

FLASH NEWS – COMMODITIES

The conflict in the Middle East is causing commodity prices to soar

Paris, March 25th 2026 : 25 days after the launch of the Israeli American offensive against Iran, disruptions to the supply of raw materials via the Strait of Hormuz continue to fuel prices volatility. For the time being, oil & gas, fertilizers, petrochemical derivatives and aluminum are particularly affected.

“The current escalation in the Middle East is hitting commodity markets hard. Whether the conflict becomes deadlocked will determine the extent of the current shock on the downstream part of the value chain,” **Simon Lacoume, sector economist at Coface.**

Oil prices: a long-lasting shock?

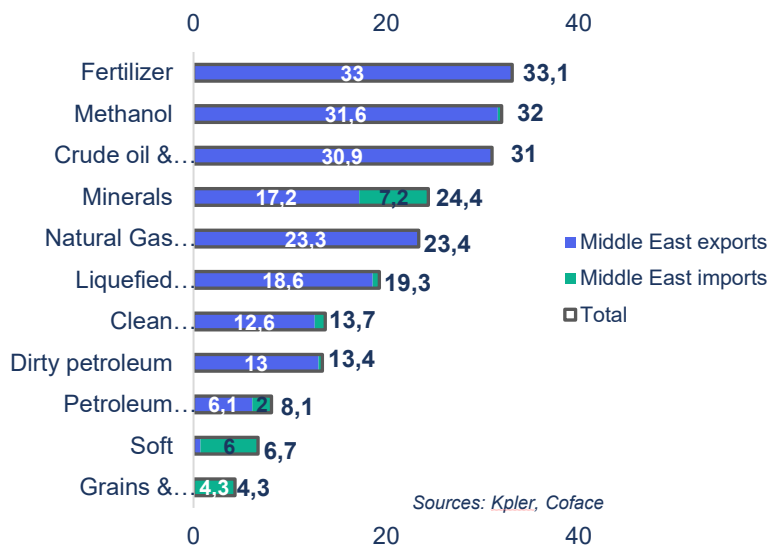
The recent attacks on the Ras Laffan gas complex in Qatar have triggered a further rise in the price of energy commodities. Brent crude, peaking at **\$119** last week – rose by **50%** in a month.

This rise is not uniform. Oman DME crude has exceeded **\$160** per barrel, whilst US WTI is hovering around **\$100** per barrel, reflecting a highly uneven impact on prices depending on the region and the product.

As the conflict drags on, this rise is already beginning to spread down the value chain.

In the United States, regular gasoline retail prices have reached an historic high (**\$3.96/gallon**, up 35% month-on-month). In Asia, diesel prices (Singapore) have **almost tripled** since the start of the conflict, to **\$256/barrel**, whilst **global jetfuel prices have doubled**, according to the International Air Transport Association (IATA).

Global seaborne commodity flows transiting through the Strait of Hormuz (% of global seaborne flows, 2025)



Natural gas at the heart of supply disruptions

The rise is also evident in natural gas. In Europe, gas futures contracts (the Dutch TTF index) have surged by **85%** in a month, to €55/MWh, whilst the Asian



benchmark (LNG Japan/Korea Marker) has doubled over the same period, reflecting the persistent vulnerability of importing markets.

By comparison, the US market appears less exposed to supply disruptions. The US Henry Hub is nonetheless under strong upward pressure (**+36%** month-on-month), a sign that energy tensions have already spread globally.

Consequently, prices for many petrochemical compounds are rising exponentially

The Gulf states are Asia's leading suppliers of petrochemical products¹, which are essential to the entire plastics industry. A ton of naphtha has reached **\$1,000** in Singapore, an increase of over **60%** since the start of the conflict. The combination of tensions in the Strait of Hormuz and historically low Asian stocks (**2 to 3 weeks**) has already driven up the prices of polymers (polypropylene, polyethylene, polystyrene, PVC). This now poses a risk of spillover across the entire value chain. This trend is also affecting sulfur, a key input for the leaching² of copper and nickel ore. The **25%** price rise in a single month is putting major, highly dependent mining producers such as Chile, the Democratic Republic of the Congo and Indonesia at risk.

Fertilizer prices are soaring, despite a 'favorable' agricultural calendar

Thanks to cheap domestic energy supplies, the Gulf states³ occupy a central position in these markets, accounting for nearly **19 %** of global nitrogen fertilizer exports and **36 %** of global urea volume, whilst Saudi Arabia is the **4th** largest exporter of phosphates.

However, natural gas accounts for up to **80%** of nitrogen fertilizer production costs. The surge in gas prices therefore automatically leads to a rise in fertilizer prices: the price of a ton of granular urea (FOB Middle East) has risen **by 37%, to \$665**, since the start of the conflict.

