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Fear Premiums, Bypass Infrastructure, and Equity Repricing: A Thematic Review of Chokepoint Disruptions and Energy-Sector Valuation in Asia's Import-Dependent Economies

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Information cutoff for motivating case: September 18, 2026

Abstract

Chokepoint disruptions in energy trade raise a valuation question that existing research addresses only in part: how much of the return earned by energy firms during a disruption depends on the disruption continuing, and how much survives the physical response to it. This paper develops a conceptual distinction between disruption-contingent rents and structural returns, using the reported closure of the Strait of Hormuz since February 2026 as a motivating case. The study is a non-empirical structured thematic review with comparative policy analysis. It synthesizes literature retrieved through question-driven, AI-assisted search across five themes: oil shocks and geopolitical risk premia, heterogeneity across energy equities, infrastructure substitution and policy buffers, non-substitutable liquefied natural gas flows and electricity-demand growth, and macro-financial transmission to Asian import-dependent economies. The synthesis indicates that geopolitical premia operate substantially through expectations, that energy equity segments earn returns through different cash-flow channels, and that bypass infrastructure and reserves reduce the severity of disruption without eliminating it. Some flows, notably LNG, resist rerouting, and import-dependent Asian economies face reported asymmetries in currency, inflation, and equity transmission. Five conditional propositions are advanced as analytical constructs and are not tested. The direct evidence on recent disruption episodes is limited, several key sources are preprints, and the motivating case remains unresolved. The paper does not assess the prospects of any firm or segment and does not constitute investment advice. It identifies event-study, panel, and Asia-focused designs as priorities for empirical testing, and it offers measured reflections for policy and institutional analysis.

Keywords: *geopolitical risk premium; energy equities; Strait of Hormuz; infrastructure substitution; liquefied natural gas; macro-financial transmission; Asian import-dependent economies*

1. Introduction

Global energy trade depends on a small number of narrow maritime passages, and the financial consequences of their closure reach far beyond the commodities that pass through them. The Strait of Hormuz is the clearest example. The strait is 21 miles wide at its narrowest point (U.S. Energy Information Administration [EIA], 2012). Before the disruption, about 20 million barrels per day of oil, roughly a quarter of world seaborne oil trade, transited the strait, and just over 112 billion cubic metres of liquefied natural gas (LNG), almost a fifth of global LNG trade, passed through it in 2025 (International Energy Agency [IEA], n.d.). Following military strikes on Iran on February 28, 2026, the strait came under a de facto closure (EIA, 2026a). The IEA described the episode as the largest supply disruption in the history of the global oil market, and its member countries agreed on March 11 to make 400 million barrels of emergency oil stocks available, the largest coordinated release in the agency's history (IEA, 2026). The front-month Brent futures price, which began 2026 at about US\$61 per barrel and stood at about US\$72 or lower two days before the war began, finished the first quarter at US\$118 (EIA, 2026a, 2026c). After easing when a June 17 memorandum of understanding briefly increased flows through the strait, prices rose again once military strikes resumed on July 7. Brent futures peaked at US\$109 on September 15, while spot prices reached about US\$132, and futures averaged

around US\$104 over the second half of September (EIA, 2026c). The information cutoff for this paper is September 18, 2026, and the situation may since have changed.

Financial markets responded in a recognizable pattern. Capital moved toward crude producers and toward crude tanker operators, whose vessels were redeployed onto longer routes at sharply higher charter rates. One large tanker owner, Frontline plc, reported the highest quarterly profit in its history, US\$659.2 million, for the second quarter of 2026, with its very large crude carriers (VLCCs) earning an average of about US\$152,700 per day (Frontline plc, 2026). This response is intuitive, and during the disruption it has been consistent with the price signals. It nonetheless raises a question that price signals alone cannot answer. Some of the returns earned during a disruption exist only while the disruption lasts, and others persist because of how the disruption is resolved. This paper terms the first *disruption-contingent rents* and the second *structural returns*. Whether market valuations distinguish between them is the central concern of the paper.

The distinction matters because the policy response to the blockage is itself changing the physical map of energy supply. Saudi Aramco reported that its East-West pipeline to the Red Sea port of Yanbu had been ramped up to its maximum capacity of 7.0 million barrels per day (Pipeline & Gas Journal, 2026), although drone attacks on pumping stations along the line led Saudi Arabia to shut it as a precaution on September 11, 2026 (Oman Observer, 2026). In the United Arab Emirates, the Abu Dhabi National Oil Company (ADNOC) reported that a new West-East pipeline, intended to double export capacity through Fujairah on the Gulf of Oman, was nearly half complete and was being accelerated toward a 2027 start (Gulf News, 2026). Iraq and Syria signed an agreement in July 2026 to rehabilitate the Kirkuk–Baniyas crude pipeline to the Mediterranean (Al Jazeera, 2026). An analysis by Goldman Sachs, as reported in the financial press, estimated that total bypass pipeline capacity could exceed 14 million barrels per day by the end of 2028, more than 60 percent of the Gulf states' pre-war export volume of about 23 million barrels per day (CNBC, 2026). If capacity of that scale materializes, the geopolitical risk premium embedded in oil prices may fall, along with the earnings that depend on that premium. The EIA's September 2026 Short-Term Energy Outlook is consistent with this logic, projecting Brent to average about US\$91 per barrel in 2026 and about US\$74 in 2027 as oil production recovers and inventories rebuild (EIA, 2026b). These are forecasts, however, and they cannot be treated as outcomes. The same bypass routes are also exposed to physical attack, which is an additional source of uncertainty.

The response to the disruption is also uneven across energy segments. Crude can be rerouted through pipelines. LNG cannot, because it requires cryogenic transport and purpose-built vessels. QatarEnergy reported that missile strikes on Ras Laffan Industrial City on March 18 and 19, 2026 damaged LNG facilities accounting for about 17 percent of Qatar's LNG export capacity, and it estimated that repairs would take three to five years (QatarEnergy, 2026). Gas markets may therefore follow a different adjustment path from oil markets. Meanwhile, global electricity consumption by data centres has grown by around 12 percent per year since 2017, more than four times faster than total electricity consumption (IEA, 2025), and this demand draws little on oil. Energy-sector exposure is therefore not a single bet on a single commodity. It is a bundle of exposures with different sensitivities to the persistence of the disruption, to the pace of infrastructure substitution, and to demand drivers unrelated to the conflict.

These dynamics are of direct importance to Asia. Asian economies are the principal buyers of the oil that passes through the strait, with about 80 percent of those flows destined for Asia (IEA, n.d.), and their exposure operates through several macro-financial channels: import bills, inflation, exchange rates, foreign-exchange reserves, and the policy-rate path. Equity markets in import-dependent emerging economies, including the Philippines and other ASEAN members, are affected by these channels as well as by sectoral energy valuations. The same disruption can therefore raise the earnings of some listed energy firms while raising costs and inflation risk for the economies in which many investors hold assets. A single-market, single-commodity treatment misses this two-sided structure, which is why a comparative and regional perspective is warranted.

