

# Shockwaves: How an Energy Crisis Spreads Across Commodities

Publié le 2 avril 2026

**Nitesh Shah**

Head of Commodities and Macroeconomic Research, WisdomTree Europe

## Points clés

- The conflict initially appears as an energy shock, centred on LNG and gas markets.
- Damage to infrastructure means supply recovery will take months to years, even if shipping resumes.
- Fertilisers and trade flows are highly sensitive to gas and logistics disruptions.
- Chemical inputs like sulphur and ammonia create second-order impacts on metals.
- Investors should look beyond energy to broader commodities as effects ripple through markets.
- Related Products WisdomTree Broad Commodities UCITS ETF – USD Acc, WisdomTree Enhanced Commodity UCITS ETF - USD Acc, WisdomTree Enhanced Commodity ex-Agriculture UCITS ETF - USD Acc Find out more

At the time of writing, it remains highly uncertain how long the Iran conflict will persist. There are increasing indications that the US may seek a relatively swift disengagement, potentially without fully securing the Strait of Hormuz.

Iran, meanwhile, appears to be pursuing a different objective: asserting control over the Strait and potentially introducing a toll for safe passage. While such an outcome would fall short of a stable geopolitical resolution, it may nevertheless prove economically acceptable. Many countries could find that a moderate but persistent increase in input costs is preferable to the acute price spikes currently being experienced.

This presents a clear trade-off. On one hand, accepting a toll would likely keep energy and transport costs structurally higher than before the conflict. On the other, attempting to secure the Strait militarily would require sustained increases in defence spending and continued exposure to disruption risk.

Even if the Strait reopens, with or without a toll, it is important not to assume that flows will quickly return to normal. The conflict has already caused meaningful damage to production and export infrastructure. In several cases, that damage will take months or even years to repair.

The key point is that geopolitical de-escalation does not immediately translate into supply normalisation. The sections below examine how this plays out across energy, industrial metals and fertilisers, before turning to the less visible but equally important second-order effects.

## 1. LNG: the deepest and most persistent disruption

Among all commodities, LNG stands out as the most severely affected. The damage is highly concentrated, but it is concentrated in the most critical part of the global system: Qatar's Ras Laffan complex.

Strikes on liquefaction trains have resulted in a meaningful loss of capacity, estimated at around 17%, equivalent to roughly 12–13 million tonnes per annum. At the peak of disruption, this translated into close to one-fifth of global LNG supply being affected. Force majeure declarations underline the severity of the situation.

Additional disruption has occurred upstream, particularly in Iran's South Pars gas field, as well as across a wider set of regional energy assets. In total, more than 40 energy sites across multiple countries have reportedly been damaged, with repair costs already exceeding \$25 billion.

What distinguishes LNG from other sectors is the nature of the bottleneck. Liquefaction facilities depend on highly specialised turbines with limited global manufacturing capacity and long lead times. This makes recovery structurally slow.

### Figure 1: LNG recovery timelines

*Source: WisdomTree based on media searches and government and company announcements following events.*

Even in a scenario where hostilities subside quickly, LNG markets are likely to remain tight for several years due to these structural constraints.

## 2. Aluminium: a combination of physical and energy constraints

The aluminium sector presents a more complex picture. Unlike LNG, where the disruption is concentrated and structural, aluminium is affected through a combination of direct damage and indirect constraints.

There is confirmed physical damage at major Gulf smelters, alongside production curtailments driven by disruptions to gas supply and logistics. Facilities in the UAE and Bahrain have reported damage, while operations in Qatar have been scaled back due to feed gas constraints.

The situation at Qatalum provides a useful reference point. A controlled shutdown was initiated when gas supply was disrupted, and although operations have partially resumed, output remains below full capacity. The expected timeline for a full restart is in the range of six to twelve months. This suggests that, in this case, the constraint is primarily related to energy availability rather than irreversible damage to core assets.

At other sites, where physical damage has occurred, the timeline is more uncertain. Aluminium smelting is a continuous process, and restarting production requires careful management of potlines and electrical systems. Repairs therefore tend to take longer than in many other industrial sectors.

### Figure 2: Aluminium recovery dynamics

*Source: WisdomTree based on media searches and government and company announcements following events.*

Overall, aluminium is likely to recover more quickly than LNG, but not immediately. The combination of physical repair requirements and operational constraints means that supply will remain below normal levels for some time.

### **3. Fertilisers: driven by gas and trade rather than damage**

Fertiliser markets are shaped less by physical destruction and more by disruptions to the system as a whole. Three channels are particularly important.

First, fertiliser production is highly dependent on natural gas, which is the primary feedstock for ammonia. Disruptions to gas supply therefore translate directly into production shut-ins. Second, there has been some physical damage to petrochemical infrastructure, although this appears more limited than in the energy sector. Third, and perhaps most importantly, trade flows have been disrupted by risks to shipping through the Strait of Hormuz.

