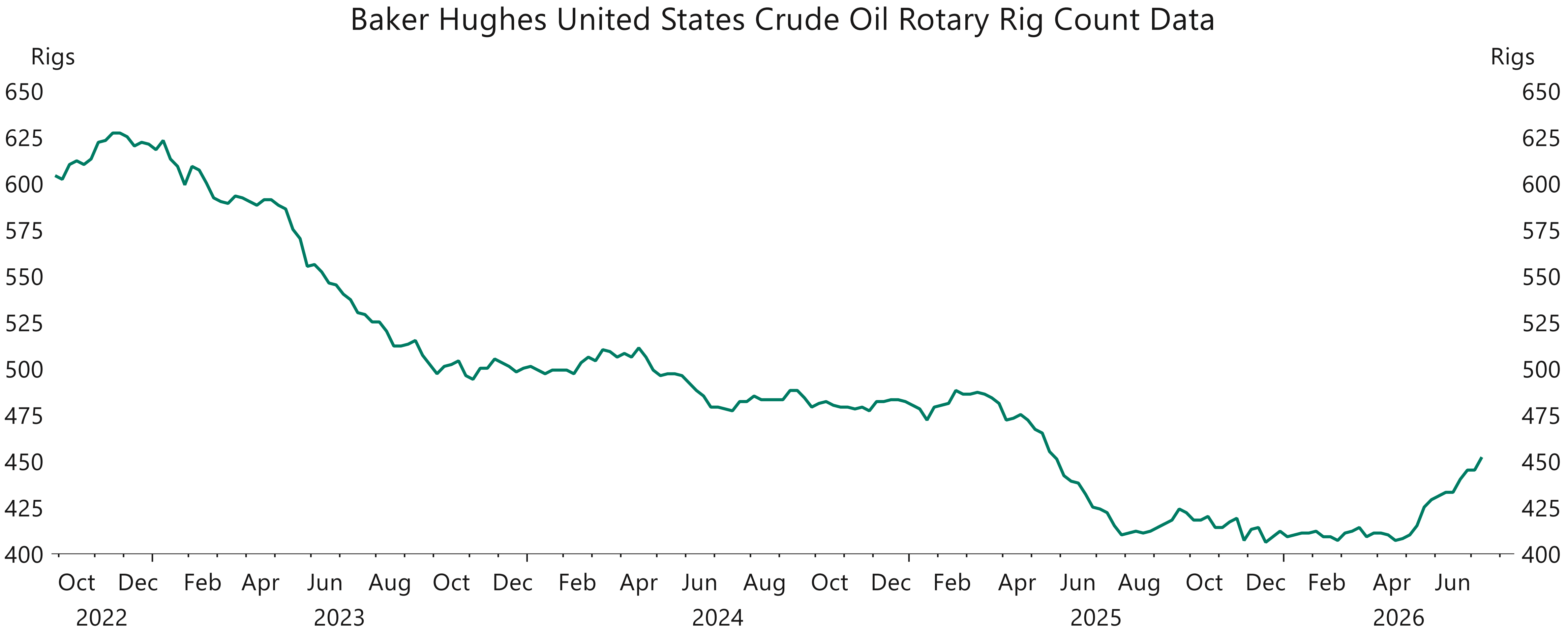
Source: EIA forecast, Bloomberg, Apollo Chief Economist

US energy trade balance



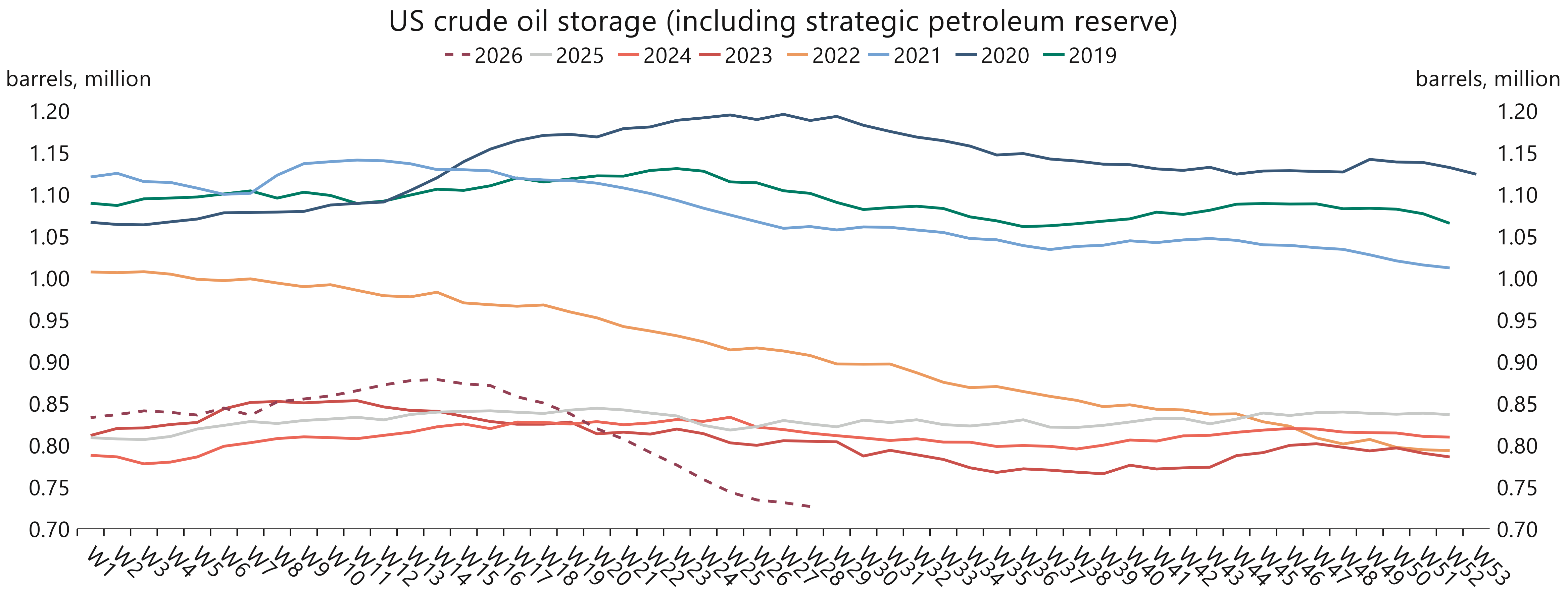
Source: U.S. Census Bureau, U.S. Bureau of Economic Analysis (BEA), Macrobond, Apollo Chief Economist

