

WEBVTT

00:00:07.237 --> 00:00:21.497

<v SPEAKER_1>Hello, and welcome to Energy Security Cubed, Canada's foremost energy geostrategy podcast, where we explore the factors shaping energy and economic security in Canada and around the world.

00:00:21.497 --> 00:00:27.797

<v SPEAKER_1>I'm Joe Calnan, Vice President, Energy and Calgary Operations at the Canadian Global Affairs Institute.

00:00:34.902 --> 00:00:51.862

<v SPEAKER_1>On this week's episode of the Energy Security Cubed Podcast, recorded on March 9th, 2026, we talked with CGAI fellow and founder of Commodity Context, Rory Johnston, about truly up to the minute updates on the situation in oil markets surrounding Iran.

00:00:51.862 --> 00:00:53.422

<v SPEAKER_1>Great to have you on, Rory.

00:00:53.422 --> 00:00:56.282

<v SPEAKER_2>Thanks for having me back, Joe.

00:00:56.282 --> 00:01:09.182

<v SPEAKER_1>So basically what we're seeing right now, I mean, like up to the minute, we're seeing a big fall in oil prices, but more broadly, we've been seeing big disruptions in the Strait of Hormuz, the US-Iran War.

00:01:09.182 --> 00:01:13.802

<v SPEAKER_1>But what are your takeaways for up to the minute right now?

00:01:13.802 --> 00:01:16.722

<v SPEAKER_1>But things could be changed completely by tomorrow.

00:01:16.722 --> 00:01:17.082

<v SPEAKER_2>Yeah.

00:01:17.082 --> 00:01:25.822

<v SPEAKER_2>So as we were literally preparing to set up for this podcast, the price of oil fell by about \$10 a barrel in the span of minutes.

00:01:25.822 --> 00:01:38.382

<v SPEAKER_2>And when searching for the description of why that happened, the exact headlines they came across were, quote, Trump says war could be over soon, according to CBS, citing a phone interview with Trump.

00:01:38.382 --> 00:01:48.742

<v SPEAKER_2>The challenge we have here, and so the issue is, as long as this trade of vermouths remains shut, the oil market will continue to tighten and things will get worse and worse and worse.

00:01:48.742 --> 00:01:55.142

<v SPEAKER_2>Obviously, the most important question is if Trump himself wants this war to end.

00:01:55.142 --> 00:01:57.962

<v SPEAKER_2>What we don't know yet is whether or not he's serious.

00:01:57.962 --> 00:02:00.702

<v SPEAKER_2>Trump says things all the time.

00:02:00.882 --> 00:02:08.342

<v SPEAKER_2>And as of yesterday, as you were noting, Joe, he was saying that this is a temporary, you know, the oil price stuff is temporary.

00:02:08.342 --> 00:02:11.262

<v SPEAKER_2>This is all on route to a better and safer world.

00:02:11.262 --> 00:02:16.802

<v SPEAKER_2>And this is a small price to pay for regime change in the Islamic Republic.

00:02:16.802 --> 00:02:27.342

<v SPEAKER_2>But now I think it's just a clear manifestation of the deep chaos and lack of planning in the Trump administration.

00:02:27.342 --> 00:02:32.122

<v SPEAKER_2>I will be the first to admit, that I never pictured that we would get this far.

00:02:32.122 --> 00:02:41.922

<v SPEAKER_2>We are so far down the ultimate boogeyman kind of crisis scenario in these markets that I never thought I'd see in my life.

00:02:41.922 --> 00:02:47.922

<v SPEAKER_2>I thought that Trump would have talk out well before where we are right now.

00:02:47.922 --> 00:02:49.922

<v SPEAKER_2>And yet we find ourselves here.

00:02:49.922 --> 00:02:58.202

<v SPEAKER_2>So to be clear, if this is the end of this crisis, which I hope it is, this is exactly how I pictured it ending.

00:02:58.542 --> 00:03:08.202

<v SPEAKER_2>Now, even, we were just speaking at the CGAI Energy Analyst Summit here in Ottawa.

00:03:08.202 --> 00:03:14.062

<v SPEAKER_2>And after my presentation, I talked a lot about, you know, this taco.

00:03:14.062 --> 00:03:18.282

<v SPEAKER_2>And I had a call to the economy and I was like, do you really think this is up to Trump?

00:03:18.282 --> 00:03:28.842

<v SPEAKER_2>And I'm like, okay, I understand that obviously the Israelis have a much more aggressive kind of desire to see out of this war than necessarily Trump does.

00:03:28.842 --> 00:03:34.202

<v SPEAKER_2>The Iranians themselves are not going to stop bombing neighbors until they themselves stop being bombed.

00:03:34.202 --> 00:03:40.382

<v SPEAKER_2>So while Trump may not be the only voice that matters, his is clearly still the most important voice that matters.

00:03:40.382 --> 00:03:50.022

<v SPEAKER_2>And he is the only one of that three that seems to be influenceable by market indicators like prices.

00:03:50.022 --> 00:03:56.942

<v SPEAKER_2>So to be clear, if this is the end, this is exactly what the IRGC and the Iranian regime planned.

00:03:56.942 --> 00:04:02.942

<v SPEAKER_2>They basically said, you know, they don't have overwhelming military power relative to the United States.

00:04:02.942 --> 00:04:08.222

<v SPEAKER_2>It's not like they have a small military by any catch the imagination, but they don't hold a candle to the US military.

00:04:08.222 --> 00:04:13.182

<v SPEAKER_2>What they do have is they have their thumb on the self-destruct button of the global economy.

00:04:13.182 --> 00:04:18.602

<v SPEAKER_2>And a lot of people, myself honestly included, were wondering how effective that self-destruct button would be.

00:04:18.602 --> 00:04:26.362

<v SPEAKER_2>But what we've seen over the past week and a half now is that it's extraordinarily acutely effective.

00:04:26.362 --> 00:04:29.162

<v SPEAKER_1>I mean, there's so many questions that come out of this.

00:04:29.162 --> 00:04:30.122

<v SPEAKER_1>I don't even know.

00:04:30.322 --> 00:04:32.422

<v SPEAKER_1>I didn't see Trump's tweet exactly.

00:04:32.422 --> 00:04:34.922

<v SPEAKER_1>It was like a CBS headline or a CBS even.

00:04:34.922 --> 00:04:37.542

<v SPEAKER_1>It was a call with CBS that he said this.

00:04:37.542 --> 00:04:41.042

<v SPEAKER_1>So it's like really up-to-date stuff.

00:04:41.422 --> 00:04:45.702

<v SPEAKER_2>And to be clear, just again, following, I'm literally watching the price of crude sink on my screen.

00:04:45.702 --> 00:04:46.662

<v SPEAKER_1>What is it right now?

00:04:46.662 --> 00:04:48.502

<v SPEAKER_2>We're now at 84 Brent.

00:04:48.502 --> 00:04:49.122

<v SPEAKER_1>My God.

