Market Insights & Strategy

Global Markets

23rd November 2026



Glenn Wepener

Chief Strategist

*Please click **here** to view our recent publications on MENA and Global Markets*

Iran – Situation Report

Good day all,

Latest Situation

The primary oil benchmarks continued to drift within their recent narrow range this morning, despite growing signs that the situation in the Strait of Hormuz may be set to worsen as US/Iran tensions build. Although it's true that crude flows out of the Arabian Gulf rebounded sharply these past two months and we could still see a global supply surplus in December, fuel product exports from the region are still believed to be well below prewar levels and there are ongoing small tanker shortages (often used for STS transfers) which, together with still high AG to Asia freight rates, are crimping overall shipment volumes.

At the same time, data published by the UKMTO and the UK's Financial Times newspaper, suggests that the total number of vessels crossing Hormuz has recently fallen back somewhat due to now almost daily attacks on shipping by Iran. In fact, the number of oil tankers 'visibly' recorded as sailing through the waterway dropped to 37 in the week ending November 18th down from 52 the prior week. Meanwhile, since November 13th both Kuwait and Bahrain have been targeted by Iranian drones and other projectiles, including again yesterday when a civilian industrial facility in Bahrain was reportedly struck, triggering a fire and injuring two people.

These attacks, especially the one's against the two above mentioned GCC member states, resumed after a two-month lull and may well be because Tehran is coming under significant economic pressure due to the ever-tightening US naval blockade, which in turn has recently brought Iran's own oil exports down to almost zero. Thus, Tehran has perhaps decided to lash out in a desperate attempt to reduce this growing pressure. The current US 'Operation Economic Outcast' strategy is (as we have opined before) more likely to persuade Iran to ease its conditions on reaching a deal with Washington than fresh air strikes would, but admittedly does also run the risk of the regime overreacting and triggering a major outbreak in fighting, such as their latest threat to try and breach the US blockade via the use of a convoy of 14 tankers in the next few days, certainly a potential incident that we will need to keep an eye on. However, we still don't believe that the Iranians, or the Americans for that matter really want a full return to the war.

On the talks front, no major diplomatic breakthrough has appeared just yet, although Egypt's Foreign Minister suggested this past weekend that a US/Iran peace agreement was still possible. *"I believe that there is a possibility for dialogue, for reaching a deal, for reaching a compromise,"* Badr Abdelatty stated. Indeed, Iran's Deputy Foreign Minister has since revealed that his country's negotiators held discussions with Qatari mediators for 2 hours last Friday.

However, his boss Foreign Minister Abbas Araghchi was quoted as saying on Saturday that, "*As long as Iran's demands are not met, the discussion on the Strait of Hormuz and its opening is pointless. At the same time, we have always affirmed our readiness for dialogue, just as we are ready to defend ourselves,"* whilst President Trump warned again yesterday that he could decide to resume military strikes on Iran in early 2027 if no *"permanent"* agreement is reached.

Other Developments

- GCC & Arab League condemn the latest Iranian attack on the Kingdom of Bahrain.
- Marco Rubio and the UAE's Foreign Minister discussed regional developments in recent phone call.
- The head of US CENTCOM concluded his latest official tour of the Middle East region yesterday.
- IDF's Intelligence unit allegedly warned the PM last week about the risks involved should Israel attack Iran again.
- Iran implements power cuts as economic squeeze tightens.
- Natural gas deficit threatens Iran's steel production as winter approaches.
- Iran's military claims it has developed a new missile launcher.
- Inflation in Iran continues to rise according to data published by the official statistics agency.
- Qatar and the UAE proceed with preparations to host the two final rounds of this year's F1 championship.
- The IMF upgrades its economic growth projections for the UAE.

We will do our best to continue to keep you updated and please don't forget all of our research is available on our website.