US oil rig count



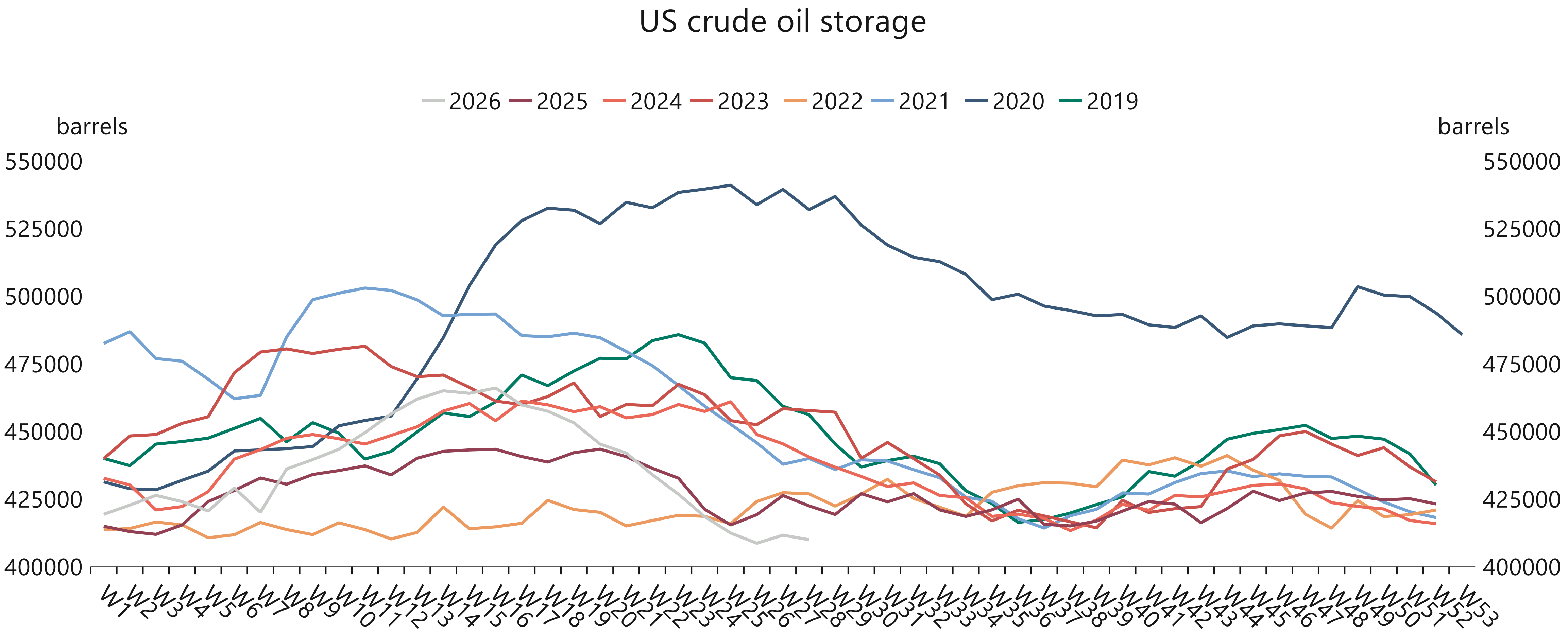
Source: Bloomberg, Macrobond, Apollo Chief Economist