The scholarly literature on oil shocks and equity returns is extensive, but the work relevant to this problem appears in separate strands: energy economics, asset pricing, transport and shipping economics, geopolitical risk analysis, and macro-financial policy research. These strands seldom address together three questions. How should risk premia and the earnings that depend on them be understood once the source of the risk is being engineered away? Which segments of the energy sector hold contingent exposure and which hold structural exposure? And how do these sectoral dynamics interact with transmission to importing economies? A thematic and conceptual review is suited to this task. Existing findings can be integrated across strands, their tensions made explicit, and the conditions under which competing interpretations hold can be identified, without asserting empirical results that a review cannot support.

Accordingly, this paper pursues five objectives. First, it develops a conceptual distinction between disruption-contingent rents and structural returns in energy-sector valuation. Second, it synthesizes the literature on oil-shock risk premia and on sectoral heterogeneity among energy equities. Third, it evaluates how infrastructure substitution and policy response alter the persistence of disruption-related returns, with specific attention to non-substitutable flows such as LNG and to demand-side change in electricity. Fourth, it traces the macro-financial transmission of chokepoint disruption to Asian import-dependent economies. Fifth, it draws measured implications for policy and future research, with explicit boundaries on what a non-empirical review can and cannot conclude.

The paper is analytical and non-empirical in design. Investor-media commentary is used only to illustrate the motivating case and is not treated as evidence. Company names appear solely as illustrations of segment exposure, and nothing in the paper constitutes investment advice. The sections that follow present the review of related literature, the methodological orientation, an analytical synthesis with discussion, and the conclusions and recommendations.

2. Review of Related Literature

2.1 Oil Shocks, Geopolitical Risk, and the Pricing of Risk Premia

The review starts from the structural-decomposition tradition, which holds that the price and equity consequences of an oil-price movement depend on what caused it. Kilian and Park (2009) and Ready (2018) developed the framework that separates oil-price changes into supply-driven, aggregate-demand-driven, and precautionary components. Later studies broadly support its pattern. Unexpected supply disruptions are associated with negative or statistically insignificant aggregate equity responses, and aggregate demand expansions with positive ones (Basher et al., 2018; Mokni, 2020; Ready, 2018). Precautionary demand, driven by fear of shortage, is linked to lower valuations through higher discount rates and greater risk aversion (Castro et al., 2023; Castro & Jiménez-Rodríguez, 2024). The studies also agree that these relationships are unstable over time, and several document time-varying or nonlinear responses (Castro et al., 2023; Hwang & Kim, 2021; Mokni, 2020).

A second strand addresses geopolitical risk premia directly. Studies using geopolitical risk indices report that such risk carries predictive information for crude prices beyond physical fundamentals (Zhang et al., 2022) and that its effects vary over time (Cuñado et al., 2020). The literature distinguishes realized geopolitical acts from verbal threats, with acts associated with substantially larger price effects (Bouoiyour et al., 2019; Zhang et al., 2023). It also links prolonged uncertainty to tail risk and upside price skewness (Jia et al., 2024; Wang et al., 2022). Transmission is generally described as operating through expectations and precautionary demand, not through observed reductions in physical flows alone (Cuñado et al., 2020; Mignon & Saadaoui, 2023; Zhang et al., 2022). Evidence on oil–equity volatility spillovers under geopolitical stress is consistent with this reading (Smales, 2019).

Methodologically, the field relies on structural vector autoregressions, time-varying and nonlinear specifications, quantile and wavelet approaches, and text-based geopolitical risk indices. Two features of this design matter here. First, a "premium" in this literature is a statistical construct. It is identified through indices of perceived risk and residual price predictability, not through a directly observed price component. Second, disagreement persists over equity implications: aggregate reactions to supply disruptions range from negative to insignificant, and evidence from exporting countries is mixed (Basher et al., 2018; Ready, 2018). The evidence is also concentrated on aggregate indices, mainly for the United States, Europe, and China (Broadstock & Filis, 2014; Castro et al., 2023; Kilian & Park, 2009). That concentration limits what it can say about sector-level valuation.

For the paper's central problem, the significance of this theme is conceptual. If the premium in oil prices operates through expectations and precautionary demand, it can be expected to respond when those expectations change. That supports treating part of disruption-period returns as contingent on the perceived persistence of the threat. This step is an inference from the reviewed evidence, not a reported finding. The reviewed studies concentrate on how premia form and on how equity markets react to shocks of different origin. They say comparatively little about how premia behave once a source of risk is being physically diminished.

2.2 Heterogeneity across Energy Equities: Producers, Shipping, Midstream, and Integrated Majors

Energy equities respond to the same oil-price shock through different cash-flow channels, and the literature is organized accordingly. Studies of upstream producers report strong positive sensitivity to price increases, in contrast with energy-consuming transport sectors (Bagirov & Mateus, 2024; Batabyal & Killins, 2021). Integrated majors are

reported to show more muted abnormal returns than pure-play producers because downstream refining margins offset upstream gains (Bagirov & Mateus, 2024; Osei-Bonsu et al., 2026). Midstream storage and transportation equities are described as comparatively stable because cash flows depend on contracted throughput more than on commodity prices (Bagirov & Mateus, 2024; Hoque & Low, 2022). These findings agree in direction, but the midstream evidence is less direct than the upstream evidence. It draws partly on a survey of the petroleum–equity literature and on single-country industry studies, such as Malaysian oil and gas equities examined under structural breaks (Hoque & Low, 2022).

Tanker shipping is a distinct case, because tanker earnings derive from ton-mile demand and not from the price of the cargo. Research on maritime chokepoints reports that closures lengthen voyages, absorb effective fleet capacity, and raise freight costs (Pratson, 2022; Verschuur et al., 2025; Wen et al., 2026). Freight-market studies document sharp, non-linear rate movements, risk spillovers across tanker segments, and sensitivity to policy uncertainty (Bai, 2021; Bai & Lam, 2021). Some studies also report bubble dynamics in freight during disruption episodes (Khan et al., 2023). At the equity level, shipping-company returns are described as showing positive tail exposure during extreme macro shocks, consistent with shipping as a derived-demand system (Melas & Michail, 2024; Mohanty et al., 2021).

The evidence linking chokepoint disruption to tanker equity valuation is thinner than this summary suggests. Much of the freight literature addresses the COVID-19 period (Khan et al., 2023; Michail & Melas, 2021) or container markets rather than tanker markets (Jeon et al., 2025). The shipping equity studies draw partly on other segments, such as dry bulk (Melas & Michail, 2024). Their transfer to crude tankers is therefore an assumption, not an established result. The most direct evidence on energy equity abnormal returns across Iran-related episodes is a single recent study reporting asymmetric responses across the June 2025 and February 2026 episodes (Osei-Bonsu et al., 2026). A corpus of that size does not support strong generalization.

Methodologically, the segment literature combines regression-based return models, copula and wavelet approaches for freight and spillover analysis, and abnormal-return designs for specific episodes (Bai, 2021; Bai & Lam, 2021; Osei-Bonsu et al., 2026). Time horizon is a persistent difficulty. Freight studies capture short-lived dislocation, whereas equity valuation reflects expectations about persistence, and the reviewed work seldom connects the two.