00:04:49.122 --> 00:04:52.282

<v SPEAKER_2>As of like 13 minutes ago, we were at 100.

00:04:53.022 --> 00:04:56.982

<v SPEAKER_2>Like this is truly insane how quickly this market is moving.

00:04:56.982 --> 00:05:05.022

<v SPEAKER_2>But you can tell that like the market is so panicked, so illiquid, so freaked out over what's happening.

00:05:05.022 --> 00:05:05.762

<v SPEAKER_2>That's your sign.

00:05:05.762 --> 00:05:15.542

<v SPEAKER_2>I think like this morning or last night when markets

opened in Asia, we at that stage had the largest oil price spike in the history of the oil market.

00:05:15.542 --> 00:05:18.082

<v SPEAKER_2>At one point, we were \$25 up on the day.

00:05:18.862 --> 00:05:24.202

<v SPEAKER_2>We saw Brent Crude breaking towards \$120 a barrel.

00:05:24.202 --> 00:05:28.602

<v SPEAKER_2>It's truly, truly waggled what is happening.

00:05:28.602 --> 00:05:32.802

<v SPEAKER_2>And again, the only way this was going...

00:05:32.842 --> 00:05:33.882

<v SPEAKER_2>Sorry, I should be clear.

00:05:33.882 --> 00:05:35.382

<v SPEAKER_2>This had to stop.

00:05:35.382 --> 00:05:39.582

<v SPEAKER_2>The stoppage had to stop in no, you know, uncertain terms.

00:05:39.582 --> 00:05:47.282

<v SPEAKER_2>And the only way that was going to happen on a timeline that didn't sink the global economy was Trump deciding to taco here.

00:05:47.402 --> 00:05:51.102

<v SPEAKER_2>And again, we're still very early days, even again, it's bouncing all over the place.

00:05:51.102 --> 00:05:53.262

<v SPEAKER_2>Like it was down to 84.

00:05:53.262 --> 00:05:54.722

<v SPEAKER_2>Now it's back up to 88.

00:05:54.722 --> 00:05:55.622

<v SPEAKER_2>Like we're all over the place.

00:05:55.622 --> 00:05:59.002

<v SPEAKER_2>This market is trying to figure out some semblance of truth.

00:05:59.002 --> 00:06:03.102

<v SPEAKER_2>The volatility we're seeing in these prices is unprecedented.

00:06:03.102 --> 00:06:05.682

<v SPEAKER_2>And that's where we are right now.

00:06:05.682 --> 00:06:07.402

<v SPEAKER_1>Christ almighty.

00:06:07.402 --> 00:06:11.642

<v SPEAKER_1>It's just a wild situation to be in.

00:06:11.642 --> 00:06:12.242

<v SPEAKER_1>Yeah.

00:06:12.242 --> 00:06:15.262

<v SPEAKER_1>So just for context, for our listeners, we're both in Ottawa.

00:06:16.262 --> 00:06:19.382

<v SPEAKER_1>Rory was presenting at our Energy Analyst Summit.

00:06:19.382 --> 00:06:23.582

<v SPEAKER_1>Part of what he was talking about was the situation in Iran.

00:06:23.582 --> 00:06:26.262

<v SPEAKER_1>Like he said, there's this taco thing.

00:06:26.262 --> 00:06:39.662

<v SPEAKER_1>Do you think that before this morning, because there's that huge spike up this morning, do you think that markets were pricing in your suspicions that Trump was going to do this?

00:06:39.662 --> 00:06:41.462

<v SPEAKER_1>That Trump was going to fall back?

00:06:41.462 --> 00:06:43.182

<v SPEAKER_1>Or what do you think was?

00:06:43.302 --> 00:06:56.022

<v SPEAKER_1>Because it seems to me that the loss of 20 million barrels per day of oil, that's like, if we're talking about that really happening, that's talking about \$150 per barrel plus, right?

00:06:56.022 --> 00:06:57.142

<v SPEAKER_2>\$200, \$300.

00:06:57.142 --> 00:06:59.842

<v SPEAKER_2>Like the numbers stopped to actually be important.

00:07:00.442 --> 00:07:14.442

<v SPEAKER_2>It's really a question of, and as I was saying at the

presentation today at the Energy Analyst Summit, is to contextualize what we're talking about when we say 20 million barrels a day.

00:07:14.902 --> 00:07:35.202

<v SPEAKER_2>If the straight remained closed, which again, this is why it can't happen, but just to kind of paint that picture, if it remained closed and we needed to rationalize and destroy that equivalent demand so that the market literally didn't run out of stocks and everything didn't fall apart, that's how this market would solve, is you would basically push prices so high that you would destroy demand.

00:07:35.202 --> 00:07:59.062

<v SPEAKER_2>Now, if it was a million barrels a day, sure, we'd go to like 120, 130 or less and things would be fine, but 20 million barrels a day is the same size as the peak of demand destruction in March and April of 2020 when COVID was raging, you and I were locked in our houses, there wasn't a plane in the sky, that's the type of demand destruction we're talking about.

00:07:59.102 --> 00:08:09.342

<v SPEAKER_2>So the question is like, Joe, what's the price that would have you lock back down as a society because it seems really fricking high?

00:08:09.342 --> 00:08:13.062

<v SPEAKER_1>Yeah, no, these are unprecedented times.

00:08:13.062 --> 00:08:17.222

<v SPEAKER_1>Of course, this has always been the nightmare scenario for oil markets.

00:08:17.222 --> 00:08:21.562

<v SPEAKER_1>This has always been the Achilles heel of global energy.

00:08:21.562 --> 00:08:25.342

<v SPEAKER_1>So it's just frankly remarkable that it happened in the first place.

00:08:25.382 --> 00:08:31.262

<v SPEAKER_1>But I guess to turn kind of to maybe like, okay, let's just say that this is happening.

00:08:31.262 --> 00:08:32.502

<v SPEAKER_1>Trump is going to end the war.

00:08:32.502 --> 00:08:37.222

<v SPEAKER_1>He's going to declare victory in some way, say, Ali Khamenei is dead.

00:08:37.222 --> 00:08:38.942

<v SPEAKER_1>We've succeeded in our goals.

00:08:38.942 --> 00:08:43.282

<v SPEAKER_1>It's now up to the Iranian people to do whatever.

00:08:43.282 --> 00:08:46.122

<v SPEAKER_1>I feel as though the regime survives at this point.

00:08:46.122 --> 00:08:47.522

<v SPEAKER_1>That's just my base case.

00:08:47.522 --> 00:08:47.862

<v SPEAKER_2>Yeah.

00:08:47.862 --> 00:08:51.842

<v SPEAKER_1>But at the same time, and this is turning more to the geopolitics side of things.

00:08:53.522 --> 00:09:01.282

<v SPEAKER_1>I think the Arab countries are not going to be happy with the Iranian regime continuing on in this way.

00:09:01.282 --> 00:09:06.002

<v SPEAKER_1>There is that attack on the desalination plant.