US crude oil storage including SPR at low levels



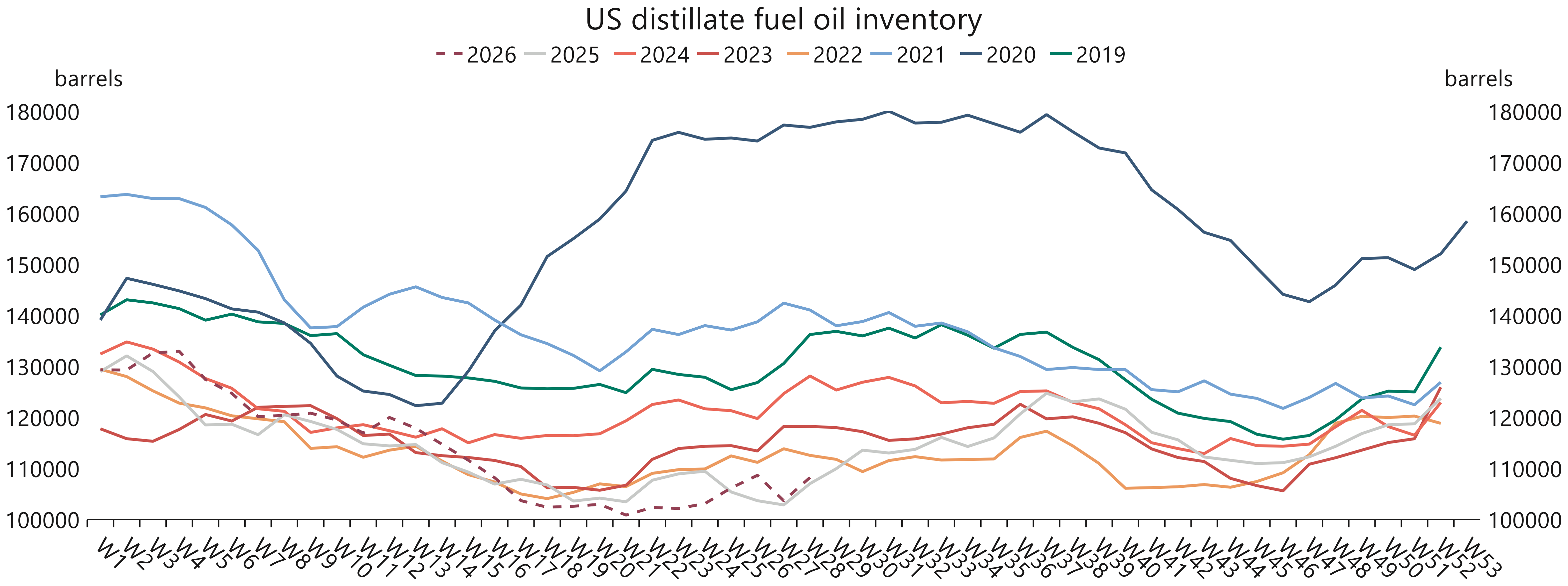
Source: Bloomberg, Macrobond, Apollo Chief Economist

US crude oil storage at low levels



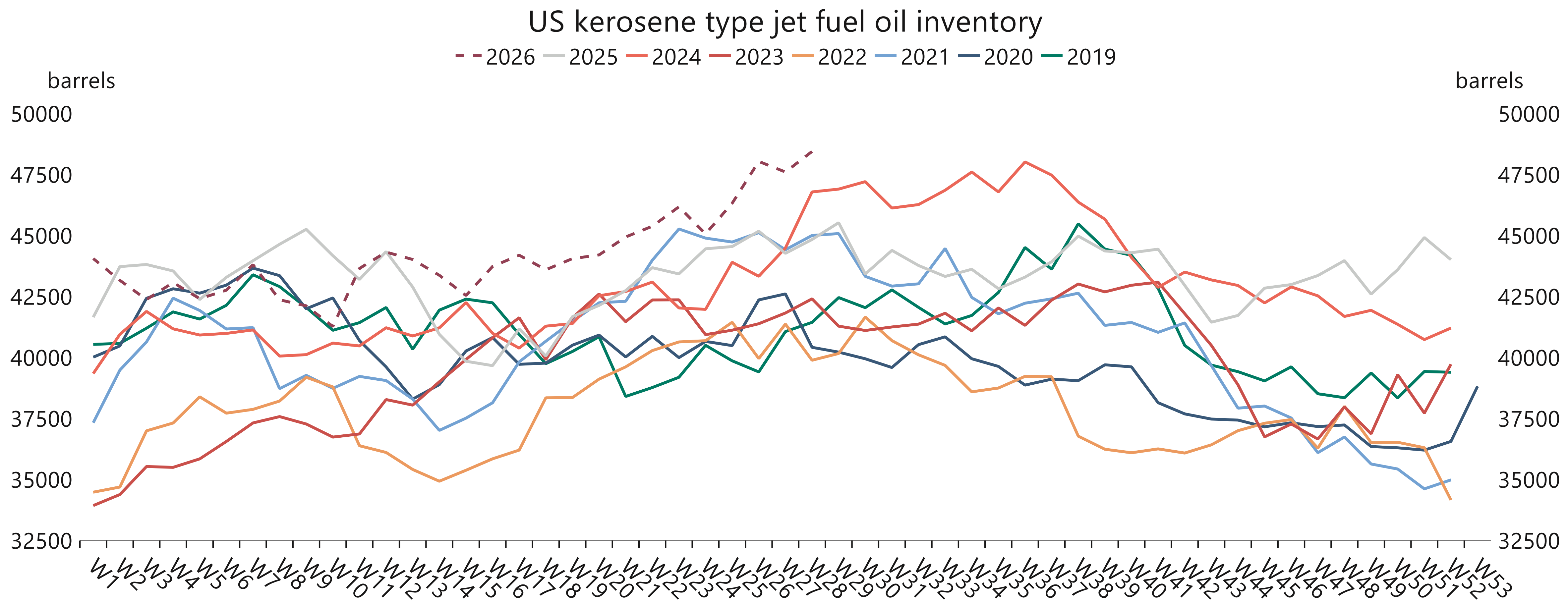
Source: Bloomberg, Macrobond, Apollo Chief Economist