The relevance of this theme is that it justifies treating energy exposure as segmented. Producers are exposed to price, midstream operators to volume, and tanker owners to dislocation, and the reviewed evidence is broadly consistent with these differences (Hoque & Low, 2022; Mohanty et al., 2021; Osei-Bonsu et al., 2026). Whether the segments differ in the durability of their earnings after a disruption is an inference this paper draws. The reviewed studies do not test it directly.

2.3 Infrastructure Substitution, Route Diversification, and Policy Response to Chokepoints

Infrastructure substitution is the mechanism through which the paper's thesis operates, and the literature supports it only partially. Model-based studies indicate that overland pipeline bypass capacity reduces the macroeconomic damage of maritime chokepoint closure. One simulation-based study, available as a preprint, reports that mobilizing overland bypasses roughly halves global economic losses under sustained closure (Veetil & Vemmarath, 2026). The same body of work stresses the limits. Existing bypass networks cannot absorb total transit volumes and leave substantial residual supply deficits (Lodhi et al., 2026; Shi, 2025). Route substitution alters shipping network structure and lengthens transit paths (Li et al., 2022; Qiu et al., 2025). Pipelines themselves are exposed to attack and vandalism (Usman & Zubairu, 2026). Resilience simulations of importing supply chains likewise stress dependence on geopolitical conditions (Liu et al., 2026).

Evidence on strategic petroleum reserves is less consistent. Some studies find that unanticipated releases have no measurable downward effect on spot benchmarks or that their effect is asymmetric (Razek et al., 2023; Stevens & Zhang, 2021). Others warn that large drawdowns in tight, backwardated markets can trigger panic (Chi et al., 2025; Razek et al., 2023). By contrast, work on coordinated regional stockpiling, including for Asia and ASEAN, emphasizes risk-pooling and welfare gains (Considine et al., 2021; Oliveira et al., 2022). The disagreement is partly one of object, because studies of price impact and studies of cost efficiency answer different questions. Producer-side buffers show similar ambivalence. Spare capacity among OPEC and its allies is reported to reduce price volatility substantially (Almutairi et al., 2023). That capacity is geographically concentrated behind vulnerable straits (Lodhi et al., 2026; Razek et al., 2023), and short-run supply remains inelastic (Kumar & Mallick, 2023).

A recurring conclusion is that these buffers buy adjustment time and dampen spikes without removing the geopolitical premium. Reserve releases are described as leaving premia elevated (Lodhi et al., 2026; Shi, 2025), while import diversification is reported to attenuate domestic inflation pass-through (Li et al., 2022; Shi, 2025). The methods are network and supply-chain simulations, scenario analyses, event-window price studies, and optimization models of reserve policy. The evidence is uneven in quality. Several of the most direct Hormuz-oriented contributions are preprints or appear in lesser-established outlets (Lodhi et al., 2026; Shi, 2025; Usman & Zubairu, 2026; Veetil & Vemmarath, 2026), and their simulation results depend on assumed capacities and shock structures.

For the paper, this theme shows that bypass and buffering reduce the severity of disruption, which is a necessary condition for the thesis. What the reviewed studies do not test is the stronger proposition that permanent bypass capacity eliminates the risk premium or the disruption-dependent earnings tied to it. That proposition is an inference from partial evidence, bounded by the capacity, timing, and vulnerability limits documented above.

2.4 Non-Substitutable Energy Flows: LNG Rigidity and Electricity-Demand Restructuring

Two literatures complicate the view that energy exposure is a single crude-oil bet. One concerns the rigidity of LNG trade and the other concerns electricity-demand growth from data centres.

On LNG, network analyses of global oil and gas trade report that crude oil networks are structurally more resilient to targeted attacks than gas networks (Sun et al., 2022). The explanation offered is infrastructural. LNG depends on liquefaction plants, regasification terminals, and specialized carriers, and more than 90 percent of volumes move by sea through narrow corridors (He et al., 2026; Ke et al., 2025). A resilience study built around correlated disruptions concludes that crude oil can be substantially hedged through pipeline bypass and reserves, whereas LNG retains residual shortage exposure (Sharma & Lau, 2026). Studies of European import networks and of Qatari supply-chain resilience reinforce the point that alternative routes are limited (Al-Haidous et al., 2021; Savvakis & Moschovou, 2025). The evidence is mainly network-analytic and scenario-based, and several contributions are preprints or conference papers (He et al., 2026; Sharma & Lau, 2026). It is also weighted toward European and Russia–Ukraine-related settings (Ke et al., 2025; Savvakis & Moschovou, 2025), with comparatively little on Asian LNG importers under Gulf disruption.

On electricity, studies of United States power systems report that data-centre and AI-related load is growing faster than baseline demand and that natural gas is the dominant marginal source of firm supply (Johnson et al., 2026; Potts & Castellanos, 2025). Projections in this literature include gas supplying a large majority of incremental generation, substantial new gas capacity, and regional price stress where load is geographically concentrated (Chen et al., 2026; Johnson et al., 2026; Kothapalli, 2024; Smead, 2025). Agreement on direction is strong. Disagreement concerns magnitude, timing, and consequences. Turbine and interconnection lead times constrain deployment (Jacobs, 2026; Lee et al., 2026), and flexible load may lower system costs while potentially raising emissions (Senga et al., 2026). Methodologically, the work relies on capacity-expansion and dispatch models, supplemented by industry commentary and preprints (Chen et al., 2026; Jacobs, 2026; Lee et al., 2026).

Two limits qualify the relevance of this theme. First, both strands describe physical and power-system outcomes and neither addresses equity valuation. Any link from LNG rigidity or data-centre load to the returns of particular energy segments is therefore inferential. Second, the data-centre evidence is largely American, so its applicability to Asian markets cannot be assumed. Company-level work on Philippine-listed utilities, such as a valuation and risk assessment of Manila Electric Company as of May 2026, describes a regulated, capital-intensive profile with rising debt and negative free cash flow (Espina & Atento, 2026), but it does not analyze the disruption or data-centre load. What the theme does establish is a basis for distinguishing flows that can be rerouted from flows that cannot. It also identifies a source of energy demand that operates independently of the conflict.

2.5 Macro-Financial Transmission and Policy Implications for Asian Import-Dependent Economies

Asian import-dependent economies are exposed to energy shocks through inflation, exchange rates, financial stress, and equity markets, and the literature on these channels is comparatively rich.

On prices and exchange rates, studies of ASEAN and wider Asian economies report that oil-price increases are associated with currency depreciation, weaker external balances, and cost-push inflation (Kocoglu et al., 2022; Palupi & Purwono, 2024; Taufani et al., 2022). Pass-through is state-dependent, with stronger effects reported in high-inflation regimes (Adekunle, 2025; Altunöz & Taşdoğan, 2026; Ki, 2021), and time-varying causality between oil and

exchange rates has been documented for ASEAN economies (Kocoglu et al., 2022). Threshold-based evidence for China and the Philippines likewise indicates that the inflation–growth relationship is regime-dependent and country-specific (Chen & Atento, 2026). Evidence for the Philippines on entrepreneurial activity is less uniform: a first-differenced time-series study associates increases in oil prices and dollar strength with higher, not lower, new business formation, while a levels-based specification was inconclusive (R. G. O. Atento, Quinto, et al., 2026). Several studies report asymmetry, with price increases and risk shocks generating stronger inflationary and depreciation pressure than corresponding declines (Aziz et al., 2022; Baek, 2024; Beirne et al., 2023). The methods include regime-switching models, time-varying causality tests, augmented Taylor rules, and nonlinear specifications.

