ARQOM GLOBAL LTD

TRADE FACILITATION · STRUCTURED FINANCE · COMMODITIES

MARKET INTELLIGENCE | WEEKLY BRIEF

Commodity Trade Finance Brief

Week Ending 23 August 2026

Hormuz disruption and sanctions alignment raise execution friction across energy trade, while gold volatility and payment transparency reinforce documentary and settlement controls.

Publication ID	AG-MI-WK-2026-34
Version / status	v1.1 | FINAL
Publication date	24 August 2026
Coverage period	17 August 2026 to 23 August 2026
Information cut-off	24 August 2026, 08:00 CEST (06:00 UTC)
Issuing entity	Arqom Global Ltd | Cyprus registration HE 480654
Primary category	Commodity Trade Finance | Market Intelligence
Scope	Energy, gold, sanctions, bank instruments, PPP risk, AML/KYC and settlement

FINAL PUBLICATION

ADMINISTRATIVE CORRECTION | Publication ID aligned to the ISO week of the coverage end date. Analytical content and conclusions are unchanged.

SECTION 01

Executive View

Lead assessment, decision-relevant signals and the controls that should shape transaction handling this week.

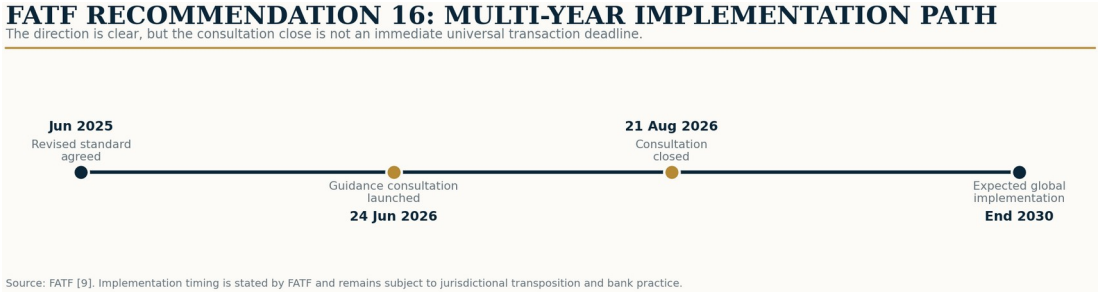
EXECUTIVE CONCLUSION Arqom assesses commodity trade-finance execution friction as HIGH for Gulf-routed energy transactions and for structures exposed to Russia-related shipping, banking or refinery links. Brent settled at USD 94.39/bbl on 21 August, up 6.39% over the week, while Reuters reported that weekend Hormuz traffic remained sharply suppressed and UKMTO data cited by Reuters placed AIS-detected transits about 90% below pre-conflict baselines. The EU's 21st Russia sanctions package also became more operationally relevant after Norway and other states aligned with Council Decision (CFSP) 2026/1849. Gold's more than 5% weekly rise increases monetary sensitivity to purity, weight, assay and settlement discrepancies. The FATF Recommendation 16 consultation confirms a longer-term shift towards more complete originator and beneficiary information. These developments do not establish that any specific transaction is impermissible or unbankable. They do support tighter pre-contract verification of the complete vessel, counterparty, bank, payment and documentary chain before bank-dependent commitments are made.

Decision-relevant signals

Signal	Observed evidence	Transaction relevance	Confidence / caveat
Hormuz transit	Weekend traffic below 20 commodity vessels; AIS-detected transits about 90% below baseline [3]	Shipment timing, insurance, vessel access and document presentation	HIGH | AIS gaps and routing changes remain
Oil price	Brent USD 94.39/bbl; +6.39% week-on-week [1]	Higher working-capital, collateral and basis exposure	HIGH | Market price, not executable cargo price
Russia controls	Norway aligned with Decision (CFSP) 2026/1849 [4]	Wider practical screening perimeter for vessels, banks and refineries	HIGH | Transaction-specific legal review required
Gold	Spot gold USD 4,623.94/oz on 21 August; +2.4% on the day [8]	Greater loss exposure from assay, title and settlement variance	MEDIUM-HIGH | Volatile market
Payment data	FATF R.16 guidance consultation closed 21 August [9]	More structured payer and beneficiary data expectations over time	MEDIUM | Implementation extends to 2030

What to monitor next

- Publication of any new U.S. sanctions against Iran and the scope of any secondary-sanctions or trade-partner measures.
- Daily Hormuz transit levels, UKMTO/JMIC threat reporting, war-risk cover and P&I conditions.
- Bank and insurer responses to Norway-aligned Russia measures, especially non-Russian banks, refinery links and maritime-service exposure.