US distillate storage at low levels



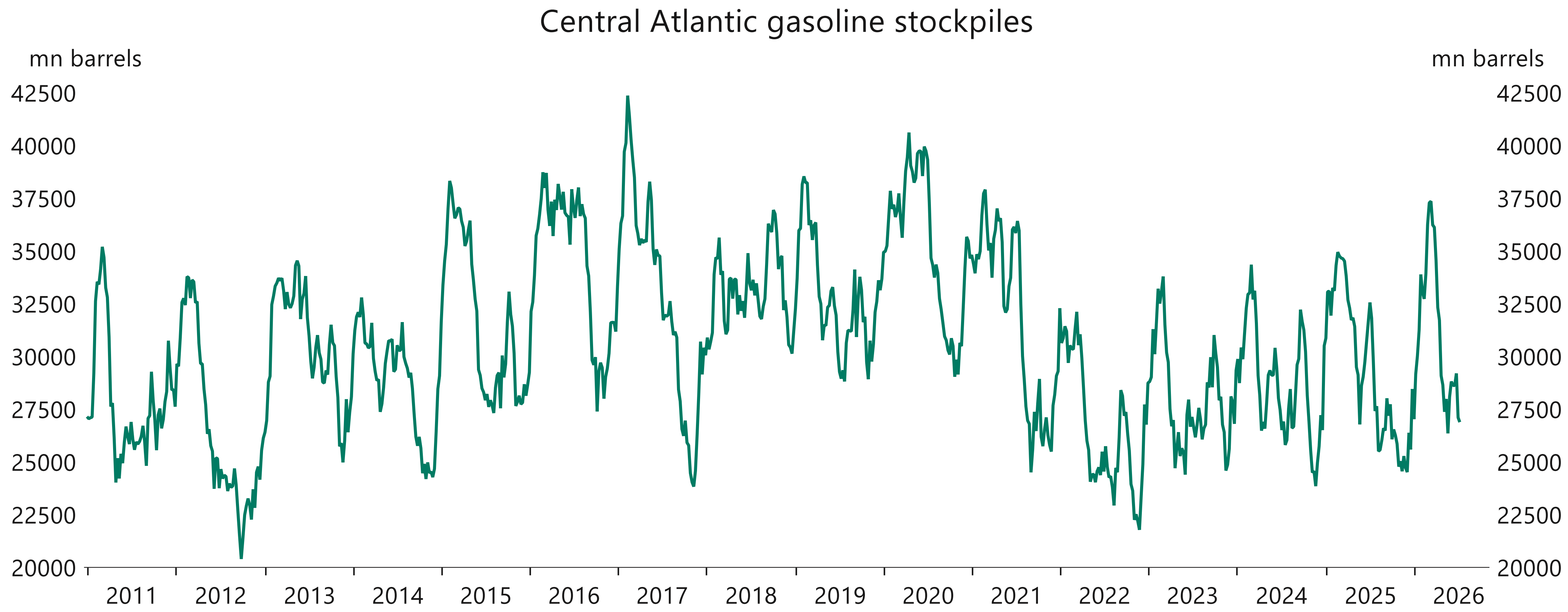
Source: Bloomberg, Macrobond, Apollo Chief Economist. Note: Distillate fuels are diesel, heating oil, and jet fuel, and they are the “workhorse” fuels and matter more for the economy than gasoline because they power supply chains, food production, airlines, and construction and manufacturing.

US jet kerosene inventory



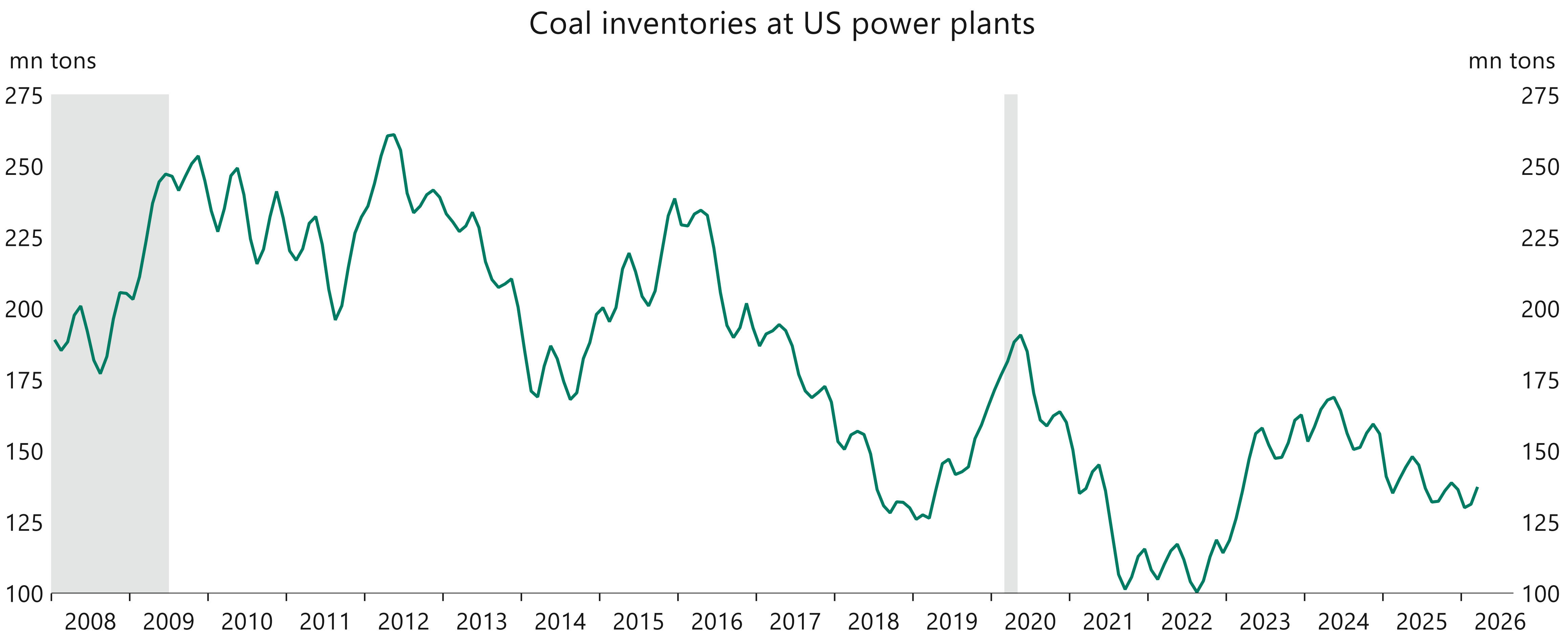
Source: Bloomberg, Macrobond, Apollo Chief Economist