On equities and financial stability, work applying supply–demand decompositions to Asian and other emerging markets generally finds adverse responses to supply-driven increases in importing economies (Azhari et al., 2021; Bilal et al., 2025; Dagher & Hasanov, 2023). Financial-stress evidence suggests the effects can persist, with one study reporting stress lasting up to eight months after supply shocks (Dagher & Hasanov, 2023). Sectoral studies show divergence. Energy-intensive and domestically oriented industries contract, while advanced capital-goods exporters, as in Japan and South Korea, may show resilience (Rahmawati, 2025; Thorbecke, 2025). Findings differ by country and market, and some of the cited work concerns economies outside Asia, such as Türkiye and Kazakhstan (İmamoğlu, 2026). Comparisons between importers and exporters therefore require care (Afşar et al., 2025; Bilal et al., 2025; Raheem, 2022). Country-level attribution within multi-country ASEAN studies is not uniform and should be read from the original sources before specific market claims are made.

Policy responses form a third strand. The reviewed studies discuss interest-rate responses under inflation targeting (Jena & Kataruka, 2022), foreign-exchange reserve intervention (Kocoglu et al., 2022), and supply diversification (Adekunle, 2025; Afşar et al., 2025). They also discuss energy subsidies, with evidence favoring targeted over broad schemes because broad subsidies widen fiscal deficits (Rahmawati, 2025; Thorbecke, 2025). Each response carries constraints. Monetary tightening compresses growth, reserves are finite, subsidies strain public finances, and diversification requires long capital horizons. Fiscal crisis-response instruments are also discussed in this context. A comparative policy assessment for the Philippines, with reference to oil-price volatility linked to geopolitical conflict, treats household cash transfers and MSME credit support as complements and not substitutes (A. G. Atento et al., 2026).

This theme links sectoral dynamics to the macro-financial conditions of importing economies. The asymmetry findings deserve particular attention. If downward price corrections transmit less strongly than increases, the relief to importers from a fading premium may be smaller than the burden imposed by its build-up. This is an inference from the reviewed evidence and is not established for the current episode. Most of the Asian macro-financial studies reviewed here address earlier or general oil-price movements, not the 2026 disruption. Their conclusions therefore apply by analogy, not through direct observation.

2.6 Synthesis of Literature

Five patterns emerge from the reviewed literature. The first is that the origin of an oil-price movement determines its financial meaning. Supply-driven increases are associated with negative or insignificant aggregate equity responses, demand-driven increases with positive ones, and precautionary demand with higher discount rates (Castro et al., 2023; Kilian & Park, 2009; Ready, 2018). Geopolitical premia are described as forming through expectations and precautionary behaviour as much as through lost physical flows (Cuñado et al., 2020; Zhang et al., 2022). The second pattern is that energy equity exposure is segmented. Producers, integrated majors, midstream operators, and tanker owners are reported to respond through different cash-flow channels, namely price, offsetting margins, contracted volume, and derived ton-mile demand (Bagirov & Mateus, 2024; Hoque & Low, 2022; Mohanty et al., 2021). The third is that physical substitution moderates disruption without eliminating it. Bypass pipelines and reserves reduce losses and dampen spikes, but capacity limits, inelastic short-run supply, and infrastructure vulnerability leave residual exposure (Lodhi et al., 2026; Razek et al., 2023; Veetil & Vemmarath, 2026). The fourth is that substitution is uneven across energy flows. LNG is more rigid than crude, and electricity-demand growth from data centres is largely independent of oil (Johnson et al., 2026; Sharma & Lau, 2026; Sun et al., 2022). The fifth is that import-dependent Asian economies bear the macro-financial burden through currency, inflation, and equity channels, often asymmetrically (Altunöz & Taşdoğan, 2026; Azhari et al., 2021; Baek, 2024).

Three tensions remain unresolved. Aggregate equity reactions to supply disruptions range from negative to insignificant, and evidence from exporting economies is mixed (Basher et al., 2018; Ready, 2018). Studies of strategic reserves disagree on price effects, partly because they address different questions, price impact in some cases and cost

efficiency in others (Considine et al., 2021; Stevens & Zhang, 2021). Findings for importing economies vary by country and sector (Rahmawati, 2025; Thorbecke, 2025). Methodologically, the field relies on structural vector autoregressions, regime-switching and nonlinear models, network and scenario simulations, and episode-specific abnormal-return designs. Each addresses a different horizon and a different object, and few studies combine them.

2.7 Gaps in the Literature

The main gap is the treatment of persistence. The reviewed work explains how risk premia form and how markets react to shocks, but it says little about how premia and the earnings dependent on them behave once a physical response is underway. Bypass studies measure loss reduction, and reserve studies measure price effects. Neither is connected to the valuation of specific energy segments. The proposition that permanent bypass capacity erodes disruption-contingent earnings is therefore untested, as is the reverse proposition that segments with volume-based or non-substitutable exposure retain value.

Second, the evidence base for chokepoint-related tanker equities is thin. Freight studies draw substantially on COVID-era or non-tanker settings (Jeon et al., 2025; Khan et al., 2023; Michail & Melas, 2021), and direct evidence on energy equity responses to the recent Iran-related episodes rests on a single study (Osei-Bonsu et al., 2026). Adjacent work has examined the same disruption through a non-energy sector, reporting a larger shortfall from projected trend in health care equities than in a broad market index (R. G. Atento et al., 2026), but it does not address energy-firm valuation. Third, there are regional imbalances. The LNG and data-centre literatures are weighted toward the United States and Europe (Johnson et al., 2026; Ke et al., 2025; Savvakis & Moschovou, 2025), and the Asian macro-financial studies mostly concern earlier or general oil-price movements, not a Hormuz-scale disruption. Fourth, the asymmetry findings raise an unaddressed question. If price declines transmit less strongly than increases (Baek, 2024; Beirne et al., 2023), the relief to importers from a fading premium may be weaker than the burden of its build-up, and this has not been examined for a bypass-driven premium decline.

Fifth, several of the most direct Hormuz-oriented contributions are preprints or appear in lesser-established outlets, and their simulations depend on assumed capacities and shock structures (Lodhi et al., 2026; Shi, 2025; Veetil & Vemmarath, 2026). Sixth, there is a conceptual blind spot. The literature has no settled distinction between returns that depend on a disruption persisting and returns that depend on how it is resolved. On the policy side, the coordination of reserves and bypass capacity across importing Asian economies is discussed mainly in narrow terms, with limited integration into a macro-financial analysis (Considine et al., 2021; Oliveira et al., 2022).