This combination makes fertilisers highly sensitive to both energy markets and logistics.

### **Figure 3: Fertiliser recovery dynamics**

*Source: WisdomTree based on media searches and government and company announcements following events.*

In contrast to LNG, fertiliser production can resume relatively quickly once gas supply and logistics stabilise. However, this also means that prices are likely to remain volatile, responding rapidly to changes in underlying conditions.

### **4. Second-order effects: the hidden supply chain shock**

Beyond the direct impact on energy and industrial production, the Middle East plays a crucial role in supplying chemical inputs used across the metals and mining sectors. Disruptions in these inputs create second-order effects that are less visible initially but can be significant over time.

These inputs include sulphur, ammonia and various petrochemical derivatives, all of which are essential to different stages of metal production.

### **Figure 4: Key input disruptions**

*Source: WisdomTree based on media searches and government and company announcements following events.*

These effects tend to emerge with a lag. Initially, markets react to the most visible disruptions in energy and trade. Over time, however, constraints in chemical inputs begin to feed through into production costs and, in some cases, output levels.

## 5. A comparative perspective

### Figure 5: A comparative perspective

Source: *WisdomTree*

#### From energy shock to broad commodity disruption

At first glance, the crisis presents itself as a classic energy shock. The most visible disruptions have been in oil and gas markets, and price reactions have been led by LNG and crude.

However, as the analysis above shows, the impact extends well beyond energy.

Disruptions to gas supply feed directly into fertiliser production. Fertilisers, in turn, are closely linked to agricultural markets and food prices. At the same time, constraints in refining and petrochemical activity reduce the availability of key industrial inputs such as sulphur, ammonia and caustic soda. These inputs are essential to the production of metals including copper, aluminium and battery materials.

What begins as an energy shock therefore propagates through multiple layers of the global economy:

- From energy into fertilisers and chemicals
- From chemicals into metals and mining
- And ultimately into industrial production and food systems

For investors, this has important implications.

Focusing solely on oil and gas may capture the initial phase of the shock, but it risks missing the broader and more persistent effects that emerge over time. As supply constraints ripple through interconnected markets, a wider set of commodities becomes exposed.

A more resilient approach is therefore to consider broad commodity exposure, rather than concentrating only on energy. This allows investors to participate not just in the immediate price response, but also in the second-order effects that tend to unfold with a lag.

In that context, diversified commodity strategies can provide a more comprehensive way to navigate periods where geopolitical disruption affects multiple parts of the supply chain simultaneously.

#### WisdomTree Products

At WisdomTree, we offer commodity exposure through three distinct solutions, each designed for a different objective and risk budget.

- The [WisdomTree Broad Commodities UCITS ETF \(PCOM\)](#) is the lower-tracking-error option. It is designed for investors seeking a broad and relatively benchmark-like commodity allocation, but it also carries the highest sensitivity to spot price moves, making it the most direct expression of commodity beta. The product also invests in precious metals physically and not through futures.

- The [WisdomTree Enhanced Commodities UCITS ETF \(WCOA\)](#) is the higher-tracking-error solution. It remains broadly diversified, but tilts portfolio weights toward commodity factors in order to enhance risk-adjusted returns, which means it can deviate more meaningfully from traditional commodity benchmarks.
- The [WisdomTree Enhanced Commodities ex-Agriculture UCITS ETF \(WXAG\)](#): WXAG is the ex-agriculture solution. It offers commodity exposure while excluding the agricultural complex, making it suitable for investors who want to reduce exposure to food-related commodities.

## **Conclusion: reopening is not the same as normalisation**

Even in a scenario where the Strait of Hormuz reopens and tensions begin to ease, markets are unlikely to return quickly to pre-conflict conditions.

The reason is that the disruption is not limited to transport routes. It extends into production capacity, industrial systems and upstream supply chains. LNG infrastructure will take years to rebuild, aluminium production will take months to stabilise, and fertiliser markets will remain sensitive to gas and logistics. Meanwhile, second-order effects in chemical inputs will continue to influence metals and mining with a lag.

In practical terms, this means that while the most extreme price spikes may moderate, underlying supply tightness is likely to persist.

The sequence is important. Energy markets react first, followed by trade flows, then industrial inputs, and finally metals. Understanding that sequence helps explain why the full impact of the disruption may only become apparent over time.