00:09:06.002 --> 00:09:07.902

<v SPEAKER_1>I think that was in Bahrain, right?

00:09:07.902 --> 00:09:08.902

<v SPEAKER_1>Yeah.

00:09:09.622 --> 00:09:19.182

<v SPEAKER_1>These are attacks on things that are fundamental, not just for the survival of their economies, but for the survival of their people and the idea of their countries.

00:09:19.182 --> 00:09:19.682

<v SPEAKER_2>Yeah.

00:09:19.682 --> 00:09:21.562

<v SPEAKER_2>This is existential in every way.

00:09:21.802 --> 00:09:25.682

<v SPEAKER_2>Every man in the world is existential for Gulf Arab exporters.

00:09:25.682 --> 00:09:29.382

<v SPEAKER_2>We've seen Iraq shut in more than 3 million barrels a day of production.

00:09:29.382 --> 00:09:30.702
<v SPEAKER_2>We've seen Kuwait shut in production.

00:09:30.702 --> 00:09:41.882
<v SPEAKER_2>We've seen the Emirates and Saudis probably not far behind because it's basically the 2018 curtailment scenario in Canada, but just on steroids.

00:09:41.882 --> 00:09:42.282
<v SPEAKER_2>Yeah.

00:09:42.282 --> 00:09:46.882
<v SPEAKER_2>I think that's the kind of thing we're talking about here, but it is just truly wild.

00:09:46.942 --> 00:09:48.222
<v SPEAKER_2>Again, who knows?

00:09:48.342 --> 00:09:53.182
<v SPEAKER_2>I mean, literally by the time this goes to, by the time this is published, this could all be over.

00:09:53.182 --> 00:10:13.942
<v SPEAKER_2>But just again, to reflect on what we've done here so far, Trump embarked on a deeply misguided attempt for regime change ostensibly in Tehran and seems to have assumed that Tehran was the same as Caracas, that the Maduro regime is the same thing as the Islamic Republic.

00:10:13.942 --> 00:10:17.122
<v SPEAKER_2>And just to be clear, you could not be further from the truth.

00:10:18.262 --> 00:10:23.222
<v SPEAKER_2>I mean, Maduro was basically a gangster with a cadre of gangsters around him.

00:10:23.222 --> 00:10:33.842
<v SPEAKER_2>And they're fundamentally kind of like pragmatic business people, which is how you got Rodriguez kind of coming out and saying like, yeah, I'll make a deal.

00:10:33.842 --> 00:10:38.862
<v SPEAKER_2>Everyone was talking about like, ah, Trump was waiting for the arrival of his Iranian Delcey, right?

00:10:38.862 --> 00:10:40.462
<v SPEAKER_2>It was the kind of comment.

00:10:40.462 --> 00:10:47.382

<v SPEAKER_2>And based on the discussions that I've been hearing, like that kind of sounds legitimately like what he wanted.

00:10:47.382 --> 00:10:50.902

<v SPEAKER_2>So I think that's the challenge here is that was never going to happen.

00:10:50.902 --> 00:10:52.262

<v SPEAKER_2>That was a fundamental misreading.

00:10:52.262 --> 00:10:55.982

<v SPEAKER_2>So they never had a plan for basically what comes next.

00:10:55.982 --> 00:11:00.882

<v SPEAKER_2>And that was deeply, deeply clear over the last week as they flailed about from everything.

00:11:00.882 --> 00:11:15.002

<v SPEAKER_2>From this morning, just before this, they were talking about easing restrictions of the Jones Act for for pro tankers, which would help them potentially shut in or lock down exports of refined products and crude again in the United States.

00:11:15.002 --> 00:11:18.302

<v SPEAKER_2>Again, like we were we were reaching crazy, crazy levels.

00:11:18.302 --> 00:11:23.682

<v SPEAKER_2>And again, I just I cannot believe that Trump made this far down this path.

00:11:23.682 --> 00:11:26.162

<v SPEAKER_2>I just thought for sure he would have backed out.

00:11:26.162 --> 00:11:28.922

<v SPEAKER_2>And again, it seems like he may be backing out now.

00:11:28.922 --> 00:11:30.422

<v SPEAKER_2>So we don't know where this is going.

00:11:30.422 --> 00:11:32.342

<v SPEAKER_2>But that's this is where we stand right now.

00:11:32.542 --> 00:11:44.942

<v SPEAKER_1>How close should we get where it comes to the levels of storage in like, you know, west of the west of the Strait of Hormuz, like in the Persian Gulf, west of the Strait of Hormuz, that's where things are balled up.

00:11:44.942 --> 00:11:46.002

<v SPEAKER_2>Correct.

00:11:46.002 --> 00:11:49.062

<v SPEAKER_1>How full was that storage?

00:11:49.062 --> 00:11:52.882

<v SPEAKER_1>You know, or how full is that storage, I guess, because it's still full.

00:11:53.262 --> 00:12:00.322

<v SPEAKER_2>In Kuwait and Iraq, basically entirely, probably very, very full in most of the other countries already.

00:12:00.322 --> 00:12:04.462

<v SPEAKER_2>But Kuwait and Iraq, and Iraq in particular, had the least storage on hand.

00:12:04.462 --> 00:12:11.802

<v SPEAKER_2>So they were kind of forced to do again, like a 2018, 2019 Canadian story where forced curtailment was like, okay, no egress, we've got to turn down.

00:12:11.802 --> 00:12:19.362

<v SPEAKER_2>The irony is like, if you're talking about spiking oil prices outside of the Strait, prices in the Strait were negative, right?

00:12:19.362 --> 00:12:24.042

<v SPEAKER_2>You had negative oil price realization in the Strait because no one could get rid of it, no one could use it.

00:12:24.042 --> 00:12:27.262

<v SPEAKER_2>So they were paying people to take their barrels.

00:12:27.262 --> 00:12:28.142

<v SPEAKER_1>Yeah.

00:12:28.262 --> 00:12:35.862

<v SPEAKER_1>I think I remember that it paid equally well to get an empty tanker into the Gulf as it paid to get a full tanker out of the Gulf.

00:12:35.882 --> 00:12:36.302

<v SPEAKER_2>Exactly.

00:12:36.302 --> 00:12:41.462

<v SPEAKER_1>Because you want to get a tanker into the Gulf, empty one, so that you could store that crude.

00:12:41.462 --> 00:12:41.902

<v SPEAKER_2>Yeah.

00:12:41.902 --> 00:12:42.662

<v SPEAKER_1>That's a great point.

00:12:42.722 --> 00:12:43.942

<v SPEAKER_1>They would probably pay you to do it.

00:12:43.982 --> 00:12:44.302

<v SPEAKER_2>Yeah.

00:12:44.302 --> 00:12:45.882

<v SPEAKER_1>Yeah.

00:12:45.882 --> 00:12:49.062

<v SPEAKER_2>It's truly, the pace of this is just wild.