SECTION 02

Energy & Petroleum

The dominant channel is physical and operational disruption, amplified by sanctions and financing constraints.

OBSERVED EVIDENCE

Brent settled at USD 94.39/bbl and WTI at USD 87.06/bbl on 21 August, with weekly gains of 6.39% and 5.66%, respectively. Reuters linked the move to U.S.-Iran escalation risk, continued curtailment from major Middle East producers and persistent Hormuz disruption. Reuters separately reported that offers of Iranian crude to Chinese buyers had declined, some grades moved from discount to premium indications, and August Iranian flows tracked by Kpler fell materially below the 2025 average. [1][2]

On 24 August, Reuters reported that only four commodity vessels crossed Hormuz on Sunday and thirteen on Saturday, subject to AIS limitations. The same report cited UKMTO data showing 89 vessels exiting and 103 entering in the week to 21 August and AIS-detected transits about 90% below pre-conflict baselines. [3]

ARQOM ANALYSIS

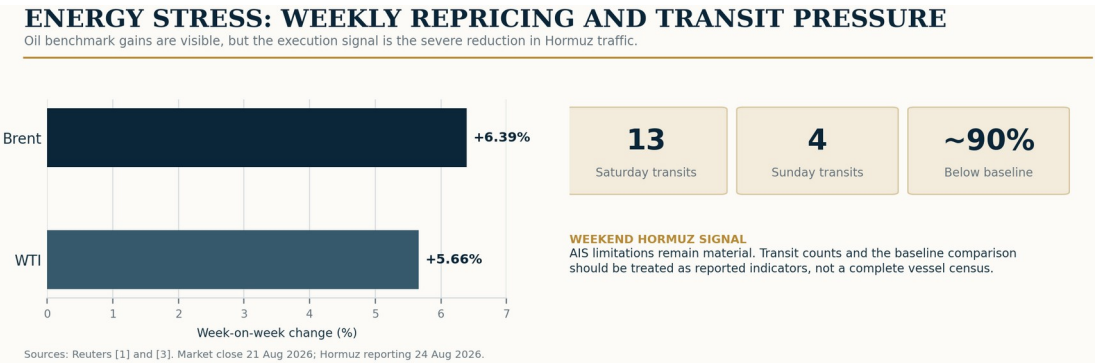
The price move is a visible symptom, but the higher-value conclusion for transaction work is that route reliability, vessel availability, insurance, financing tenor and documentary performance can fail independently of the benchmark. Correlation between higher crude prices and lower transit activity does not prove a single causal channel. The dominant execution channel is physical restriction and counterparty de-risking; price and working-capital effects are secondary but material.

TRANSACTION IMPLICATION

For EN590, Jet A1, crude, naphtha, LPG and related cargoes, performance should be tested against the actual loading terminal, refinery or storage source, vessel route and permitted payment path. A clean SPA or certificate of origin is not sufficient evidence of operational execution.

- Pre-clear vessel eligibility: IMO history, beneficial ownership, flag changes, P&I, war-risk cover, STS history, AIS anomalies and sanctions exposure.
- Tie pricing to a named benchmark, quotation period, quality adjustment, quantity tolerance, differential, currency, payment trigger and fallback mechanism.
- Add documentary extension, alternative vessel or route, sanctions suspension and insurer/bank refusal provisions where commercially and legally appropriate.
- Avoid issuing an LC, SBLC or other undertaking before route, documentary timetable and receiving-bank process are sufficiently pre-cleared.

ASSESSMENT ELEVATED FRICTION. Contractual performability does not equal physical or bank-operational executability. Transaction-level verification remains decisive.



SECTION 03

Sanctions & Maritime Execution

The control perimeter increasingly follows facilitation, servicing, payment and circumvention activity rather than origin alone.