## Important Risks Related to this Article

### IMPORTANT INFORMATION

**Marketing communications issued in the European Economic Area (“EEA”):** This document has been issued and approved by WisdomTree Ireland Limited, which is authorised and regulated by the Central Bank of Ireland. **Marketing communications issued in jurisdictions outside of the EEA:** This document has been issued and approved by WisdomTree UK Limited, which is authorised and regulated by the United Kingdom Financial Conduct Authority. WisdomTree Ireland Limited and WisdomTree UK Limited are each referred to as “WisdomTree” (as applicable). Our Conflicts of Interest Policy and Inventory are available on request. This marketing communication is intended for all investors; however, the WisdomTree products described in this document and related materials may be restricted in certain jurisdictions and may only be available to particular categories of investors in accordance with applicable laws and regulations. Where a product is not authorised or its distribution is restricted in your jurisdiction, it is the responsibility of any person or entity in possession of this information to inform themselves of, and comply with, all relevant restrictions. Before making any investment, investors should seek appropriate legal, regulatory, tax and investment advice to assess the suitability and implications of investing in these products. Information about WisdomTree products is available at [wisdomtree.eu](http://wisdomtree.eu). WisdomTree does not offer investment advice tailored to individual circumstances. Past performance is not a reliable indicator of future performance. Any historical performance included in this document may be based on back testing. Back testing is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such strategy would have been. Back tested performance is purely hypothetical and is provided in this document solely for informational purposes. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. The value of any investment may be affected by exchange rate movements. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice. The content of this document does not constitute investment advice nor an offer for sale nor a solicitation of an offer to buy any product or make any investment. An investment in exchange-traded products (“ETPs”) is dependent on the performance of the underlying index, less costs, but it is not expected to match that performance precisely. ETPs involve numerous risks including among others, general market risks relating to the relevant underlying index, credit risks on the provider of index swaps utilised in the ETP, exchange rate risks, interest rate risks, inflationary risks, liquidity risks and legal and regulatory risks. The information contained in this document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares in the United States or any province or territory thereof, where none of the issuers or their products are authorised or registered for distribution and where no prospectus of any of the issuers has been filed with any securities commission or regulatory authority. No document or information in this document should be taken, transmitted or distributed (directly or indirectly) into the United States. None of the issuers, nor any securities issued by them, have been or will be registered under the United States Securities Act of 1933 or the Investment Company Act of 1940 or qualified under any applicable state securities statutes. This document may contain independent market commentary

prepared by WisdomTree based on publicly available information. Although WisdomTree endeavours to ensure the accuracy of the content in this document, WisdomTree does not warrant or guarantee its accuracy or correctness. Any third party data providers used to source the information in this document make no warranties or representation of any kind relating to such data. Where WisdomTree has expressed its own opinions related to product or market activity, these views may change. Neither WisdomTree, nor any affiliate, nor any of their respective officers, directors, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents. This document may contain forward looking statements including statements regarding our belief or current expectations with regards to the performance of certain assets classes and/or sectors. Forward looking statements are subject to certain risks, uncertainties and assumptions. There can be no assurance that such statements will be accurate and actual results could differ materially from those anticipated in such statements. WisdomTree strongly recommends that you do not place undue reliance on these forward-looking statements. WisdomTree Issuer ICAV Certain funds referred to in this document are issued by WisdomTree Issuer ICAV ("WT Issuer"). WT Issuer is an open-ended, umbrella-type Irish Collective Asset-management Vehicle with segregated liability between sub-funds and is authorised by the Central Bank of Ireland ("CBI") as an Undertaking for Collective Investment in Transferable Securities ("UCITS") under Irish law. Each fund is represented by a separate class of shares (the "Shares") issued by WT Issuer.

The Fund is described in a Key Information Document (KID) or Key Investor Information Document (KIID) for UK investors, and the prospectus of WT Issuer ("WT Prospectus"). A copy of the WT Prospectus and the KID / KIID is available, for EEA/UK only, in English at [www.wisdomtree.eu](http://www.wisdomtree.eu). Where required under national rules, the KID will also be available in the local language of the relevant EEA Member State. Investors should read the WT Prospectus before investing and should refer to the section of the WT Prospectus entitled »Risk Factors¼ for further details of risks associated with an investment in the Shares. The [summary of investor rights](#) associated with an investment in the fund is available in English on WisdomTree Europe¼s website. WisdomTree Management Limited may decide to terminate the arrangements made for the marketing of its collective investment undertakings. In such circumstances, shareholders in the affected EEA Member State will be notified of this decision and will be provided with the opportunity to redeem their shareholding in the fund free of any charges or deductions for at least 30 working days from the date of such notification. WisdomTree Enhanced Commodity UCITS ETF The base weightings for each commodity in the WisdomTree Enhanced Commodity Index are determined by reference to Bloomberg® Commodity Indices. "BLOOMBERG®" and the Bloomberg indices listed as index components therein (the "Bloomberg Indices") are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the Bloomberg Indices (collectively, "Bloomberg") and have been licensed for use for certain purposes by WisdomTree Issuer ICAV as the umbrella Irish collective asset-management vehicle of the Fund (the "Licensee"). Bloomberg is not affiliated with Licensee, and Bloomberg does not approve, endorse, review, or recommend the Fund. Bloomberg does not guarantee the timeliness, accuracy, or completeness of any data or information relating to the Fund. WisdomTree Broad Commodities UCITS ETF "Bloomberg®" and the Bloomberg Commodity Index(es)SM referenced herein are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the indices (collectively, "Bloomberg") and have been licensed for use for