00:12:49.062 --> 00:12:51.582

<v SPEAKER_2>So I think we will see where this goes.

00:12:51.582 --> 00:12:52.002

<v SPEAKER_1>Yeah.

00:12:52.002 --> 00:12:55.902

<v SPEAKER_1>By the end of this podcast recording, we could have a recovery in the price.

00:12:55.922 --> 00:12:56.662

<v SPEAKER_1>Exactly.

00:12:56.662 --> 00:12:57.262

<v SPEAKER_2>Yeah.

00:12:57.262 --> 00:12:58.362

<v SPEAKER_2>And we're back up to 90.

00:12:58.362 --> 00:12:58.922

<v SPEAKER_2>Yeah.

00:12:58.922 --> 00:13:03.602

<v SPEAKER_2>So this market is trying to land.

00:13:04.722 --> 00:13:06.902

<v SPEAKER_2>This is how we know markets are broken here.

00:13:06.902 --> 00:13:07.982

<v SPEAKER_2>It's like again, you've had-

00:13:07.982 --> 00:13:08.122

<v SPEAKER_1>Yeah.

00:13:08.402 --> 00:13:13.262

<v SPEAKER_1>We have a Bloomberg on the go terminal, right?

00:13:13.262 --> 00:13:13.962

<v SPEAKER_1>Yeah.

00:13:14.062 --> 00:13:16.982

<v SPEAKER_2>Just sitting here inside us because we're all trying to follow what's going on.

00:13:16.982 --> 00:13:22.242

<v SPEAKER_2>So again, we're at 120 and we're down to less than 85.

00:13:22.242 --> 00:13:24.022

<v SPEAKER_2>That's more than \$35 a barrel.

00:13:24.482 --> 00:13:27.302

<v SPEAKER_2>It's \$35 a barrel in intraday movement.

00:13:27.302 --> 00:13:29.742

<v SPEAKER_2>I don't think we've ever seen that in the history of the market before.

00:13:29.742 --> 00:13:30.102

<v SPEAKER_1>Yeah.

00:13:30.102 --> 00:13:31.002

<v SPEAKER_2>Yeah.

00:13:31.002 --> 00:13:32.082

<v SPEAKER_1>Recording it live.

00:13:32.082 --> 00:13:36.002

<v SPEAKER_2>And again, I don't know if we ever will see it again before, ever again.

00:13:36.002 --> 00:13:46.942

<v SPEAKER_2>Because again, there is nothing that quite rises to the magnitude, to the intensity, to the severity of the Strait of Hormuz.

00:13:46.942 --> 00:13:54.862

<v SPEAKER_2>Which again, it's truly bewildering that the White House would have planned to go in here and do this and not have a plan for oil.

00:13:55.342 --> 00:13:57.962

<v SPEAKER_2>They were mixed and kind of all over the place on the SPR.

00:13:57.962 --> 00:14:05.442

<v SPEAKER_2>They were all over the place on these underwriting of additional war insurance for the shipping fleet.

00:14:05.442 --> 00:14:05.842

<v SPEAKER_1>Yeah.

00:14:05.842 --> 00:14:13.882

<v SPEAKER_2>Everything was just pretty, it was just all, they were kind of playing fast and loose right from the hip and no one knew what to do.

00:14:13.882 --> 00:14:14.122

<v SPEAKER_1>Yeah.

00:14:14.122 --> 00:14:21.602

<v SPEAKER_1>I have a lot of criticism for the Biden administration for not having enough people who knew about oil in the administration.

00:14:21.602 --> 00:14:37.922

<v SPEAKER_1>But I feel as though someone like Chris Wright should have been in the room to make sure that they were handling this side of the situation, make sure they were talking about or talking to the companies who would be shipping it to make sure that there is a plan.

00:14:37.922 --> 00:14:41.402

<v SPEAKER_1>But it didn't seem, yeah, like you said, didn't seem to be much of a plan.

00:14:41.402 --> 00:14:42.062

<v SPEAKER_2>No, I agree.

00:14:42.062 --> 00:14:44.762

<v SPEAKER_2>And I think that, and Chris Rice has an interesting case here.

00:14:44.762 --> 00:14:54.862

<v SPEAKER_2>Like he was out on the Sunday morning shows, or today's Monday, yesterday, can't passage of time is altered in my state now.

00:14:54.862 --> 00:14:55.822

<v SPEAKER_2>But he was all over the place.

00:14:55.822 --> 00:15:01.422

<v SPEAKER_2>And again, he was making the case, and bucks like Trump was, that this was a sentiment driven spike in price.

00:15:01.422 --> 00:15:03.322

<v SPEAKER_2>And I just could not be further from the truth.

00:15:03.322 --> 00:15:07.682

<v SPEAKER_2>This was not speculators attempting to like torque the price to get ahead of Trump or anything.

00:15:07.682 --> 00:15:14.862

<v SPEAKER_2>This was physical participants, refineries that were scrambling to get every single barrel they can.

00:15:14.862 --> 00:15:16.282

<v SPEAKER_2>And they were coming up short.

00:15:16.282 --> 00:15:19.502

<v SPEAKER_2>And again, this could all this could all unwrap very quickly.

00:15:19.502 --> 00:15:21.342

<v SPEAKER_2>But like, we just don't know.

00:15:21.342 --> 00:15:32.382

<v SPEAKER_2>But all we do know, the thing I will confidently say, is that as long as the straightforward moves remains closed, this market will get tighter and tighter and tighter every single day.

00:15:33.022 --> 00:15:36.282

<v SPEAKER_2>My base framework for this was kind of \$2 to \$3 a barrel tighter.

00:15:36.282 --> 00:15:39.062

<v SPEAKER_2>Every day, the straight remains closed.

00:15:39.062 --> 00:15:43.942

<v SPEAKER_2>Now, obviously, we've done a lot of unwind and rewind of that right now.

00:15:43.942 --> 00:15:49.562

<v SPEAKER_2>But as we've seen before, like, Trump says things.

00:15:49.562 --> 00:15:53.622

<v SPEAKER_2>He was saying something entirely different less than 24 hours ago.

00:15:53.622 --> 00:15:55.082

<v SPEAKER_2>We don't know where he's going to be from now.

00:15:55.082 --> 00:16:01.342

<v SPEAKER_2>Like, for instance, like the fact that the price of crude has fallen, he might say, ah, look, all I need was a good pep talk.

00:16:01.342 --> 00:16:03.822

<v SPEAKER_2>Now back to bombing Iran.

00:16:03.822 --> 00:16:08.562

<v SPEAKER_2>You're seeing stuff about like, is Trump going to try to seize the Strait of Hormuz?

00:16:08.562 --> 00:16:10.982

<v SPEAKER_2>He's like, sure, good luck.

00:16:10.982 --> 00:16:12.022

<v SPEAKER_2>Like, this is the problem, right?

00:16:12.182 --> 00:16:19.682

<v SPEAKER_2>If you look at the topography of Iran, it's like a giant mountain range surrounding the Strait.