2.8 Contribution of the Present Paper

The paper contributes analytically. It does not add new empirical estimates. First, it proposes and defines a distinction between disruption-contingent rents and structural returns, and it grounds that distinction in the reviewed evidence on expectation-based premia and segment cash-flow channels. Second, it integrates strands that are usually treated separately, namely risk-premium pricing, sector-level heterogeneity, infrastructure substitution, the rigidity of LNG, electricity-demand change, and importer-side transmission. It uses the integrated framework to derive a set of conditional propositions about the persistence of disruption-related returns. These are analytical propositions, not tested hypotheses, and they are advanced with explicit attention to the capacity and vulnerability limits documented above. Third, it connects sectoral valuation to the macro-financial position of import-dependent Asian economies, addressing the two-sided structure in which the same disruption benefits some listed energy firms while raising costs for importers. Fourth, it flags which links in the argument rest on direct evidence and which rest on inference or analogy, and it identifies priorities for later empirical work, including event-study and panel designs suited to the questions left open here.

3. Methodology

3.1 Research Design

This paper is a **structured thematic review with comparative policy analysis**. It is non-empirical. It involves no primary data collection, no econometric estimation, and no statistical testing. The analysis integrates published research, official institutional reporting, and clearly labelled market commentary. The purpose is to develop and evaluate a conceptual distinction between disruption-contingent rents and structural returns in energy-sector valuation, and to trace its implications for import-dependent Asian economies. The design is not a systematic review or a meta-

analysis. No pre-registered protocol was followed, and no formal screening procedure with documented record counts was applied.

3.2 Source Orientation and Selection

Three categories of source were used. The first is **peer-reviewed and scholarly literature**, which forms the evidentiary core of Sections 2 and 4. It was retrieved through Consensus, an AI-assisted academic search tool, using ten yes/no guide questions, two for each of the five literature themes defined at the outset of the review. Each question was written to be answerable from the empirical and modelling literature, and the tool's outputs were treated as the initial candidate set for each theme. Retrieval was carried out on August–September 2026. The second category is **official and institutional reporting and company filings**, chiefly the International Energy Agency, the U.S. Energy Information Administration, statements by state energy companies, and a listed tanker owner's interim report filed with the U.S. Securities and Exchange Commission. These sources are used to describe the motivating case. Figures were checked against the issuing body's own publication where it was accessible and are cited as reported. The third category is **reporting by established news outlets**, used where no primary document was publicly available, including an investment-bank estimate of bypass capacity that is cited through press coverage. It is used only to document the motivating case and is not treated as evidence for any analytical claim. Sources published after the cutoff were used only where they document events that occurred before it. The information cutoff for the motivating case is September 18, 2026, and the disruption is described in the sources as ongoing.

3.3 Inclusion Logic and Treatment of Source Quality

A study was retained where it addressed at least one guide question directly and where its context was relevant to the paper's problem: oil-market shocks and risk premia, energy-sector equities and freight, chokepoint or bypass infrastructure, LNG and electricity-demand restructuring, or macro-financial transmission in importing economies. Evidence was not excluded on regional grounds. Non-Asian studies were retained where they supply the foundational mechanisms, and their comparability with Asian settings is discussed explicitly where it matters.

Source quality is uneven, and the paper makes that visible instead of correcting it silently. Peer-reviewed empirical studies were treated as the strongest tier. Model-based simulations were treated as informative but assumption-dependent. Preprints, conference papers, and contributions in lesser-established outlets were retained where they are the most direct available treatment of the Hormuz-related question, and they are identified in the text as such and weighted with caution. Where a cited study relates to a different setting from the one the paper's claim concerns, for example COVID-era freight or container markets, the discussion notes the mismatch and does not carry the finding over.

3.4 Thematic Grouping Logic

The five themes were sequenced from conceptual foundation to policy relevance. The sequence begins with how geopolitical risk premia and oil shocks are priced. It then moves to how energy equity segments differ in cash-flow exposure, what infrastructure substitution and buffers can and cannot achieve, which energy flows resist substitution and which demand sources are independent of the conflict, and how these dynamics transmit to Asian importers. Each study was assigned to the theme in which its main contribution lay. Studies bearing on more than one theme were cited where relevant and were not duplicated as separate evidence. The themes follow the causal chain of the paper's argument, from premium formation to sectoral exposure, to physical response, to limits of substitution, to macro-financial consequence.

3.5 Analytical Criteria

Findings were synthesized by comparing direction, mechanism, method, setting, and horizon across studies. Five evaluative criteria guided the analysis in Section 4. The first is directness, meaning how closely a study addresses the question at hand. The second is the evidence tier described above. The third is consistency across independent studies. The fourth is contextual comparability, covering importer versus exporter, Asian versus non-Asian, crisis versus non-crisis, and short-run versus long-run settings. The fifth is the separation of claim types. Statements are labelled or phrased throughout as reported evidence, interpretation, or inference, and the paper's own conditional propositions are identified as analytical constructs, not tested hypotheses. Company names appear only to illustrate segment exposure and carry no evaluative or investment meaning.

3.6 Regional and Policy Framing

The paper's regional focus is on import-dependent Asian economies, including ASEAN members. It is anchored in international finance and external shocks, sectoral valuation, and macro-financial transmission. Policy analysis is limited to the instruments discussed in the reviewed literature: bypass infrastructure, strategic reserves, monetary and exchange-rate responses, subsidy design, and supply diversification. Policy evaluation is grounded in that literature and in established economic reasoning and is not advanced as opinion.

3.7 Limitations

Several limitations apply. Retrieval was question-driven and AI-assisted, so the candidate set reflects the tool's coverage and ranking and cannot be considered exhaustive. No documented screening counts are available, and the review cannot claim the reproducibility of a systematic review. Bibliographic details were taken as returned by the tool and are subject to correction before submission. Publication bias may favour statistically significant or novel findings. Several of the most relevant sources are preprints or come from lesser-established outlets, and their simulation outputs depend on assumed capacities and shock structures. The direct evidence on the 2025–2026 disruption episodes is small, so much of the argument proceeds by analogy from earlier oil-market and chokepoint research. The motivating case is still unfolding, and reported figures may be revised or superseded. The conditional propositions developed here are untested. Finally, the thematic grouping and the evaluative judgments reflect the authors' analytical choices and are therefore open to alternative reasonable readings.

4. Analytical Synthesis and Discussion

This section has two parts. Sections 4.1 to 4.6 integrate the reviewed evidence into a conceptual account of how disruption-related returns in energy equities may evolve as physical responses to a chokepoint closure take effect. Sections 4.7 to 4.10 then interpret that synthesis and set out its implications and boundaries. The section reports no empirical results. Statements are marked as reported evidence, interpretation, or inference, and the propositions advanced are analytical constructs that the reviewed literature does not test.

4.1 Disruption-Contingent Rents and Structural Returns

A **disruption-contingent rent** is defined here as the part of a firm's or segment's return that arises because a disruption has raised prices, freight rates, or margins above their undisturbed level, and that would diminish if the disruption eased. A **structural return** is the part that rests on cash-flow drivers persisting whether or not the disruption continues, including returns that arise from the physical and institutional response to the disruption. The distinction is a continuum, and most firms hold a mixture of both.