Russia: 21st EU package and Norway alignment

OBSERVED EVIDENCE

On 18 August, the Council of the EU confirmed that Norway, Iceland, Liechtenstein, Albania, Bosnia and Herzegovina, Montenegro, North Macedonia and Ukraine aligned with Council Decision (CFSP) 2026/1849. The Decision extends shadow-fleet rules to vessels providing support such as bunkering and other services, adds 41 vessels to the services ban, extends the transaction ban to 33 additional Russian banks, a Kyrgyz bank connected with SPFS and three other non-Russian banks, and addresses crypto, refinery and oil-sector circumvention channels. [4][5][6]

ARQOM ANALYSIS

For higher-risk petroleum trades, a single name screen or certificate of origin is no longer an adequate control. Screening must test whether the transaction chain supports sanctioned or restricted activity through ownership, vessel services, refinery inputs, finance, insurance or payment routing.

Iran and Hormuz: prospective U.S. measures

VERIFIED POSITION

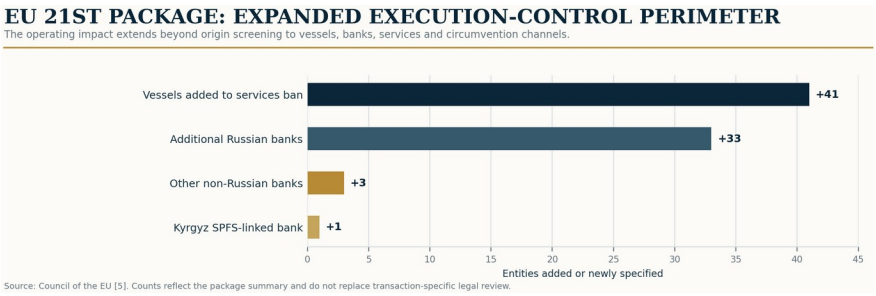
At the information cut-off, Reuters reported that the U.S. administration intended to announce additional sanctions targeting Iran's trade partners. Arqom identified no corresponding new Treasury/OFAC package published by the cut-off. The threatened measures must therefore be treated as prospective, not adopted law. Existing EU measures under Decision (CFSP) 2023/1532, as amended by Decision (CFSP) 2026/1837, address Iran-related support and actions undermining freedom of navigation in the Middle East; Norway aligned with that Decision. [7]

TRANSACTION IMPLICATION

Banks, insurers and carriers may de-risk before new legal measures are fully published. Documents should therefore distinguish legal prohibition, contractual suspension rights and operational refusal by a bank or insurer. Each produces a different remedy and evidence requirement.

Integrated screening perimeter

Control layer	Minimum transaction-specific test
Parties	Seller, buyer, applicant, beneficiary, UBOs, brokers and commission recipients
Maritime chain	Vessel, owner, manager, operator, flag, P&I, bunker/service providers and STS history
Product chain	Origin, refinery/storage source, feedstock where relevant, title and destination
Payment chain	Issuing, advising, confirming, correspondent, intermediary and beneficiary banks



SECTION 04

Gold, Bank Instruments & Programme Risk

Higher market values increase settlement sensitivity, while bank-message labels remain distinct from enforceability and acceptance.

Gold and precious metals

OBSERVED EVIDENCE

Reuters reported spot gold at USD 4,623.94/oz on 21 August, up 2.4% on the day and more than 5% over the week after reaching USD 4,631.99/oz. The reported drivers included a weaker U.S. dollar, technical momentum and renewed demand for macro-policy hedges. [8]

ARQOM ANALYSIS

At higher prices, the financial effect of small purity, net fine weight, bar-list or assay discrepancies rises. Higher values can also strengthen incentives for forged refinery records, substituted bars, false title claims or manipulation of tax and logistics explanations.

TRANSACTION IMPLICATION

Physical gold trades should require risk-based independent assay, refinery and bar-list verification, chain of custody, title and UBO review, sanctions screening, export/import legality, tax review and bank-controlled settlement. A material discount to observable wholesale levels requires objective explanation and corroboration.