00:16:19.682 --> 00:16:25.782

<v SPEAKER_2>When you look at the kind of experience of fighting insurgencies, the worst nightmare was always the mountains.

00:16:26.062 --> 00:16:29.582

<v SPEAKER_1>Yeah, the mountains that they could fire drones out of at any moment.

00:16:29.582 --> 00:16:30.002

<v SPEAKER_2>Exactly, right.

00:16:30.002 --> 00:16:31.602

<v SPEAKER_1>From any cave that they pop out of.

00:16:31.602 --> 00:16:32.342

<v SPEAKER_2>Exactly.

00:16:32.342 --> 00:16:32.962

<v SPEAKER_1>Yeah.

00:16:34.602 --> 00:16:36.482

<v SPEAKER_1>So, yeah.

00:16:36.482 --> 00:16:59.002

<v SPEAKER_1>But I guess the question is, is this an equilibrium that a country like the United States can be comfortable with where effectively this can, like, why would, at this point, why would Iran stop closing down the Strait of Hormuz if they know that they can get more concessions out of the Trump administration?

00:16:59.002 --> 00:17:03.642

<v SPEAKER_1>Because this could be seen as the Trump administration shouting uncle.

00:17:03.642 --> 00:17:04.222

<v SPEAKER_2>Yeah.

00:17:04.222 --> 00:17:04.402

<v SPEAKER_2>Yeah.

00:17:04.402 --> 00:17:16.562

<v SPEAKER_1>So, like, is there a feasibility for the Iranian regime basically saying, we're going to keep it shut down until we get all of the sanctions taken off of us?

00:17:16.882 --> 00:17:18.162

<v SPEAKER_1>Is that something that could happen?

00:17:19.322 --> 00:17:19.642

<v SPEAKER_2>Yeah.

00:17:19.642 --> 00:17:23.942

<v SPEAKER_2>And I think, I mean, again, all we know right now is what Trump is saying.

00:17:23.942 --> 00:17:26.962

<v SPEAKER_2>We don't know what's happening on the ground in the Gulf yet.

00:17:26.962 --> 00:17:32.102

<v SPEAKER_2>We don't know whether or not the Israelis are going to stop bombing.

00:17:32.102 --> 00:17:32.822

<v SPEAKER_2>Yeah.

00:17:32.822 --> 00:17:51.162

<v SPEAKER_1>I'd say Israel, this is truly, this isn't existential for the United States, but Iran eventually getting a nuclear bomb could be truly existential for Israel's existence, in which case they might be going to go through far more economic pain through oil prices than a US administration.

00:17:51.442 --> 00:18:03.402

<v SPEAKER_2>I think Netanyahu was already much more willing to undergo this kind of economic pain because for them, Iran is the most important geostrategic objective.

00:18:03.402 --> 00:18:08.682

<v SPEAKER_2>It's important to Trump, but I would say that domestic pump prices and the economy are more important.

00:18:08.682 --> 00:18:13.262

<v SPEAKER_2>I think, again, which is why it's so bewildering that we made it this far into this crisis in the first place.

00:18:13.802 --> 00:18:15.062

<v SPEAKER_1>Yeah.

00:18:15.062 --> 00:18:21.322

<v SPEAKER_1>I'd say, it's like if you're a lawyer, you don't want to ask a question you don't know the answer to.

00:18:21.322 --> 00:18:35.882

<v SPEAKER_1>I feel like this was the United States asking a question where it didn't know the answer, and I guess the question is, can we overthrow the Iranian regime before they inflict enough economic pain for us to back down?

00:18:35.882 --> 00:18:43.702

<v SPEAKER_1>If the answer to that is no, then Iran suddenly gains an enormous amount of leverage in the relationship.

00:18:43.702 --> 00:18:44.202

<v SPEAKER_1>Yeah.

00:18:44.202 --> 00:19:00.662

<v SPEAKER_2>And I think we saw in last June, during the 12-day war, we saw when this ended that basically Trump came in, dropped 14 bunker busters on Natanz, Fordow, and Isfahan, the three nuclear sites.

00:19:00.662 --> 00:19:12.642

<v SPEAKER_2>Prices spiked on Monday, kind of out the gate, and then almost immediately, Trump talked on the price, said, it's a peace deal now, it's all over, and then the price was down \$10 a barrel by the end of the day.

00:19:12.642 --> 00:19:14.842

<v SPEAKER_2>It's feeling a lot like today.

00:19:14.842 --> 00:19:20.122

<v SPEAKER_2>It's a Monday, we spiked crazy on open, and now we're finishing the day kind of down.

00:19:21.142 --> 00:19:25.082

<v SPEAKER_2>It feels very similar, but the issue is now we're into this.

00:19:25.082 --> 00:19:27.182

<v SPEAKER_2>Does the shipping flow resume?

00:19:27.302 --> 00:19:30.722

<v SPEAKER_2>And if it doesn't, then this is just a temporary reprieve.

00:19:30.722 --> 00:19:34.442

<v SPEAKER_1>I guess the question is, why did the shipping...

00:19:34.602 --> 00:19:36.102

<v SPEAKER_1>Why specifically?

00:19:36.102 --> 00:19:41.722

<v SPEAKER_1>Like, what signal was sent that caused the shipping to stop to begin with?

00:19:41.722 --> 00:19:46.742

<v SPEAKER_1>Because I had heard about some sort of signal that the Iranians put out, telling people not to go through the strait.

00:19:46.742 --> 00:19:47.502

<v SPEAKER_2>Yeah.

00:19:47.502 --> 00:19:48.642

<v SPEAKER_1>Is that what caused it?

00:19:48.642 --> 00:19:53.122

<v SPEAKER_1>And then it's just been ever since they've just felt like it's too dangerous?

00:19:53.162 --> 00:19:54.982

<v SPEAKER_1>Like, that was the situation?

00:19:54.982 --> 00:19:56.642

<v SPEAKER_2>That's as I understand it, yes.

00:19:56.642 --> 00:19:58.482

<v SPEAKER_2>And I think that it was a combination of that.

00:19:58.482 --> 00:20:01.202

<v SPEAKER_2>You had insurers cancel a bunch of war insurance.

00:20:01.202 --> 00:20:02.242

<v SPEAKER_2>Yeah.

00:20:02.242 --> 00:20:04.662

<v SPEAKER_2>So I think that was a big part of it as well.

00:20:04.662 --> 00:20:07.662

<v SPEAKER_2>Chargers weren't going to send ships through with it, weren't insured.

00:20:07.662 --> 00:20:15.442

<v SPEAKER_2>But I think the insurance, the war insurance market did thaw a little bit, and you did have some offers.

00:20:15.442 --> 00:20:34.562

<v SPEAKER_2>But again, it was for a ship owner, if you as a ship owner or a charterer, like me, kind of thought Trump is going to talk at any moment, why would you toss out the extra half a mil or a million dollars for war insurance and put your crew in harm's way if this could be over next week?