The reviewed literature supplies the foundation for treating the contingent component as sensitive to expectations. Geopolitical premia are reported to operate through expectations and precautionary demand as well as through observed flow losses (Cunado et al., 2020; Mignon & Saadaoui, 2023; Zhang et al., 2022), and realized acts are reported to move prices more than threats (Bouoiyour et al., 2019; Zhang et al., 2023). It follows by *inference* that the part of a return which depends on such a premium is sensitive to changes in the perceived persistence of the threat. The reviewed studies do not test this link. They explain how premia form and how markets respond to shocks of different origin, and they do not trace what happens to premium-dependent earnings once the source of risk is being physically reduced.

Two clarifications limit the concept. The distinction concerns the drivers of earnings, not the level of share prices. Prices reflect expectations and may already discount an eventual resolution, so a high current return cannot by itself show that a market misprices persistence. Frontline's interim report for the second quarter of 2026, for example, states that 86 percent of its third-quarter VLCC spot days had been booked at about US\$156,900 per day, against an estimated 12-month cash breakeven of about US\$23,800 per day, a ratio of roughly six and a half to one (Frontline plc, 2026). That is consistent with the rent concept, but a rate-to-breakeven comparison is an observation about earnings and says nothing about how equity valuation treats their durability.

4.2 Segment Exposure to the Persistence of Disruption

Because the reviewed literature shows that energy equities respond through different cash-flow channels (Bagirov & Mateus, 2024; Batabyal & Killins, 2021; Hoque & Low, 2022; Mohanty et al., 2021), the contingent share of returns

is expected to differ by segment. Table 1 sets out an analytical assessment. The ratings are the authors' interpretive judgments derived from the reviewed evidence. They are not measured quantities.

Table 1

Analytical assessment of segment exposure to disruption persistence

Segment	Principal earnings driver (reported)	Indicated dependence on disruption persistence	Principal uncertainty
Upstream producers	Commodity price (Batabyal & Killins, 2021)	Moderate to high, through the premium embedded in price	Baseline price level and cost position independent of the premium
Integrated majors	Price offset by downstream margins (Osei-Bonsu et al., 2026)	Moderate, muted by offsetting margins	Refining margin behaviour under disruption
Midstream operators	Contracted throughput volume (Hoque & Low, 2022)	Lower	Who owns and captures new bypass capacity
Crude tanker owners	Ton-mile demand and freight rates (Mohanty et al., 2021)	High, through dislocation-driven demand	Net effect of bypass on voyage distances
LNG chain	Specialized, non-reroutable flows (Sun et al., 2022)	Structural exposure to disruption itself	Equity-level evidence largely absent
Power-demand beneficiaries	Load growth from data centres (Johnson et al., 2026)	Low; driven by factors independent of the conflict	Applicability beyond the United States

Note. Ratings are the authors' interpretive judgments derived from the studies cited in the table and in Sections 2.2 to 2.4. They are not measured quantities and do not constitute investment guidance. Source: Authors' synthesis.

Several qualifications apply. For upstream producers, the premium is one component of price, and producer earnings also depend on the baseline price and on production costs, so only part of the return is contingent. For midstream operators, the reviewed evidence describes volume-based stability, but it does not establish that operators of newly built bypass routes are the listed firms that investors hold. Much of the reported bypass investment involves state-linked entities and consortia, and the reviewed studies do not address who captures the resulting returns. For tanker owners, the direction of the bypass effect is ambiguous. Bypass routes may reduce dislocation-driven demand, yet route substitution is reported to alter network structure and lengthen average transit paths (Li et al., 2022; Qiu et al., 2025). Loading points and destination distances may therefore shift, and the net effect on ton-mile demand is not established. Finally, the LNG and power-demand rows rest on physical and power-system studies, not on equity evidence, and the connection to segment returns is inferential.

4.3 Policy Pathways and the Limits of Substitution

The reviewed literature supports the view that physical responses reduce the severity of a chokepoint closure. Model-based work reports that overland bypass capacity substantially lowers global economic losses (Veetil & Vemmarath, 2026), and reserve and diversification measures are reported to buy adjustment time and to attenuate inflation pass-through (Li et al., 2022; Shi, 2025). The same literature documents limits. Bypass networks cannot absorb total transit volumes (Lodhi et al., 2026; Shi, 2025), short-run supply is inelastic (Kumar & Mallick, 2023), spare capacity is concentrated behind vulnerable straits (Almutairi et al., 2023; Razek et al., 2023), reserve releases leave premia elevated (Lodhi et al., 2026), and pipelines are exposed to attack (Usman & Zubairu, 2026). The motivating case shows this last vulnerability. Saudi Arabia's East-West pipeline, the largest operating bypass route, was shut as a precaution on September 11, 2026, after drone attacks on pumping stations along the line (Oman Observer, 2026), and the EIA attributed part of the September rise in Brent prices to these attacks, which temporarily halted flows on the bypass (EIA, 2026d).

Three implications follow by inference. First, physical response is more likely to lower the premium than to eliminate it, because a residual premium may persist that reflects the vulnerability of the bypass infrastructure itself. Second, timing matters. Reported bypass capacity is expected to come online over several years, so the interval before completion is a period in which contingent returns may persist. Because the premium is expectation-based, however, it may adjust ahead of physical completion if credible commitments alter beliefs. This adjustment could be reversed by realized acts of disruption, which the reviewed evidence associates with larger price effects than threats (Bouoiyour et al., 2019; Zhang et al., 2023). Third, reserve releases and spare capacity are short-term instruments and do not alter the structural exposure that the bypass programme is intended to address.

4.4 Conditions Under Which the Prevailing Market Reading Holds or Fails

Investor commentary on the motivating case describes a prevailing reading in which a Gulf conflict means expensive oil and therefore favours producers and tankers. This description comes from commentary, and the reviewed literature offers no evidence on how investors in aggregate actually reason. The reading is used here only as a foil for analysis. Drawing on Sections 4.1 to 4.3, five conditional propositions are advanced. They are analytical constructs and are not tested.

P1. The contingent share of a segment's return rises with its dependence on dislocation-related price or freight spreads and falls with contractual protection of its cash flows.

P2. Premium-dependent returns decline more under credible, operational, and defensible bypass capacity than under announced capacity alone, and announcement effects are reversible.

P3. Exposure to disruption persists for flows that cannot be rerouted, irrespective of the pace of crude bypass construction.

P4. Returns tied to demand growth unrelated to the conflict depend on the trajectory of that demand, not on the persistence of the disruption.

P5. For importing economies, relief from a fading premium may be weaker than the burden imposed by its build-up, because reported transmission is asymmetric.