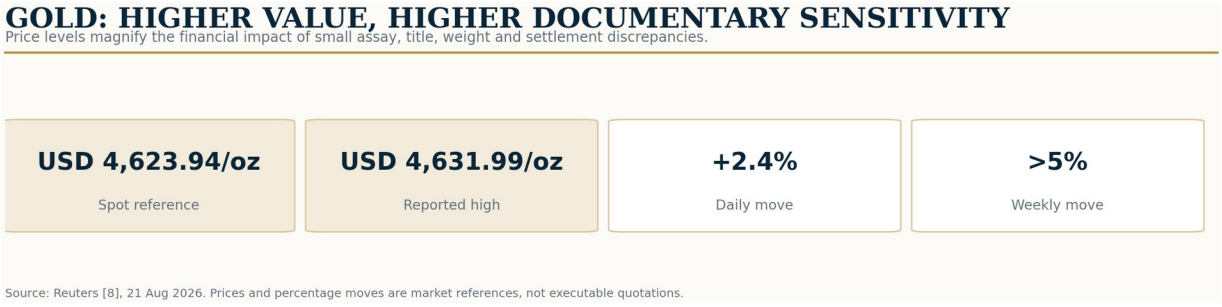
SBLC issuance, monetisation and enforceability

Within the sources reviewed, Arqom identified no development during the period that makes privately arranged SBLC leasing or monetisation institutionally standardised or lower risk. MT760 is a SWIFT message used for issuing a demand guarantee or standby; the message type does not, by itself, establish commercial acceptability, legal enforceability, transferability, monetiser acceptance or authority of the alleged bank contact. Applicable rules, amount, expiry, drawing conditions, presentation place, transfer provisions and the bank's own process remain decisive. [10][11]

- Obtain transaction-specific procedural confirmation from the actual receiving bank or monetiser wherever feasible.
- Verify the issuing entity, BIC, officer authority and approved wording through independent institutional channels.
- State applicable rules expressly, normally ISP98 where appropriate, and align expiry, presentation, drawing and extension mechanics.
- Do not describe an instrument as bankable, monetisable or accepted merely because an RWA, MT799 or MT760 is proposed or received.

PPP and private placement programme claims

Arqom's standing risk assessment is unchanged. Extraordinary fixed returns, opaque platform access, unexplained administrative holds, third-party control of funds, advance fees, restrictions on direct bank verification and reliance on 'prime bank' terminology are material red flags. U.S. SEC investor material has long warned that high-yield and so-called prime-bank programmes are frequently fraudulent. This does not determine the status of a specific proposal; it raises the verification threshold. [12]



SECTION 05

AML/KYC, Payment Transparency & Bank Acceptance

The direction of travel is towards cleaner payer-beneficiary data and greater consistency between contracts, instruments and actual settlement flows.

OBSERVED EVIDENCE

The FATF consultation on guidance for strengthened Recommendation 16 closed on 21 August 2026. FATF states that the revised standard was agreed in June 2025, is intended to increase transparency of information accompanying cross-border payments and introduce tools against fraud and error, and is expected to be implemented globally by the end of 2030. [9]

ARQOM ANALYSIS

The change is not an immediate universal legal deadline for every transaction. It is a strong regulatory signal that incomplete payer-beneficiary data, unexplained third-party payments and mismatches between contract parties and payment parties will face increasing challenge from financial institutions.

TRANSACTION IMPLICATION

Commodity, commission and financing documents should identify the contractual payer, beneficiary, permitted intermediaries and commission recipients. A change in beneficiary, third-party payer, split payment or unrelated receiving entity should be treated as a material compliance event requiring approval, refreshed KYC/sanctions screening and documentary alignment.

Bank acceptance and enforceability

> **CORE DISTINCTION** Legal possibility is not the same as operational bank acceptance. A contract can be enforceable between its parties while the contemplated bank, correspondent, insurer or monetiser declines to process the required step.

Commercial agreements should not impose obligations on banks that are not parties to the agreement. Terms such as RWA, administrative hold, blocked funds, bank-to-bank, pre-advice, monetisation and platform approval should be defined operationally and supported by independently verifiable evidence. Where bank action is a condition to performance, the contract should allocate refusal, delay, amendment and compliance-hold risk expressly.

Immediate follow-up priorities

1. Apply enhanced Gulf-route, vessel, insurance and sanctions controls to active petroleum opportunities.
2. Re-screen transaction chains against the Norway-aligned Russia measures, including non-Russian banks, refineries and maritime services.
3. Trigger immediate re-screening when the announced U.S. Iran measures are officially published.
4. Require bank procedural confirmation before relying on MT799, MT760, RWA, blocked-funds or administrative-hold mechanics.
5. For gold, tighten provenance, assay, title and settlement controls in response to higher market values.
6. Maintain evidence-before-assertion for PPP and private programme structures; intermediary representations are not proof of bank or programme acceptance.

SECTION 06

Risk & Action Matrix

Directional risk ratings for transaction handling. These are not legal conclusions, credit ratings or probabilities of loss.