New York gasoline inventories



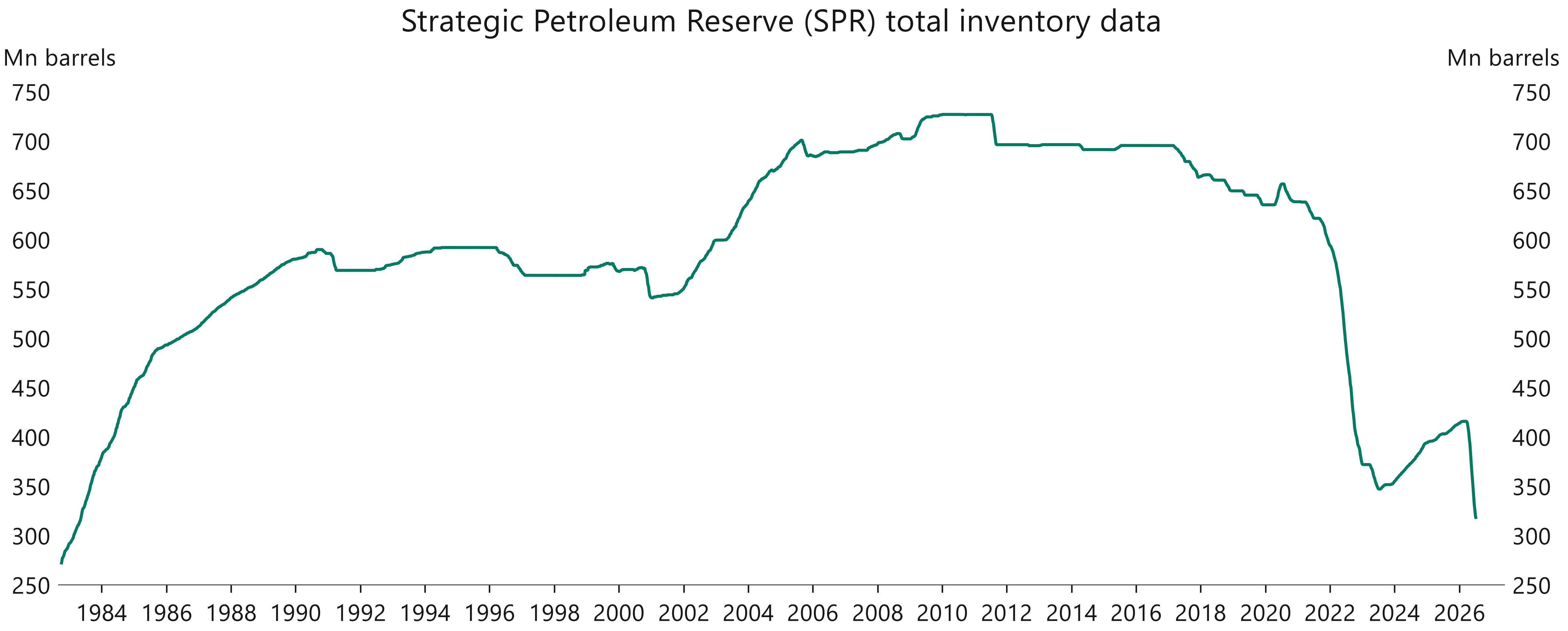
Source: Bloomberg, Macrobond, Apollo Chief Economist. Note: Supply is shrinking at a time when falling pump prices have lifted the country's gasoline demand to a year-to-date high. Diesel demand usually begins to rise this time of year with annual crop harvests and distributors trying to stock up ahead of the upcoming heating season.