The prevailing reading is more likely to hold where closure is prolonged, where bypass capacity is insufficient or repeatedly attacked (Lodhi et al., 2026; Usman & Zubairu, 2026), where reserve tools prove ineffective in tight markets (Razek et al., 2023), or where demand recovers strongly. It is more likely to fail where a credible settlement restores transit, where bypass capacity is completed and protected, or where value shifts toward segments with volume-based or non-substitutable exposure. The EIA's projection of lower Brent prices in 2027 (EIA, 2026b) is consistent with the second set of conditions, but it is a forecast and is not treated as an outcome. Price behaviour during the year also showed large swings. Brent futures fell to about US\$72 by July 1 after a June 17 memorandum of understanding increased flows through the strait, and rose above US\$100 again after military strikes resumed on July 7 (EIA, 2026c). This sequence is consistent with the reversibility stressed in P2 but is not evidence for it. The reviewed literature does not support assigning probabilities to these scenarios, and this paper does not attempt to do so.

4.5 Transmission to Asian Import-Dependent Economies

The same disruption operates differently in importing economies, and the reviewed evidence outlines the channels. Supply-driven price increases are reported to be associated with currency depreciation, weaker external balances, cost-push inflation, and adverse equity responses in importing Asian economies (Azhari et al., 2021; Dagher & Hasanov, 2023; Kocoglu et al., 2022; Taufani et al., 2022). Financial stress can persist beyond the initial shock (Dagher & Hasanov, 2023). Sectoral effects diverge, with energy-intensive and domestically oriented industries contracting while advanced capital-goods exporters show relative resilience (Rahmawati, 2025; Thorbecke, 2025). The two-sided structure identified in the Introduction follows directly. Segments earning contingent rents may gain while the economies where many investors hold assets bear higher costs. The reviewed studies do not address the equity returns of energy firms listed in Asian markets under such a disruption, so whether that structure appears in local equity markets is unknown. Capital-flow exposure is a related channel. Descriptive evidence for the Philippines and ASEAN comparators reports that the Philippines combined declining market capitalization relative to GDP with the most volatile portfolio investment flows among the comparators (S. Chen et al., 2026), although that study does not address energy shocks.

The asymmetry findings bear on P5. Where price increases and risk shocks are reported to generate stronger inflationary and depreciation pressure than corresponding declines (Aziz et al., 2022; Baek, 2024; Beirne et al., 2023), a bypass-driven fall in the premium may not reverse earlier macro-financial deterioration symmetrically. This is an inference. The asymmetry evidence concerns earlier or general oil-price movements, and it has not been examined for a premium decline attributable to infrastructure.

Non-substitutable flows sharpen the point. If P3 holds, importers that depend on LNG retain exposure that crude bypass does not relieve. The evidence on LNG rigidity is mainly network-analytic and weighted toward European settings (He et al., 2026; Ke et al., 2025; Savvakis & Moschovou, 2025), so its application to Asian importers is by analogy and needs direct study. On policy, the reviewed literature favors targeted over broad energy subsidies because of fiscal cost (Rahmawati, 2025; Thorbecke, 2025), points to inflation-targeting responses constrained by growth costs and the need for credible anchors (Jena & Kataruka, 2022), and notes that reserves are finite (Kocoglu et al., 2022). Coordinated regional stockpiling in Asia is reported to offer risk-pooling benefits (Considine et al., 2021; Oliveira et al., 2022), although the effect of reserve releases on price is contested (Stevens & Zhang, 2021).

4.6 What the Synthesis Supports

The synthesis supports four claims. Energy exposure is segmented, and segments differ in how much of their return depends on disruption persistence. Physical response reduces the severity of disruption without eliminating it. Some flows cannot be rerouted, and some demand is independent of the conflict. Import-dependent Asian economies face a transmission structure in which relief may be weaker than burden. The synthesis does not support claims about the future performance of any listed company or about the timing or size of premium decline. Those questions require the empirical designs identified in Section 2.8 as priorities for later work.

4.7 Implications for Financial Economics

The discussion that follows introduces no new evidence. The propositions P1 to P5 remain untested analytical constructs, and the discussion is worded accordingly.

The synthesis has three implications for how disruption-period returns in energy equities are understood. The first concerns the interpretation of premia. The reviewed literature treats geopolitical risk premia as expectation-based (Cunado et al., 2020; Zhang et al., 2022). If so, the earnings that depend on them are conditional on beliefs about persistence, so a disruption-period return is not evidence of a durable cash-flow stream. The distinction between disruption-contingent rents and structural returns gives this reasoning an explicit form. It also shows why aggregate sector indices may obscure what matters, since the contingent share differs across producers, midstream operators, tanker owners, and other segments (Bagirov & Mateus, 2024; Mohanty et al., 2021).

The second implication concerns market efficiency and valuation. The synthesis does not show that markets misprice persistence. Prices embed expectations, and a high current return may already discount an eventual resolution, as noted in Section 4.1. The more defensible contribution is a sharper research question: whether valuations reflect the difference between contingent and structural earnings, and how quickly they adjust when credible physical responses change beliefs. Cross-country valuation work has similarly reported that conclusions about elevated or depressed valuation vary with the historical benchmark horizon chosen (Atento & Atento, 2025), which bears on how any such test would define its reference period. The reviewed studies decompose shocks by origin (Kilian & Park, 2009; Ready, 2018) but do not decompose the durability of the earnings that follow. The third implication concerns non-substitutable and conflict-independent sources of value. If P3 and P4 hold, some energy exposures are governed by physical rigidity or demand trajectories and not by the fortunes of the disruption. This suggests that the phrase "energy exposure" bundles heterogeneous risks, a point the segment literature already supports.

4.8 Relevance for Asian and Emerging-Market Contexts

Asia matters here on both sides of the mechanism. Asian economies are major importers of the flows at issue, so the macro-financial burden of a disruption falls on them through currency, inflation, and equity channels (Azhari et al., 2021; Kocoglu et al., 2022; Taufani et al., 2022). Several mechanisms in the synthesis bear specifically on this context. Asymmetric pass-through implies that relief from a fading premium may be smaller than the burden of its build-up (Aziz et al., 2022; Baek, 2024; Beirne et al., 2023). Regime dependence implies that the effects of a given shock differ with the inflation and volatility environment (Altunöz & Taşdoğan, 2026; Azhari et al., 2021). Rigid LNG

flows imply that importers relying on gas may remain exposed after crude routes diversify, although the supporting evidence is weighted toward European settings (He et al., 2026; Ke et al., 2025; Savvakis & Moschovou, 2025).

Emerging-market equity investors in importing economies also face a two-sided structure. Local markets may bear the macro-financial cost of the disruption, while some internationally listed energy segments earn contingent rents. Whether this structure appears in Asian-listed energy firms is unknown, because the reviewed studies do not examine it. Descriptive evidence on Philippine-listed firms at the end of the first quarter of 2026 shows wide sectoral valuation dispersion and mixed one-year performance beneath an index-level decline (Reyes et al., 2026), a reminder that index-level movements can mask sector heterogeneity, although that study does not analyze the disruption. The practical meaning for Asian policymakers and investors is therefore a set of questions to investigate, and the paper does not offer conclusions on them. Comparability also requires care. Studies of importers and exporters, and of Asian and non-Asian markets, do not transfer freely (Afşar et al., 2025; Bilal et al., 2025; Raheem, 2022), and the sector-level Asian evidence is uneven across countries (Rahmawati, 2025; Thorbecke, 2025).