FAB Global Markets

Market Insights & Strategy		
Simon Ballard	Chief Economist & Head of Market Insights & Strategy	Simon.Ballard@bankfab.com
Glenn Wepener	Chief Strategist	Glennmaurice.Wepener@bankfab.com
Rakesh Sahu	Analyst	Rakesh.Sahu@bankfab.com
Mohamed Al Shamsi	Analyst	Mohamedali.Alshamsi@bankfab.com
Almaha Al Nuaimi	Analyst	Almaha.Alnuaimi@bankfab.com
Saloni Chadha	Analyst	Saloni.Chadha@bankfab.com
Rohan Chawla	Analyst	Rohan.Chawla@bankfab.com

Group email: MarketInsights&Strategy@bankfab.com

Please click here to view our recent publications on MENA and Global Markets

Important Notice: This communication has been prepared by individual personnel of First Abu Dhabi Bank PJSC or its affiliates (collectively, "FAB") and, accordingly, it may not represent the views of FAB. FAB is licensed and regulated by the Central Bank of the United Arab Emirates and its registered office address is P.O. Box 6316, 1 – Al Qurm, Abu Dhabi, the United Arab Emirates. This communication is directed at persons (i) who have been or can be classified by FAB as eligible counterparties, professional clients or sophisticated investors, (ii) who have experience in matters relating to investments and (iii) other persons to whom it may otherwise lawfully be communicated. No other person should review the contents or access the products or transactions discussed in this communication. All material contained herein, including any proposed terms and conditions, is indicative and for discussion purposes only, is subject to change without

Classified : Public

notice, is strictly confidential, may not be reproduced and is intended for your consideration only. It does not include a number of terms and conditions that will be included in any actual transaction and final terms and conditions are subject to further discussion and negotiation nor does it purport to identify all applicable risks. This communication is not a commitment to deal in any product, offer financing or enter into any transaction described herein. FAB is not acting as your agent, fiduciary or investment adviser and is not managing your account. The provision of information in this communication is not based on your individual circumstances and must not be relied upon as an assessment of suitability for you of a particular product or transaction. It does not constitute investment advice and FAB makes no recommendation as to the suitability of any of the products or transactions mentioned. Even if FAB possesses information as to your objectives in relation to any transaction, series of transactions or trading strategy, this is not sufficient for, and does not constitute, any assessment of suitability for you of any transaction, series of transactions or trading strategy. Save in those jurisdictions where it is not permissible to make such a statement, FAB hereby informs you that this communication should not be considered as a solicitation or offer to sell or purchase any securities, deal in any product or enter into any transaction. You should make any trading or investment decisions in reliance on your own analysis and judgment and/or that of your independent advisors and not in reliance on FAB and any decision whether or not to adopt any strategy or engage in any transaction will not be FAB's responsibility. FAB does not provide investment, accounting, tax, financial, legal, regulatory or other advice; such matters as well as the suitability of a potential transaction or product or investment should be discussed with your independent advisors. Prior to dealing in any product or entering into any transaction, you and the senior management in your organization should determine, without reliance on FAB, (i) the economic risks or merits, as well as the investment, accounting, tax, financial, legal and regulatory characteristics and consequences of dealing with any product or entering into the transaction (ii) that you are able to assume these risks, (iii) that such product or transaction is appropriate for a person with your experience, investment goals, financial resources or any other relevant circumstance or consideration. Where you are acting as an adviser or agent, you should evaluate this communication in light of the circumstances applicable to your principal and the scope of your authority. Any prices used herein, unless otherwise specified, are indicative. Although all information has been obtained from, and is based upon sources believed to be reliable, it may be incomplete or condensed, it has not been verified by FAB and its accuracy cannot be guaranteed. FAB makes no representation or warranty, expressed or implied, as to the accuracy of the information, the reasonableness of any assumptions used in calculating any illustrative performance information or the accuracy (mathematical or otherwise) or validity of such information. Any opinions attributed to FAB constitute FAB's judgment as of the date of the relevant material and are subject to change without notice. Provision of information may cease at any time without reason or notice being given. Commissions and other costs relating to any dealing in any products or entering into any transactions referred to in this communication may not have been taken into consideration. Any scenario analysis or information generated from a model is for illustrative purposes only. Where the communication contains "forward-looking" information, such information may include, but is not limited to, projections, forecasts or estimates of cashflows, yields or return, scenario analyses and proposed or expected portfolio composition. Any forward-looking information is based upon certain assumptions about future events or conditions and is intended only to illustrate hypothetical results under those assumptions (not all of which are specified herein or can be ascertained at this time). It does not represent actual termination or unwind prices that may be available to you or the actual performance of any products and neither does it present all possible outcomes or describe all factors that may affect the value of any applicable investment or product. Actual events or conditions are unlikely to be consistent with, and may differ significantly from, those assumed. FAB shall not be under an obligation to update any information contained in this communication. Illustrative performance results may be based on mathematical models that calculate those results by using inputs that are based on assumptions about a variety of future conditions and events and not all relevant events or conditions may have been considered in developing such assumptions. Accordingly, actual results may vary and the variations may be substantial. The products or transactions identified in any of the illustrative calculations presented herein may therefore not perform as described and actual performance may differ, and may differ substantially, from those illustrated in this communication. When evaluating any forward looking information you should understand the assumptions used and, together with your independent advisors, consider whether they are appropriate for your purposes. You should also note that the models used in any analysis may be proprietary, making the results difficult or impossible for any third party to reproduce. This communication is not intended to predict any future events. Past performance is not indicative of future performance. FAB accepts no responsibility and makes no representation to you or to any third parties for, and has not independently verified, the quality, accuracy, timeliness, continued availability or completeness of any data or calculations contained and/or referred to in this communication and FAB shall not be liable for any special, direct, indirect, incidental or consequential loss or damage which may be sustained because of the use of the information contained and/or referred to in this communication or otherwise arising in connection with the information contained and/or referred to in this communication, provided that this exclusion of liability shall not exclude or limit any liability under any law or regulation applicable to FAB that may not be excluded or restricted. The transactions and any products described herein may be subject to fluctuations of their mark-to-market price or value and such fluctuations may, depending on the type of product or security and the financial environment, be substantial. Where a product or transaction provides for payments linked to or derived from prices or yields of, without limitation, one or more securities, other instruments, indices, rates, assets or foreign currencies, such provisions may result in negative fluctuations in the value of and amounts payable with respect to such product prior to or at redemption. You should consider the implications of such fluctuations with your