certain purposes by WisdomTree UK Limited and its permitted aillates including WisdomTree Management Limited and WisdomTree Issuer ICAV (together, WisdomTree). Bloomberg is not aillated with WisdomTree, and Bloomberg does not approve, endorse, review, or recommend the WisdomTree Broad Commodities UCITS ETF. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the index(es). WisdomTree Enhanced Commodity ex-Agriculture UCITS ETF The Morgan Stanley RADAR ex Agriculture & Livestock Commodity Index (the "Index") is the exclusive property of Morgan Stanley Capital Group Inc. and/or its aillates (collectively, "Morgan Stanley"), which has contracted with S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC) ("S&P Dow Jones Indices") to maintain and calculate the Index. The Index Components comprising the Index are the property of S&P Dow Jones Indices, its aillates and/or their third party licensors and has been licensed by S&P Dow Jones Indices for use by Morgan Stanley in connection with the Index. S&P Dow Jones Indices, its aillates and their third party licensors shall have no liability for any errors or omissions in calculating the Index. The Index is not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices, its aillates or their third party licensors and neither S&P Dow Jones Indices, its aillates nor their its third party licensors make any representation regarding the advisability of investing in the Index. Morgan Stanley and the Index names are service mark(s) of Morgan Stanley and have been licensed for use for certain purposes by WisdomTree. The Fund referred to herein is not sponsored, endorsed, or promoted by Morgan Stanley. Neither Morgan Stanley nor any other party (including without limitation any calculation agents or data providers) make any express or implied warranties, and hereby expressly disclaim all warranties of merchantability or fitness for a particular purpose, with respect to the Index or any Index related data. Without limiting any of the foregoing, in no event shall Morgan Stanley or any other party (including without limitation any calculation agents or data providers) have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) with respect to the Index, Index related data, the Fund, or any shares or investment units, even if notified of the possibility of such damages. The assessment of UCITS compliance is made solely by WisdomTree and not made in reliance on any representations, warranties, undertakings or statements by Morgan Stanley or any of its aillates.

**For Investors in Switzerland:**

This document constitutes an advertisement of the financial product(s) mentioned herein. The prospectus (in English only) and the key investor information documents (KID) (in German, French and Italian) are available from WisdomTree's website <https://www.wisdomtree.eu/en-ch/resource-library/prospectus-and-regulatory-reports>

**For WisdomTree UCITS products only:** the representative and paying agent of the ETPs in Switzerland is Société Générale Paris, Zurich Branch, Talacker 50, PO Box 5070, 8021 Zurich, Switzerland. The prospectus, the key investor information documents (KIID), the articles of association and the annual and semi-annual reports of the sub-funds are available free of charge from the representative and paying agent. As regards distribution in Switzerland, the place of jurisdiction and performance is at the registered seat of the representative and paying agent. Some of the sub-funds referred to in this document may not have been registered with the Swiss Financial Market Supervisory Authority ("FINMA"). In Switzerland, such sub-funds that have not been registered with FINMA may only be available to Qualified Investors.

For Investors in France: The information in this document is intended exclusively for professional investors (as defined under the MiFID) investing for their own account and this material may not in any way be distributed to the public. The distribution of the Prospectus and the offering, sale and delivery of Shares in other jurisdictions may be restricted by law. WT Issuer is a UCITS governed by Irish legislation, and approved by the Financial Regulatory as UCITS compliant with European regulations although may not have to comply with the same rules as those applicable to a similar product approved in France. The Fund has been registered for marketing in France by the Financial Markets Authority (Autorité des Marchés Financiers) and may be distributed to investors in France. Copies of all documents (i.e. the Prospectus, the Key Investor Information Document, any supplements or addenda thereto, the latest annual reports and the memorandum of incorporation and articles of association) are available in France, free of charge at the French centralizing agent, Societe Generale at 29, Boulevard Haussmann, 75009, Paris, France. Any subscription for Shares of the Fund will be made on the basis of the terms of the prospectus and any supplements or addenda thereto. **For Investors in Malta:** This document does not constitute or form part of any offer or invitation to the public to subscribe for or purchase shares in the Fund and shall not be construed as such and no person other than the person to whom this document has been addressed or delivered shall be eligible to subscribe for or purchase shares in the Fund. Shares in the Fund will not in any event be marketed to the public in Malta without the prior authorisation of the Maltese Financial Services Authority.