00:20:34.562 --> 00:20:46.662

<v SPEAKER_2>If this is going to be something that is weeks or months long, it's a very different story, and then you'd probably start to see more kind of attempts at making the voyage and testing exactly what we're talking about.

00:20:46.662 --> 00:20:51.362

<v SPEAKER_2>But again, I think this is exactly what's happening and this is exactly what people thought was going to happen.

00:20:51.802 --> 00:20:57.142

<v SPEAKER_2>If this is in fact the end, this is how everyone that's in the market thought it would end.

00:20:57.142 --> 00:21:00.242

<v SPEAKER_2>It just kept not ending, and that was the part that was crazy.

00:21:01.802 --> 00:21:16.662

<v SPEAKER_1>Yeah, so that's why prices haven't gone up to the level of demand destruction for the amount of oil that we're talking about here, is because it wasn't possible to keep this going for this long.

00:21:17.322 --> 00:21:21.082

<v SPEAKER_1>Yeah, no, it's definitely a very interesting time.

00:21:21.082 --> 00:21:36.582

<v SPEAKER_1>And I guess, yeah, so the way that this changes the balance of power, I think, is one of the files that we're going to be kind of unraveling here for a long time to come.

00:21:36.582 --> 00:21:51.342

<v SPEAKER_1>I'm not completely, I'm actually not completely convinced that this is over here, even if Trump does try to unilaterally end the conflict, because you have, like, as far as I know, the only people left in power in Iran are the true hardliners.

00:21:51.342 --> 00:21:52.882

<v SPEAKER_1>Yep.

00:21:52.882 --> 00:21:56.622

<v SPEAKER_1>The moderates are going to be really shifted out.

00:21:56.622 --> 00:22:03.062

<v SPEAKER_1>There's not going to be any sort of true reconciliation between Iran and the United States at any point.

00:22:03.102 --> 00:22:11.842

<v SPEAKER_1>Like, I think that it's either the United States basically says Iran does have complete control over the region.

00:22:11.842 --> 00:22:20.622

<v SPEAKER_1>Like, Iran becomes the regional power or the Iranian regime has changed.

00:22:20.622 --> 00:22:21.822

<v SPEAKER_1>Those are the two options.

00:22:22.202 --> 00:22:23.962

<v SPEAKER_1>There's no middle ground anymore.

00:22:23.962 --> 00:22:29.002

<v SPEAKER_1>So, I guess I'm concerned that this is not a stable equilibrium, you know.

00:22:29.662 --> 00:22:35.402

<v SPEAKER_1>This isn't a situation where Iran and the United States can co-exist in the Middle East.

00:22:35.402 --> 00:22:35.782

<v SPEAKER_2>I agree.

00:22:36.582 --> 00:22:37.762

<v SPEAKER_2>And that's the hard part to think about.

00:22:38.782 --> 00:22:46.842

<v SPEAKER_2>Again, if you're Iran, if you're in the regime, do you stop your nuclear program now or do you double down?

00:22:46.842 --> 00:22:48.402

<v SPEAKER_1>Well, yeah.

00:22:48.942 --> 00:22:54.482

<v SPEAKER_2>I think it's like, I agree, they've shown that they don't need the nuke to prevent the world from coming down on them.

00:22:54.482 --> 00:22:57.442

<v SPEAKER_2>But imagine how much more impervious they'd be with a nuke.

00:22:57.962 --> 00:23:04.102

<v SPEAKER_2>And because, yeah, actually they got a bunch of their leadership wiped out over this past week to 10 days or so.

00:23:05.522 --> 00:23:08.362

<v SPEAKER_2>Would that have happened if there was an Iranian bomb?

00:23:08.362 --> 00:23:09.002

<v SPEAKER_2>I don't know.

00:23:09.002 --> 00:23:16.862

<v SPEAKER_2>I think that there's obviously a reason that, you know, you've got rid of Maduro, you got rid of Gaddafi, you got, you haven't got rid of Kim Jong Un, right?

00:23:16.862 --> 00:23:21.322

<v SPEAKER_2>You don't, you haven't got rid of people with the actual nukes, which is like a very cliché over, overused point.

00:23:21.322 --> 00:23:29.542

<v SPEAKER_2>But I think it's important to hear that, like, the US has now bombed the Iranians in the middle of negotiations twice.

00:23:31.142 --> 00:23:34.002

<v SPEAKER_2>Why would they ever believe the White House again?

00:23:34.002 --> 00:23:36.402

<v SPEAKER_2>It's just truly, it's truly wild to me.

00:23:36.402 --> 00:23:46.742

<v SPEAKER_2>And I think, again, there's this feeling of, like, Trump just feels that, like, prior presidents didn't do this because they were weak, rather than appreciation for, this is hard.

00:23:46.882 --> 00:23:57.282

<v SPEAKER_2>This is, there are wicked problems here that are difficult to sort out, because you can't just bomb your way or kidnap heads of state away, you're kind of like problems.

00:23:57.282 --> 00:24:10.682

<v SPEAKER_2>Now, agreed, Venezuela was a festering problem that probably could have been solved more quickly in a different way prior, if another country was willing to, say, violate international law to do so, or another president was.

00:24:10.682 --> 00:24:14.042

<v SPEAKER_2>But I think just Iran is, this is just proving like Iran was different.

00:24:14.042 --> 00:24:22.662

<v SPEAKER_2>And I said, like, when we saw what was going on with Venezuela, when we saw what was going on with Iran in 2025, I was worried that it was going to do something crazy.

00:24:22.662 --> 00:24:23.642
<v SPEAKER_2>And this is kind of it.

00:24:23.642 --> 00:24:34.742
<v SPEAKER_2>In some ways, I'm almost happy that it was this and not him going after Putin or like something like someone that actually did have nukes, because that is like obviously my literal worst nightmare.

00:24:34.742 --> 00:24:44.882
<v SPEAKER_2>I think last time I was on the podcast, I talked about how I was going through like a deep, dark, nuclear deterrents and kind of a command and control reading schedule that made me very depressed.

00:24:44.882 --> 00:24:45.282
<v SPEAKER_2>But yeah.

00:24:45.282 --> 00:24:47.002
<v SPEAKER_1>Because you realize how close.

00:24:47.002 --> 00:24:48.502
<v SPEAKER_2>How close we've been so many times.

00:24:48.502 --> 00:24:54.282
<v SPEAKER_1>Yeah, not just how close we have been in the past, but how close we are at all times is the, yeah.

00:24:54.282 --> 00:24:57.282
<v SPEAKER_1>But yeah, so that is still my concern.

00:24:57.282 --> 00:25:05.022
<v SPEAKER_1>And I think nuclear proliferation has become more likely if this is the way that this war ends.

00:25:05.022 --> 00:25:05.182
<v SPEAKER_2>Yeah.

00:25:05.662 --> 00:25:17.122
<v SPEAKER_1>And that, I don't think once you start going down that road, then whatever happens, something has to break, you know?