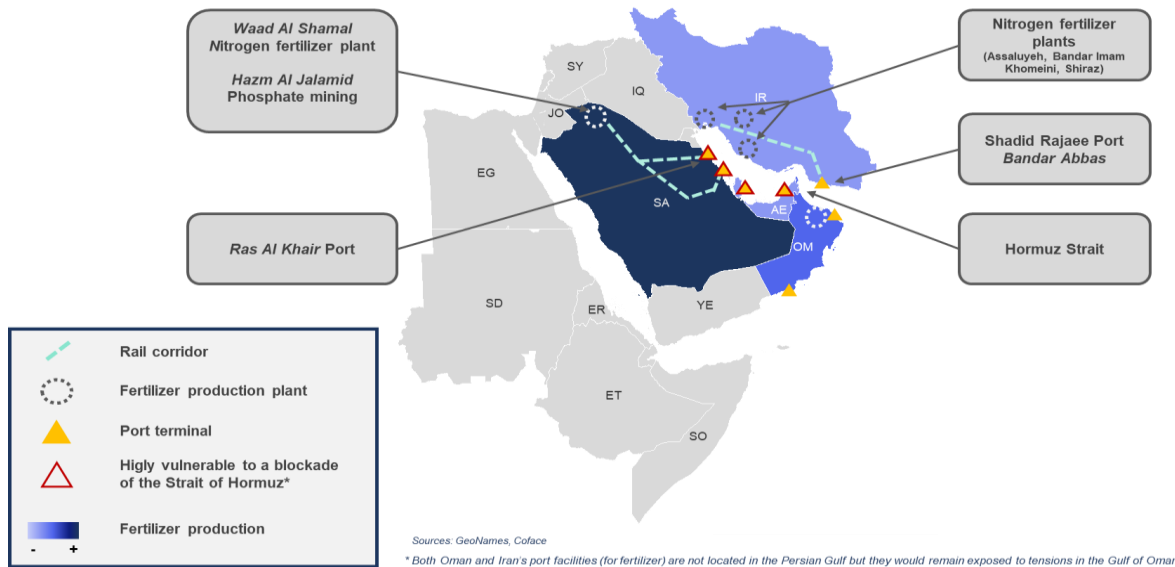
The impact remains limited, however, given a favorable timing. For the moment, only US grain producers appear to be affected, but if the disruptions were to persist, then Brazil, India or even Europe would be more exposed.

¹ Naphtha, LPG, methanol, ethylene and propylene.

² A 'washing' process, during which the target minerals are extracted from the mineral mass in which they are contained

³ Saudi Arabia, the United Arab Emirates, Oman and Qatar

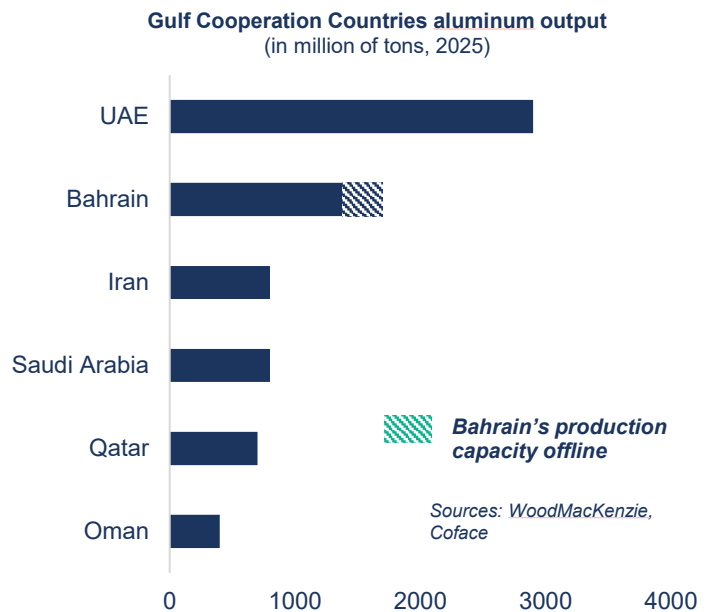
Map 1. Fertilizer supply chain in GCC and Iran



The negative effects could even extend beyond direct fertilizer flows – to India, Brazil or the United States, for which the Gulf states account for 63%, 24% and 21% of nitrogen fertilizer imports respectively – by affecting third countries such as Morocco, the world’s leading producer of phosphate rock, which is heavily dependent on sulfur exported by the Gulf states.

Aluminum: the metal most at risk

With the Strait of Hormuz blocked, the Gulf states – **which account for 8% of global aluminum production** – are unable to export their domestic output or import the raw materials (bauxite and alumina) required by their smelters. On Monday 16 March, Aluminum Bahrain (Alba), which produces **25%** of the region’s aluminum, consequently announced the suspension of 19% of its production, representing **5%** of the region’s aluminum output. Far from the turmoil in the Middle East, Mosal has announced the suspension of its operations in Mozambique⁴, citing energy costs deemed excessive. Against this deteriorating backdrop, aluminum prices therefore continue to follow an upward trend (**+11.5%** month-on-month), peaking at **\$3,500/ton** (12 March), following a rise of nearly **25%** over the past year.



⁴ 1% of global aluminum production



SERVICE DE PRESSE COFACE

Adrien Billet : +33 6 59 46 59 15
adrien.billet@coface.com

HAVAS

Malcolm Biiga : +33 6 47 09 92 66
Lucie Bolelli : +33 6 42 18 30 82
coface@havas.com

COFACE: FOR TRADE

Acteur de référence de la gestion du risque de crédit commercial au niveau mondial depuis plus de 75 ans, Coface aide les entreprises à développer leurs activités et à naviguer dans un environnement incertain et volatil. Quels que soient leur taille, leur localisation ou leur secteur d'activité, Coface accompagne 100 000 clients sur près de 200 marchés à travers une gamme complète de solutions : assurance-crédit, services d'information, recouvrement de créances, assurance Single Risk, caution, affacturage. Chaque jour, Coface capitalise sur son expertise unique et les technologies de pointe pour faciliter les échanges commerciaux, sur les marchés domestiques comme à l'export. En 2024 Coface comptait ~5 236 collaborateurs et a enregistré un chiffre d'affaires de 1,84 €Mds.

Pour plus d'informations, rendez-vous sur coface.com

COFACE SA. est coté sur le compartiment A d'Euronext Paris
Code ISIN : FR0010667147 / Mnémonique : COFA

COFACE SA certifie ses communications depuis le 25/07/2022.
Vous pouvez vérifier leur authenticité sur wiztrust.com