Classified : Public

independent advisers. The products or transactions referred to in this communication may be subject to the risk of loss of some or all of your investment, for instance (and the examples set out below are not exhaustive), as a result of fluctuations in price or value of the product or transaction or a lack of liquidity in the market or the risk that your counterparty or any guarantor fails to perform its obligations or, if this the product or transaction is linked to the credit of one or more entities, any change to the creditworthiness of the credit of any of those entities. FAB (whether through the individual sales and/trading personnel involved in the preparation or issuance of this communication or otherwise) may from time to time have long or short principal positions and/or actively trade, for its own account and those of its customers, by making markets to its clients, in products identical to or economically related to the products or transactions referred to in this communication. FAB may also undertake hedging transactions related to the initiation or termination of a product or transaction, that may adversely affect the market price, rate, index or other market factor(s) underlying the product or transaction and consequently its value. FAB may have an investment banking or other commercial relationship with and access to information from the issuer(s) of securities, products, or other interests underlying a product or transaction. FAB may also have potential conflicts of interest due to the present or future relationships between FAB and any asset underlying the product or transaction, any collateral manager, any reference obligations or any reference entity. Any decision to purchase any product or enter into any transaction referred to in this communication should be based upon the information contained in any associated offering document if one is available (including any risk factors or investment considerations mentioned therein) and/or the terms of any agreement. Any securities which are the subject of this communication have not been and will not be registered under the United States Securities Act of 1933 as amended (the Securities Act) or any United States securities law, and may not be offered or sold within the United States or to, or for the account or benefit of, any US person, except pursuant to an exemption from, or in a product or transaction, not subject to, the registration requirements of the Securities Act. This communication is not intended for distribution to, or to be used by, any person or entity in any jurisdiction or country which distribution or use would be contrary to law or regulation. FAB may process your personal data to provide you with information or promotional and advertising communications on products, services, other events and campaigns.

If you wish not to receive email from the Market Insights team at FAB, please click here to send us your request to unsubscribe, and you shall no longer receive such information. You can also let us know by contacting your usual FAB representative should you wish to no longer receive any such further information. You may be entitled according to the applicable laws to exercise your rights to access, to rectification, to erasure and to portability of your personal data, to restrict the use of and to object to the processing of your personal data. You may exercise any such aforesaid rights by sending your request to FAB at the following address: privacy@bankfab.com.

Classified : Public