00:25:17.122 --> 00:25:20.122
<v SPEAKER_1>Like something in the order of the Middle East has to break.

00:25:20.122 --> 00:25:26.002
<v SPEAKER_1>But just talking about the order in the Middle East, like let's say, like we don't know that this is actually happening.

00:25:26.002 --> 00:25:26.882

<v SPEAKER_1>We don't know that.

00:25:26.882 --> 00:25:27.902

<v SPEAKER_1>We don't know it's done.

00:25:27.902 --> 00:25:28.102

<v SPEAKER_2>No.

00:25:28.102 --> 00:25:31.282

<v SPEAKER_2>And again, it's a very awkward time to actually do a podcast.

00:25:31.482 --> 00:25:33.102

<v SPEAKER_2>We're literally in the middle of this.

00:25:33.202 --> 00:25:35.242

<v SPEAKER_2>It's just exciting for a podcast.

00:25:35.242 --> 00:25:35.882

<v SPEAKER_2>But I do.

00:25:35.882 --> 00:25:37.182

<v SPEAKER_2>We don't have the answer.

00:25:37.182 --> 00:25:37.982

<v SPEAKER_2>We don't have the end.

00:25:37.982 --> 00:25:43.442

<v SPEAKER_2>I mean, this would have been this would have also been the case if we did this over the weekend.

00:25:43.442 --> 00:25:45.342

<v SPEAKER_2>Like it's the same theoretical thing.

00:25:45.342 --> 00:26:00.922

<v SPEAKER_2>It's just this is the first time that Trump has definitively kind of issued at least what we'll call like taco adjacent language that before he was like again, yesterday night, he was saying, this is short lived.

00:26:00.922 --> 00:26:02.502

<v SPEAKER_2>It's a small price to pay.

00:26:02.502 --> 00:26:04.302

<v SPEAKER_2>And people are like, oh gosh, he's really going for this.

00:26:04.302 --> 00:26:06.642

<v SPEAKER_2>Like this is, he doesn't seem that concerned at all.

00:26:06.642 --> 00:26:10.422

<v SPEAKER_2>This morning, obviously, or today, he obviously seems more concerned.

00:26:10.422 --> 00:26:17.762

<v SPEAKER_2>That is going to be a solve for the market that was deeply, deeply panicked.

00:26:17.762 --> 00:26:23.282

<v SPEAKER_2>But again, we, to my knowledge, we have not yet resumed flow through the strait.

00:26:23.282 --> 00:26:29.682

<v SPEAKER_2>And to your point, there's no question of how long, one, have the Israeli bomb stopped following yet?

00:26:30.382 --> 00:26:35.542

<v SPEAKER_2>And if so, how much longer until Iran says, we're back open for business?

00:26:35.542 --> 00:26:37.002

<v SPEAKER_2>Again, that's the game.

00:26:37.702 --> 00:26:48.402

<v SPEAKER_2>When I say Trump is the most likely and best character to make this choice, but at the end of the day, everyone else needs to decide to play ball, and we haven't gotten confirmation that they're going to yet.

00:26:48.442 --> 00:26:49.422

<v SPEAKER_1>Yeah, yeah.

00:26:49.422 --> 00:26:59.102

<v SPEAKER_1>I mean, the concern is that the Trump administration has effectively opened Pandora's Box here, and you know, you can't close it again, maybe.

00:26:59.102 --> 00:27:00.282

<v SPEAKER_1>Like, that's my concern.

00:27:00.282 --> 00:27:04.902

<v SPEAKER_1>Like, my hope is that this can be resolved in some way.

00:27:04.902 --> 00:27:20.082

<v SPEAKER_1>I mean, like, my ideal situation is that Iran stops trying to go for the nukes and decides to be a more constructive part of the kind of world global community, but I'm just sceptical that this outcome makes that more likely.

00:27:20.082 --> 00:27:29.562

<v SPEAKER_1>But, you know, like, where it comes to, you know, getting

back to the rest of the countries in the Persian Gulf, like, let's take, for example, Saudi Arabia.

00:27:29.562 --> 00:27:34.322

<v SPEAKER_1>You know, like, how do we see kind of Saudi-Iranian relations emerging out of this?

00:27:34.442 --> 00:27:37.902

<v SPEAKER_1>How do we see OPEC emerging out of this?

00:27:38.322 --> 00:27:46.662

<v SPEAKER_1>It just seems like previous episodes of conflict in the Middle East never got this, I guess, personal.

00:27:46.662 --> 00:27:47.282

<v SPEAKER_2>Yeah.

00:27:49.962 --> 00:28:02.502

<v SPEAKER_1>You never had a head of state being assassinated and then, you know, attacks on kind of, rather than just energy infrastructure, attacks on, rather than energy and military infrastructure, basic infrastructure.

00:28:02.562 --> 00:28:02.782

<v SPEAKER_1>Yeah.

00:28:02.782 --> 00:28:13.442

<v SPEAKER_1>I think this has pushed relations to a state that I don't think has been the case ever since, I'd say, you know, the Second World War, right?

00:28:13.442 --> 00:28:14.262

<v SPEAKER_2>Yeah, I agree.

00:28:14.262 --> 00:28:21.042

<v SPEAKER_2>And I think, you know, we still don't know, actually, the full state of damage to infrastructure in the Gulf.

00:28:21.042 --> 00:28:33.782

<v SPEAKER_2>We know that facilities like Rastanoura in Saudi Arabia, at the Fujairah Port in the Emirates, we know they've been hit, we know shut-ins have occurred in Iraq and Kuwait.

00:28:33.782 --> 00:28:36.762

<v SPEAKER_2>That's all going to take time to sort out and re-ramp.

00:28:36.762 --> 00:28:47.982

<v SPEAKER_2>And we already have, I mean, this is, we're roughly day 10 of this, that if we lost 20 million barrels of flow through the strait a day, that's 200, that's a air gap in the global supply system

of at least 200 million barrels.

00:28:47.982 --> 00:28:48.242
<v SPEAKER_1>Yeah.

00:28:48.242 --> 00:29:00.822
<v SPEAKER_2>So that itself, that was, that was not far off the recently accumulated build up of oil and water that was kind of keeping, that was helping keep prices contained or helping support, you know, support rights from the sanction entities earlier.

00:29:00.822 --> 00:29:05.122
<v SPEAKER_2>This is a huge volume of crude and everything else.

00:29:05.122 --> 00:29:16.482
<v SPEAKER_2>Like, this is, even if it ended today, and I was actually on a podcast earlier saying like, if it's ended today, it would still take months to unwind through all of the supply chain issues that have emerged.

00:29:16.482 --> 00:29:20.782
<v SPEAKER_2>But obviously ending it as soon as possible is the best outcome we can all hope for.

00:29:21.262 --> 00:29:26.222
<v SPEAKER_2>But I think there's a very open question whether or not this is actually done yet.

00:29:26.222 --> 00:29:27.722
<v SPEAKER_1>Yeah, yeah.