4.9 Policy Interpretation

Policy interpretation is limited to what the reviewed literature and established economic reasoning support. Three points follow.

First, the reviewed evidence supports the value of physical resilience measures while cautioning against overstating them. Bypass capacity is reported to reduce losses substantially (Veetil & Vemmarath, 2026), yet it leaves residual exposure, is vulnerable to attack, and depends on protection as well as construction (Lodhi et al., 2026; Usman & Zubairu, 2026). For importing economies, this suggests that diversification of routes and sources is a component of resilience and not a full substitute for buffers and monetary-fiscal readiness. Second, the reserve literature is divided on price effects, but it is more consistent on risk-pooling. Coordinated regional stockpiling in Asia is reported to offer welfare gains (Considine et al., 2021; Oliveira et al., 2022), so the case for coordination rests more securely on cost efficiency than on the expectation that releases will lower prices (Stevens & Zhang, 2021). Third, macro-financial responses face known constraints. Tightening can anchor expectations but compresses growth (Jena & Kataruka, 2022), reserves are finite (Kocoglu et al., 2022), and broad subsidies strain fiscal positions, which favours targeted designs (Rahmawati, 2025; Thorbecke, 2025). If premia fade asymmetrically, as P5 suggests, policymakers should not assume that a fall in the premium will quickly unwind earlier inflation and exchange-rate effects. This last point is an inference and would need direct testing.

For regulators and analysts who monitor equity markets, a further interpretation is that commentary framing energy exposure as a single bet on the disruption lasting is analytically incomplete. This paper does not evaluate the accuracy of such commentary or any investment position, and nothing here is investment advice.

4.10 Boundaries of the Argument

The boundaries of the paper are as important as its claims. It is a non-empirical review. The propositions are conditional and untested, and the reviewed studies do not establish that bypass capacity erodes premium-dependent returns, that any segment will outperform or underperform, or how large or how fast any adjustment will be. The direct evidence on the recent disruption episodes is small (Osei-Bonsu et al., 2026), so much of the argument proceeds by analogy from earlier oil-market and chokepoint research. Several of the most directly relevant sources are preprints or come from lesser-established outlets, and their simulation results depend on assumed capacities and shock structures (Lodhi et al., 2026; Shi, 2025; Veetil & Vemmarath, 2026). The motivating case is unresolved, and reported figures may be revised. Finally, the segment ratings in Table 1 are interpretive judgments, and alternative reasonable readings exist. Event-study designs around the disruption episodes, panel analysis of segment returns against premium proxies, and studies of Asian-listed energy firms and importer-side transmission are the natural routes for testing the propositions developed here.

5. Conclusions and Recommendations

5.1 Conclusions

This paper reviewed the literature on oil shocks, energy equities, infrastructure substitution, non-reroutable energy flows, and macro-financial transmission to develop a distinction between disruption-contingent rents and structural returns in energy-sector valuation. It used the disruption at the Strait of Hormuz as a motivating case, drawing on

official statistics, company filings, and news reports whose figures may be revised as the episode develops. The paper is non-empirical, and its conclusions are limited accordingly.

Four conclusions are supported by the reviewed evidence and the analytical synthesis. First, the financial meaning of an oil-price movement depends on its origin, and geopolitical premia are reported to operate through expectations and precautionary demand as well as through lost flows. It follows by inference that earnings dependent on such a premium are sensitive to beliefs about how long a disruption will last. Second, energy exposure is segmented. Producers, integrated majors, midstream operators, and tanker owners are reported to earn returns through different channels, so the contingent share of returns is expected to differ across them. Third, bypass pipelines, reserves, and diversification reduce the severity of a chokepoint closure but do not remove it. Limited capacity, inelastic short-run supply, and the vulnerability of the infrastructure itself leave residual exposure, and some flows, notably LNG, cannot be rerouted. Fourth, import-dependent Asian economies bear the disruption through currency, inflation, and equity channels, and the reported asymmetry of these channels suggests that relief from a fading premium may be weaker than the burden of its build-up.

The paper does not conclude that markets misprice persistence, that any segment or firm will outperform or underperform, or that a fall in the risk premium will occur at any particular time or scale. The five propositions advanced in Section 4.4 are conditional and untested. The direct evidence on the recent disruption episodes is small, several key sources are preprints or appear in lesser-established outlets, and the motivating case is unresolved.

5.2 Recommendations for Research

Five research directions follow from the gaps identified. First, event-study designs around the 2025 and 2026 disruption episodes should examine whether segment-level abnormal returns differ in the way Table 1 suggests, and how they respond to announcements of bypass capacity compared with realized attacks or completions. Second, panel or time-series analysis of segment returns against premium proxies, such as geopolitical risk indices and freight and price spreads, could test whether the contingent share of returns can be measured. Two-way fixed-effects panels of ASEAN economies have previously been applied to equity-market indicators such as market capitalization (Lantin-Magana & Atento, 2026), offering a design precedent for Asia-focused panel work. Third, studies of Asian-listed energy firms and Asian equity markets under Gulf disruption are needed, since the reviewed evidence on the sector-level link is largely US- and Europe-based. GARCH-type volatility analysis of Philippine equity returns provides a methodological precedent for studying Asian equity-market behavior (R. G. O. Atento, A. G. Atento, et al., 2026). Fourth, the asymmetry finding should be tested directly for a premium decline attributable to infrastructure, using regime-dependent and nonlinear specifications. Fifth, empirical work on LNG and gas-fired power exposure for Asian importers would test whether findings from European and American settings transfer. Future work should also update the reported capacity and price figures as primary data are revised and should treat preprint-based simulation results with the caution described in the Methodology.

5.3 Recommendations for Policy and Institutional Reflection

The following recommendations are offered as measured reflections grounded in the reviewed literature and are not prescriptions.

Policymakers in importing economies may consider treating route and source diversification as one element of a resilience portfolio that also includes buffers and macroeconomic readiness. The reviewed evidence indicates that no single instrument is sufficient. The case for coordinated regional stockpiling in Asia rests more securely on risk-pooling and cost efficiency than on an expectation that releases will lower prices. Where energy-cost relief is provided, the reviewed evidence favours targeted designs over broad subsidies because of fiscal cost. Monetary and exchange-rate authorities may wish to avoid assuming that a decline in energy prices will promptly reverse earlier inflation and currency effects, since the reported asymmetry indicates that adjustment may be slower. Attention to the physical protection of bypass infrastructure is warranted, because the reviewed sources treat its vulnerability as a determinant of how much risk it removes.

For analysts, regulators, and market commentators, one institutional reflection is that energy exposure is not a single position and that returns can usefully be distinguished by whether they depend on a disruption continuing. Making that distinction explicit in analysis and disclosure would improve the interpretation of sector performance during shocks. This paper does not assess any particular investment or commentary, and nothing in it constitutes investment advice.

Taken together, the analysis indicates that the financial consequences of a chokepoint disruption depend on the response to it as well as on the disruption itself, and that measuring the durability of the returns and costs involved is the main task left for empirical research.

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