Low coal inventories at US power plants



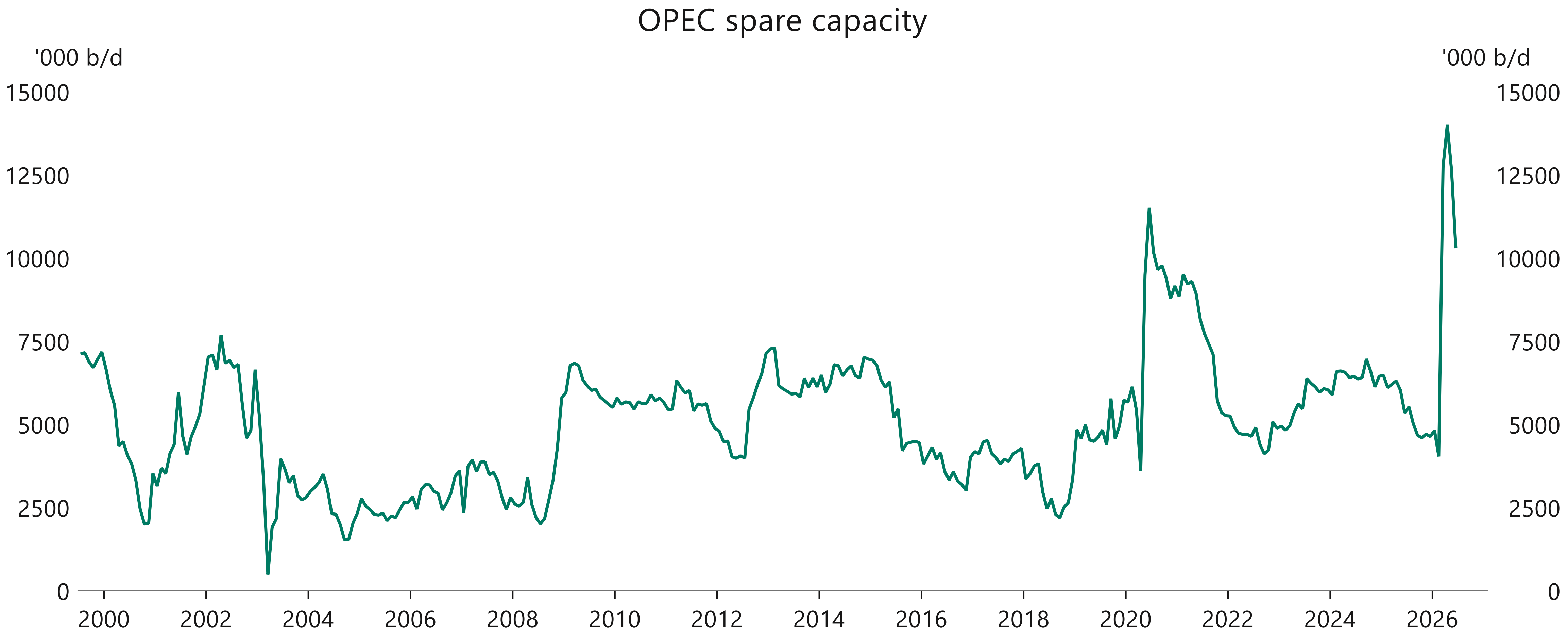
Source: Bloomberg, Macrobond, Apollo Chief Economist

SPR inventory at low levels



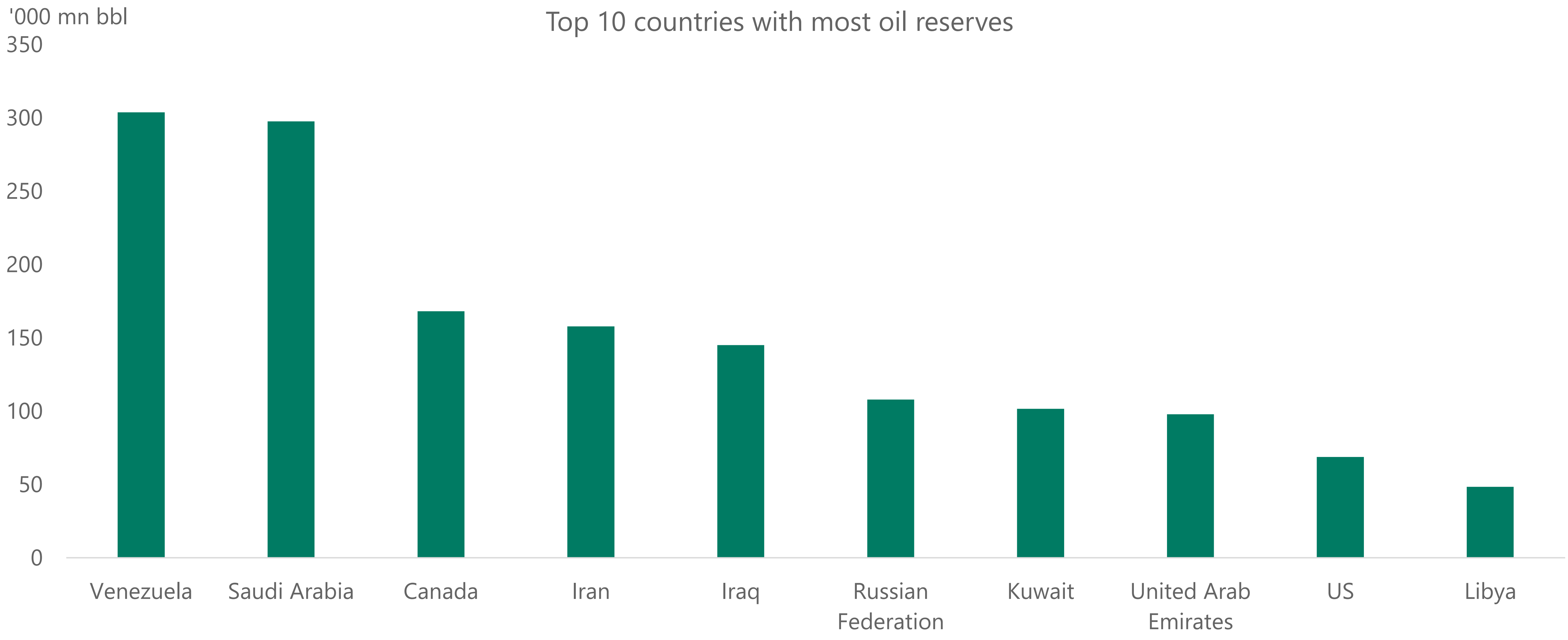
Source: Bloomberg, Macrobond, Apollo Chief Economist