00:29:27.722 --> 00:29:31.942
<v SPEAKER_1>No, it's an evolving situation, like you said.

00:29:32.802 --> 00:29:36.182
<v SPEAKER_1>We'll see what ends up happening here.

00:29:36.182 --> 00:29:39.542
<v SPEAKER_1>I guess, you know, one last question before we finish things off, Rory.

00:29:39.542 --> 00:29:45.302
<v SPEAKER_1>And like you said, you've been on, you've been getting interviewed for what, five hours straight now?

00:29:46.182 --> 00:29:48.782
<v SPEAKER_1>So, you know, well, we'll let you go very soon here.

00:29:48.782 --> 00:29:57.782
<v SPEAKER_1>But like, what would you say are what do you would you

say is your high point for tomorrow and what is your low point for tomorrow?

00:29:57.782 --> 00:29:59.382

<v SPEAKER_1>Like, what's the highest price you can see?

00:29:59.382 --> 00:30:00.802

<v SPEAKER_1>What's the lowest price you can see?

00:30:00.842 --> 00:30:01.462

<v SPEAKER_2>Tomorrow?

00:30:01.462 --> 00:30:02.902

<v SPEAKER_1>Yeah.

00:30:02.902 --> 00:30:06.782

<v SPEAKER_2>Like, as of the release of this podcast at 6 a.m.

00:30:06.782 --> 00:30:19.002

<v SPEAKER_2>Eastern Time tomorrow, I could easily see us back to, you know, again, it's bounced around since we're currently at \$92 Brent, as I'm saying these words.

00:30:19.002 --> 00:30:28.502

<v SPEAKER_2>I think tomorrow we could be back up to 110 or we could be back down to high 70s on a Brent basis.

00:30:30.202 --> 00:30:32.842

<v SPEAKER_2>It's very, very hard to know which of those scenarios they are.

00:30:32.842 --> 00:30:38.422

<v SPEAKER_2>And again, a lot of this will ultimately depend, because I think there was also going to be an initial price reaction.

00:30:38.422 --> 00:30:54.582

<v SPEAKER_2>Then flow is going to resume in this, like if flow resumes in the straight, then and only then are we going to discover what, how much damage has actually been done, because typically I don't trust the kind of official statements of any of these countries.

00:30:54.582 --> 00:31:00.502

<v SPEAKER_2>They all have an incentive to kind of put on a brave face and say, oh no, we're dealing really well with this.

00:31:00.502 --> 00:31:12.062

<v SPEAKER_2>I would say that the only way we can know for certain is that straight-up revenues has to get unclogged, and then we need to see the sustainable export rate of these countries.

00:31:12.062 --> 00:31:35.042

<v SPEAKER_2>And we're probably not going to know that, even if this is done, even if every bomb stopped dropping right now, and shipping resumed in an hour through the straight, we probably still wouldn't know for a week at least how much damage has actually been done to verify, and how long it's going to take to turn back up those shut-in productions, which is also wild card.

00:31:35.042 --> 00:31:52.782

<v SPEAKER_1>But let's say, okay, but let's take the worst-case scenario here, too, where let's say Trump tries to back down from this, but Israel keeps bombing Iran, because Israel does not want the United States to stop bombing Iran.

00:31:52.782 --> 00:31:54.002

<v SPEAKER_2>Yes.

00:31:54.002 --> 00:32:03.482

<v SPEAKER_1>And the strait remains closed for another three weeks, and we get shut-ins all across the Gulf States.

00:32:03.482 --> 00:32:07.022

<v SPEAKER_1>Yep.

00:32:07.022 --> 00:36:13.102

<v SPEAKER_2>Is that a situation where we get permanent supply loss of like five million barrels per day or something like that, because the shut-ins like ruin the pressure in these in these reservoirs or like what are we what are we really looking at after yeah after all of that is cleared up and like you know a month from now we have the strait or booze opening up yeah i would say that's that's kind of what i was saying a couple minutes ago about like we we're only going to know once we're only going to know after all this is actually done yeah um like this is all speculation it's all speculation at this stage um because we can't know for sure i would say to the point about the reservoir damage and stuff i would say this is often discussed um but remember like these countries all did cut back massive amounts of production during kovach or during opec cuts so they're obviously good at this of any of any producers in the world the gulf arab states the gcc members and the core of opec are the best at modulating their production so i'd say i'm not super worried um but i i think there is a cause for concern there again we'll see how quickly they can get things back up and running but i would say that they've done this before and i and there hasn't been permanent durable damage if it was in other members like some let's say nigeria or angola or ever that's what we did see some of this before okay great well thanks so much rory this is incredibly informative but you know we'll see where things stand tomorrow morning when this goes out we'll see how how this evolves but thanks so much for for joining me here but one last question before we leave and I know that this sounds kind of ludicrous

because yeah so much is going on right now but what are you reading these days yeah so I just pulled up my audiobooks collection just to remind me of what the last book I finished was and I just finished a 1929 by Andrew Ross Sorkin which is a kind of personal kind of character driven discussion that preempted the Great Depression and it was really fascinating I thought it was you know Sorkin is a fantastic job at kind of pulling out the characters involved and again you would actually it's it's funny a lot of them would seem very very relatable and like you could pick them out of history and plop them into like current time here I go yeah that's like that you there's a there's an Elon Musk character there's you know your your you know conservative banker there's your kind of you know showy salesmen there's all these people are like very familiar archetypes to us and it was just really interesting to get that kind of color because I would say like I knew broad strokes kind of what drove the the crash but I would say he was he's so so good at pulling out you know personal letters and information to kind of add that character quality and it really does it it makes it feel like you're actually in in the moment and in the story and experiencing it rather than just like reading history yeah yeah and relevant for nowadays you know unfortunately unfortunately very very relevant exactly yeah no I've been seeing some people speculating that you know the bad jobs report down the states plus higher oil prices requiring you know the US Fed to jack up interest rates into a low employment situation like that's it's not ideal but anyhow we'll leave it off there uh I'm sure that our listeners will know more about how this has all turned out that we do right now uh but uh yeah this is fantastic Rory thanks so much for taking the time here and I'll let you uh I'll let you rest a little bit sure close my eyes before our dinner yeah okay well fantastic uh yeah great to have you on and we'll put this out tomorrow morning Thanks for listening to this episode of Energy Security Cubed on the CGAI Podcast Network.

00:36:13.102 --> 00:36:16.182

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00:36:16.182 --> 00:36:18.322

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00:36:18.322 --> 00:36:23.122

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00:36:23.122 --> 00:36:42.722

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00:36:42.722 --> 00:36:45.722

<v SPEAKER_1>Thanks go out to Drew Phillips for our music.

00:36:45.722 --> 00:36:47.042
<v SPEAKER_1>I'm Joe Calnan.

00:36:47.042 --> 00:36:49.262
<v SPEAKER_1>Thanks for listening to Energy Security Cubed.