

GME'S NEWSLETTER – Issue no. 202 now online

Rome, 15 April 2026 – The new issue of the newsletter of *Gestore dei Mercati Energetici* (GME) is now available at www.mercatoelettrico.org.

The newsletter opens with an article by Orlandi, an analyst at *Ricerche Industriali Energetiche* (RIE): *the date of 28 February 2026 will not be remembered only as the starting point of a new escalation in a Middle East long afflicted by wars and tensions. This time, we are witnessing a conflict that has shattered the global oil order and, as a consequence, overturned the expectations about the balance between demand and production, shifting from surplus projections to the onset of the largest supply shock in contemporary history. For decades, the closure of the Strait of Hormuz, a vital chokepoint for flows of crude oil, refined products, and liquefied natural gas from the Middle East, has been the risk most dreaded by energy analysts, the so-called worst-case scenario. Its materialisation has triggered the seventh energy crisis in seventy years, underscoring the still crucial role of oil in the global economy and energy landscape. Orlandi notes that, despite the flurry of figures that will accompany us for a long time to come – given the profound uncertainty surrounding the evolution of the crisis – by the end of March, global oil supply was estimated to have fallen by 11 million bbl/d, though some assessments point to an even deeper deficit, approaching 15 million.*

This is confirmed by the fact that the routes expected to “save” the market, bypassing the Strait of Hormuz, *have proved to be either vulnerable or insufficient* – such as Saudi Arabia’s East-West oil pipeline, the Habshan–Fujairah oil pipeline, and the flow of Iraqi crude towards the Ceyhan terminal in Turkey. *Moreover, the famous OPEC+ “spare capacity” is an illusion: roughly 4 million bbl/d exist (less than 4% of global demand and far below the recorded shortfalls), but they are almost entirely concentrated in Saudi Arabia, the United Arab Emirates, Kuwait, and Iraq. Orlandi points out that these barrels exist only “on paper” and can reach the market only when Hormuz reopens and storage sites are no longer saturated.*



Orlandi emphasises that, as regards prices, *despite the blockage of Hormuz for over a month and the rapid and unpredictable evolution of events, the increase has been much lower than that caused in the past by much more moderate supply reductions. Although the erosion of demand – elastic at high price levels - can dampen extreme peaks, it is likely that the geopolitical risk premium will persist at least for the remainder of the year, potentially pushing up the minimum price floor compared with the 60-65 \$/bbl range seen in recent years.*

Orlandi states that, ultimately, *the 2026 Hormuz crisis exposes the persistent vulnerability of markets to geopolitical tensions in key producing regions. The Hormuz turmoil of 28 February shows that oil remains the lifeblood of the global economic system, and that its arteries are more fragile than we might have imagined. The “trifurcation” of markets and the geopolitical risk premium are not merely temporary anomalies, but signals of a new energy order in which security is no longer guaranteed solely by the availability of the resource, but also by the stability of the routes needed to ship it. Orlandi concludes that the final paradox is that, while the world accelerates its shift towards electrification and renewables, it is still a single 33 km-wide stretch of sea that determines whether the global economy will run or come to a halt.*

This issue of the newsletter comes with the usual technical commentaries about European and national power exchanges and environmental markets, a section focused on the analysis of Italian gas market trends, and a section with insights into the trends of the main European commodity markets.

As has become customary, the publication also reports the summary data of the electricity market for March 2026.

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