OPEC spare capacity



Source: Bloomberg, Macrobond, Apollo Chief Economist

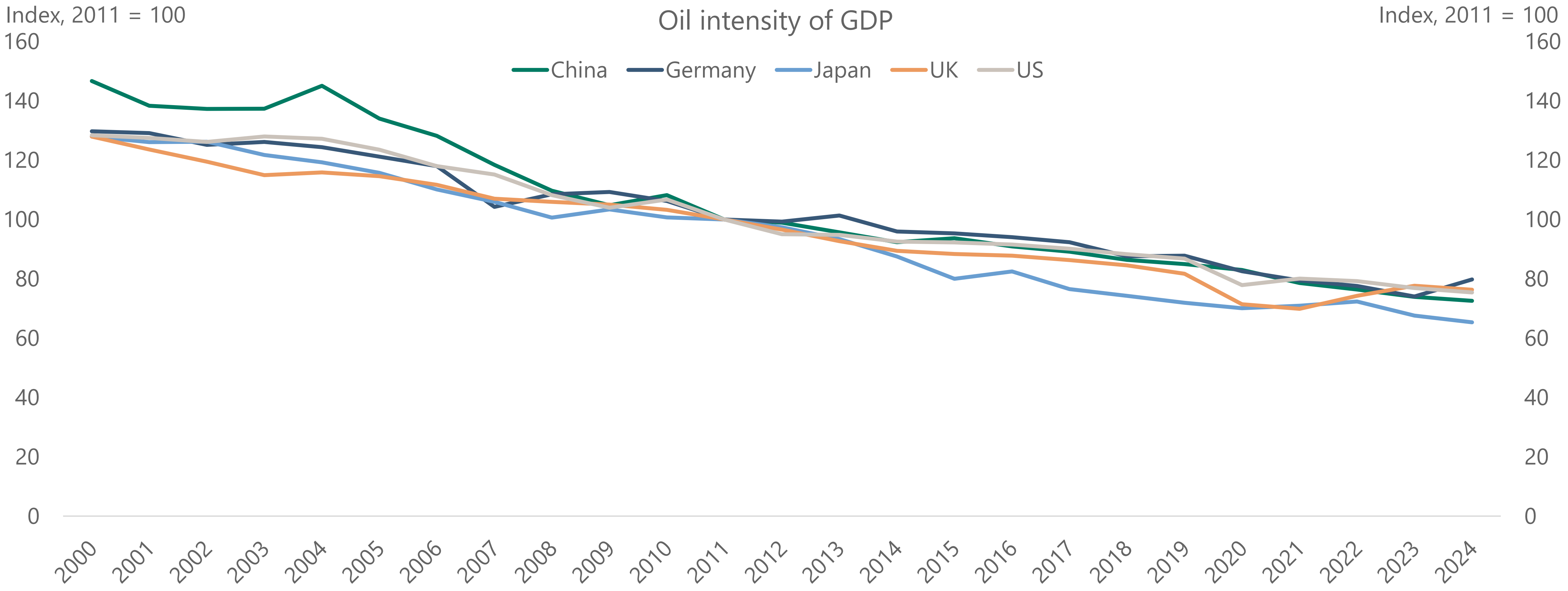
OPEC countries have large oil reserves



Source: Statistical review of world energy, Apollo Chief Economist

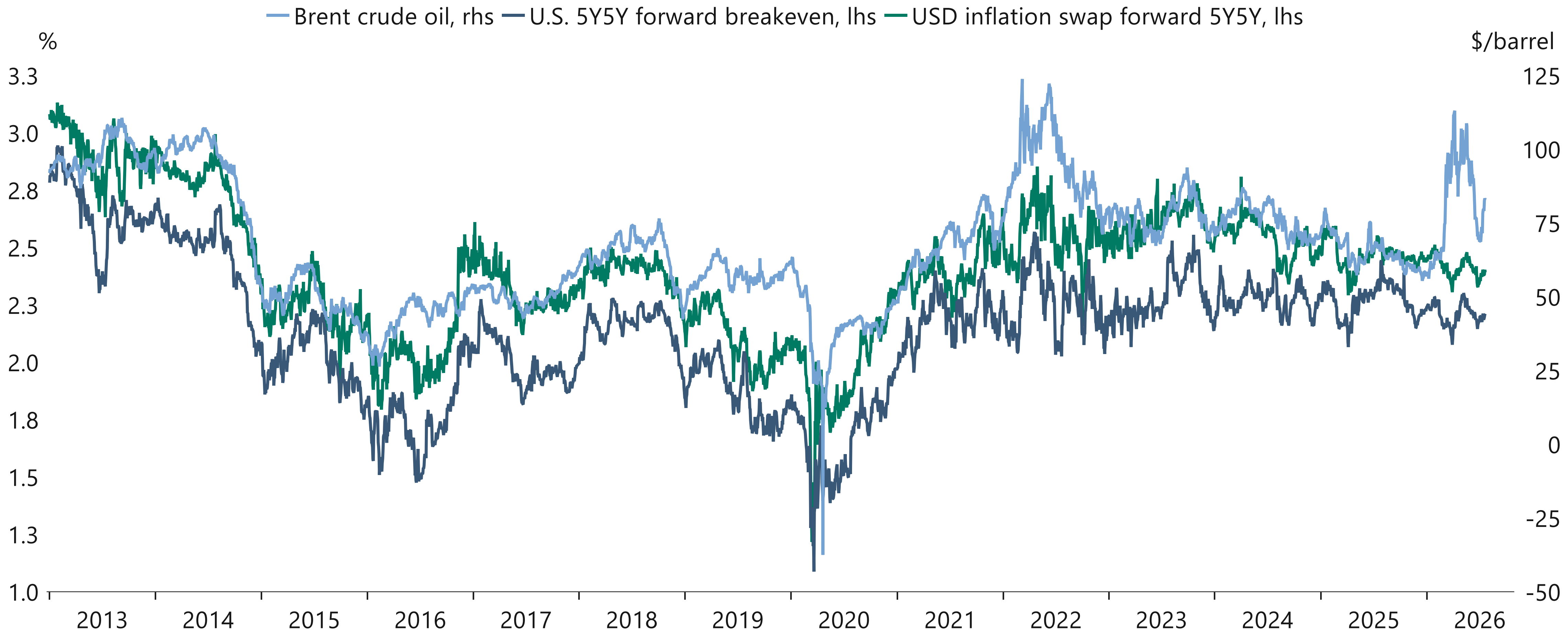
Macro: Oil and inflation

Energy efficiency has improved over the years



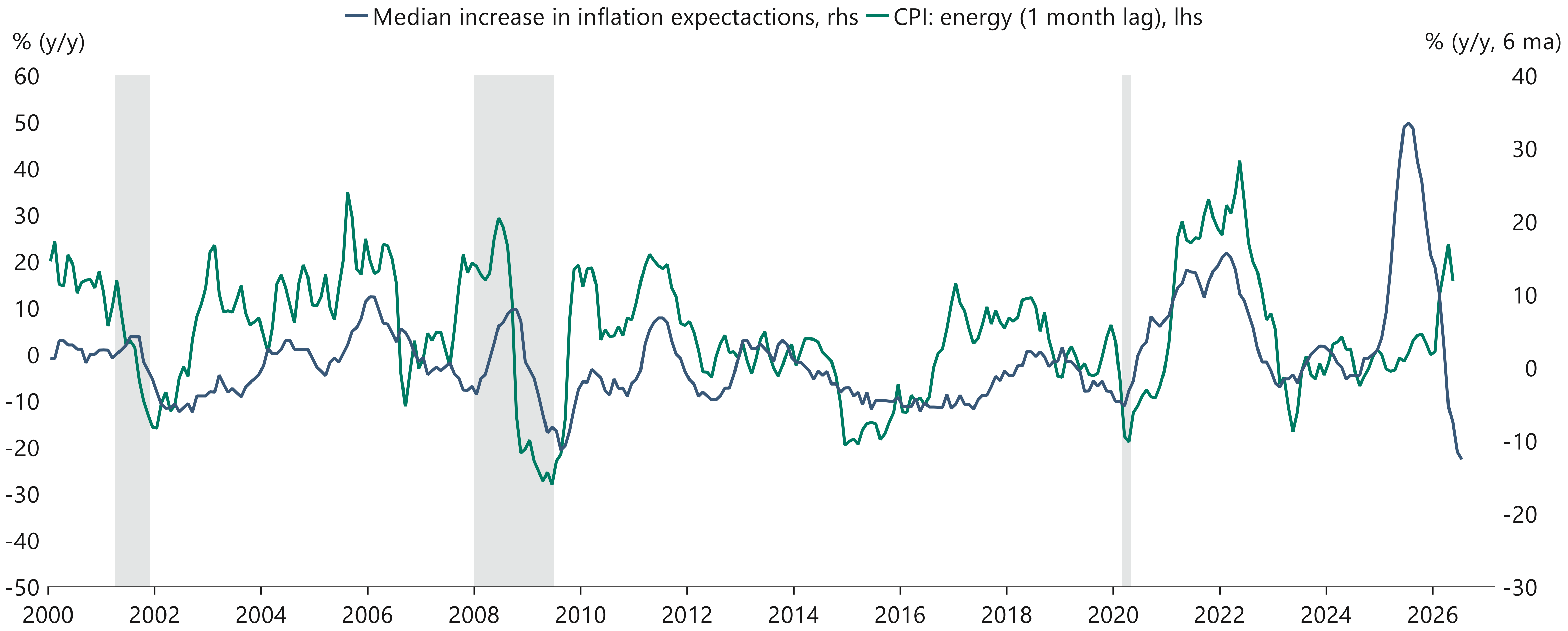
Source: BNEF, IMF, Apollo Chief Economist. Note: Oil burned per unit of GDP indexed to 2011.

Link between oil prices and market-based inflation compensation



Source: Bloomberg, Macrobond, Apollo Chief Economist

Long-run inflation expectations correlated with energy prices



Source: U.S. Bureau of Labor Statistics (BLS), University of Michigan, Macrobond, Apollo Chief Economist

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Torsten Slok joined Apollo in August 2020 as Chief Economist and he leads Apollo's macroeconomic and market analysis across the platform.

Prior to joining, Mr. Slok worked for 15 years as Chief Economist at Deutsche Bank where his team was top ranked in the annual Institutional Investor survey for a decade. Prior to joining Deutsche Bank Mr. Slok worked at the IMF in Washington, DC and at the OECD in Paris.

Mr. Slok has a Ph.D in Economics and has studied at the University of Copenhagen and Princeton University.