Bangladesh 2026: Election Uncertainty and the Expanding Risk Landscape for Businesses

Thirty-three kilometers. That is the width of the Strait of Hormuz at its narrowest point — and right now, it is one of the more closely watched stretches of water in global energy markets.

The Geneva nuclear talks between the US and Iran ended last week without a clear resolution. US negotiators pushed for concessions on uranium enrichment and missile programs; Iran declined. Vice President Vance confirmed the breakdown publicly, and markets responded almost immediately. Brent crude crossed $71 per barrel on February 19, 2026, against EIA projections of $58 just weeks prior — a shift driven more by geopolitical risk pricing than any change in supply fundamentals.

On the ground, the posture on both sides has grown more cautious. The US has moved additional naval and air assets into the region, and non-essential personnel are being relocated. Iran, for its part, has conducted IRGC naval drills in the Persian Gulf — including a brief, partial closure of the strait — while continuing reconstruction of missile facilities and hardening of nuclear sites. These are not postures of imminent escalation, but they are worth monitoring carefully.

The strait's significance to energy markets is well established. Approximately 20 million barrels of crude, condensate, and petroleum products pass through it daily — around 20% of global oil consumption. Alternative pipeline routes can realistically bypass only about 3.5 million barrels per day. China, India, Japan, and South Korea together account for 69% of Hormuz crude flows, making Asia the most directly exposed region to any sustained disruption.

Analysts have outlined a range of forward scenarios. If diplomatic engagement resumes with partial concessions, prices are expected to ease back toward $65–67. If talks remain stalled without military action, a range of $72–80 through Q1 appears more likely. A more significant escalation involving shipping disruptions would, most estimates suggest, push prices considerably higher — though a full closure of the strait remains a low-probability outcome given the costs it would impose on Iran itself, including on its relationships with key partners like China and Qatar.

For organizations with supply chain exposure, energy-linked operations, or personnel in the Gulf region, the current environment warrants a measured review of contingency planning rather than reactive decisions. The situation remains fluid, and the diplomatic window — approximately 10 days by current timelines — has not yet closed.

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