Risk area	Rating	Execution exposure	Required control response
Hormuz logistics	HIGH	Route, vessel, insurance and documentary timing may fail independently	Verify route, vessel, P&I, war-risk cover and contingency mechanics before instrument issuance
Iran escalation	HIGH	Prospective sanctions can cause anticipatory de-risking	Monitor official OFAC action; apply suspension rights and immediate re-screening
Russia / shadow fleet	HIGH	Restrictions extend across services, banks, refineries and circumvention links	Screen full party, vessel, service, product and payment chains
Gold provenance	HIGH	Higher value magnifies assay, title and settlement variance	Verify assay, refinery, bar list, title, custody and controlled settlement
SBLC / monetisation	HIGH	Message type does not prove authority, acceptance or enforceability	Pre-clear wording and process; independently verify issuer and receiving institution
PPP programme claims	HIGH	Opaque mechanics and extraordinary returns create fraud and execution exposure	Treat as unverified until entity, bank role, controls, fees and legal basis are evidenced
AML/KYC / payments	HIGH	Third-party and mismatched flows increase hold, rejection and reporting risk	Align contract, payer, beneficiary and commission data; approve and re-screen changes
Contract enforceability	MEDIUM-HIGH	Bank-dependent steps may sit outside parties' control	Align governing law, dispute terms, conditions precedent, notices and instrument rules

Outlook and observable triggers

Scenario	Observable conditions	Potential transaction effect
Easing	Sustained recovery in transits; reduced incidents; insurer and bank appetite stabilises	Lower logistics friction, subject to transaction verification
Base	Suppressed and volatile transits; new sanctions details remain narrow or targeted	High control burden and longer execution timelines
Disruption	Broader trade-partner sanctions; more attacks; insurer withdrawal; material bank de-risking	Potential suspension, rerouting, repricing or non-execution

UNCERTAINTY AIS gaps, fast-moving sanctions, private bank risk appetite and transaction-specific facts can change conclusions quickly. Ratings require refresh before reliance.

SECTION 07

Methodology, Sources & Important Information

Evidence before assertion, with a clear boundary between reported facts, Arqom analysis and transaction implications.

METHODOLOGY

Coverage period: 17 to 23 August 2026. Information cut-off: 24 August 2026, 08:00 CEST (06:00 UTC). The review prioritised official legal and regulatory sources, official institutional guidance and reputable market reporting. Quantitative market statements are attributed and dated. Reuters/Kpler and Reuters/UKMTO data are third-party reported evidence and may be revised. Arqom analysis is directional and applies the physical availability, freight/routing, insurance, working-capital, documentation, sanctions/origin, settlement, timing and optionality lenses. No live website widget was used as evidence.

Key source register

[1]	Reuters, 21 Aug 2026, Oil rises as Trump threatens sanctions on Iran partners. Source
[2]	Reuters, 21 Aug 2026, Iranian oil offers to Chinese buyers fall as U.S. blockade bites. Source
[3]	Reuters, 24 Aug 2026, Fewer than 20 ships transit the Strait of Hormuz over weekend. Source
[4]	Council of the EU, 18 Aug 2026, alignment with Council Decision (CFSP) 2026/1849. Source
[5]	Council of the EU, 23 Jul 2026, 21st package of sanctions against Russia. Source
[6]	EUR-Lex, Council Decision (CFSP) 2026/1849 and related official text. Source
[7]	Council of the EU, 14 Aug 2026, alignment concerning Decision (CFSP) 2026/1837 on Iran-related measures. Source
[8]	Reuters, 21 Aug 2026, Gold rallies to three-month high on weaker dollar. Source
[9]	FATF, 24 Jun 2026, Recommendation 16 implementation guidance consultation. Source
[10]	ICC Academy, overview of UCP 600 and ISP98. Confirm current rule text and bank practice independently. Source
[11]	SWIFT, 2026 Trade Finance Technical Validation Guide for guarantees and standbys. Confirm current standards and bank process independently. Source
[12]	U.S. SEC, investor alert material on high-yield and prime-bank programme fraud indicators. Source

Important information

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Publication record: AG-MI-WK-2026-34 | Version 1.1 | FINAL | Issued by Arqom Global Ltd | Information cut-off 24 August 2026, 08:00 CEST | Questions: legal@arqomglobal.com