Publication: The Mercury - Business Report
Page: 9
Title: Brent crude rises above $105 as Middle East shipping attacks intensify
Publish Date: 11 September 2026
AVE: 29666.7
Author: ASHLEY LECHMAN

PRICE OF OIL

Brent crude rises above $105 as Middle East shipping attacks intensify

Renewed hostilities heighten fears of supply disruptions, with consequences for South Africa

ASHLEY LECHMAN

BRENT crude prices sailed far past the $100 per barrel mark it breached on Wednesday, as it surged 4.05% higher on Thursday afternoon, to trade at $105.31 per barrel.

It comes after the biggest wave of attacks on shipping since the war began. Markets reacted as this threatened to disrupt energy supplies from the Middle East more.

Iran said on Wednesday it had attacked 10 ships near the Strait of Hormuz.

Bianca Botes, Managing Director at Citadel Global said that this comes after crude prices broke through the psychologically important $100 per barrel level on escalating Middle East hostilities.

"This includes the heaviest wave of attacks on regional shipping in months and renewed fighting between Saudi Arabia and the Houthis," Botes said.

Since May, oil generally traded below the $100 per barrel mark with expectations of the conflict coming to an end. Expectations rose after the US and Iran agreed to cease attacks, however, that was temporary.

These international tensions could add to pressure on South African fuel prices, as international Brent crude oil prices are one of the factors considered when the government announces fuel price adjustments monthly.

South Africa's fuel pricing is based on international refined-product prices, crude prices, the exchange rate and other components

Dr Lerato Ntuli, an economist at Anchor Capital said that another round of fuel price increases would place further pressure on household budgets at a particularly difficult time of the year.

"Higher international oil prices are likely to translate into higher petrol and diesel prices in the coming months, adding to transport costs as South Africans head into the festive season. For consumers, the immediate impact will be felt at the fuel pump."

Je sad december is traditionally a peak travel period, meaning households could be paying some of the highest fuel prices of the year exactly when fuel consumption is at its highest.

"This leaves less disposable income available for discretionary spending such as entertainment, restaurants, clothing, and holiday-related purchases," Ntuli said. She added that the bigger concern, however, is diesel.

"Diesel is a key input cost for the transport, agriculture, mining, and logistics sectors. As diesel prices rise, businesses face higher operating costs, which are often passed on to consumers through higher food prices, distribution costs and transport charges."

"These effects tend to emerge with a lag, meaning the inflationary impact may become more visible during the first few months of next year," Ntuli said.

Debt Rescue CEO Neil Roets said that rising diesel prices is particularly concerning because of its widespread impact across the economy.

"From a consumer debt perspective, a sharp diesel increase is particularly concerning because diesel is embedded in the cost of transporting food, operating public transport, supporting agriculture and delivering essential goods.

"Even consumers who do not drive diesel vehicles may therefore feel the impact through grocery prices, transport fares, delivery charges and everyday services."

Deon Gouws, CEO of Credo said that if there is a sustained rise in the price of oil, it has a far-reaching impact on the global economy.

"Practically everything we consume needs to be transported from where it is produced (often the other side of the world), which means that price rises will necessarily follow.

The resultant inflation shock has an impact on interest rate expectations (the two generally trend in similar directions), affecting all market participants, from governments that need to roll over sovereign debt, to homeowners servicing a mortgage," Gouws said.

Meanwhile, the rand moved 1.08% weaker due to the risk backdrop and a stronger oil price, as well as soft local second-quarter gross domestic product (GDP) data.

On Thursday afternoon it traded at R16.18 against the US dollar, R21.86 against the British pound and R18.78 against the euro.

BRENT crude rose above $105 a barrel as attacks on shipping and renewed Middle East hostilities heightened fears of supply disruptions, with possible consequences for South African fuel prices. | NOAH MARTIN AFP

Full Page Image