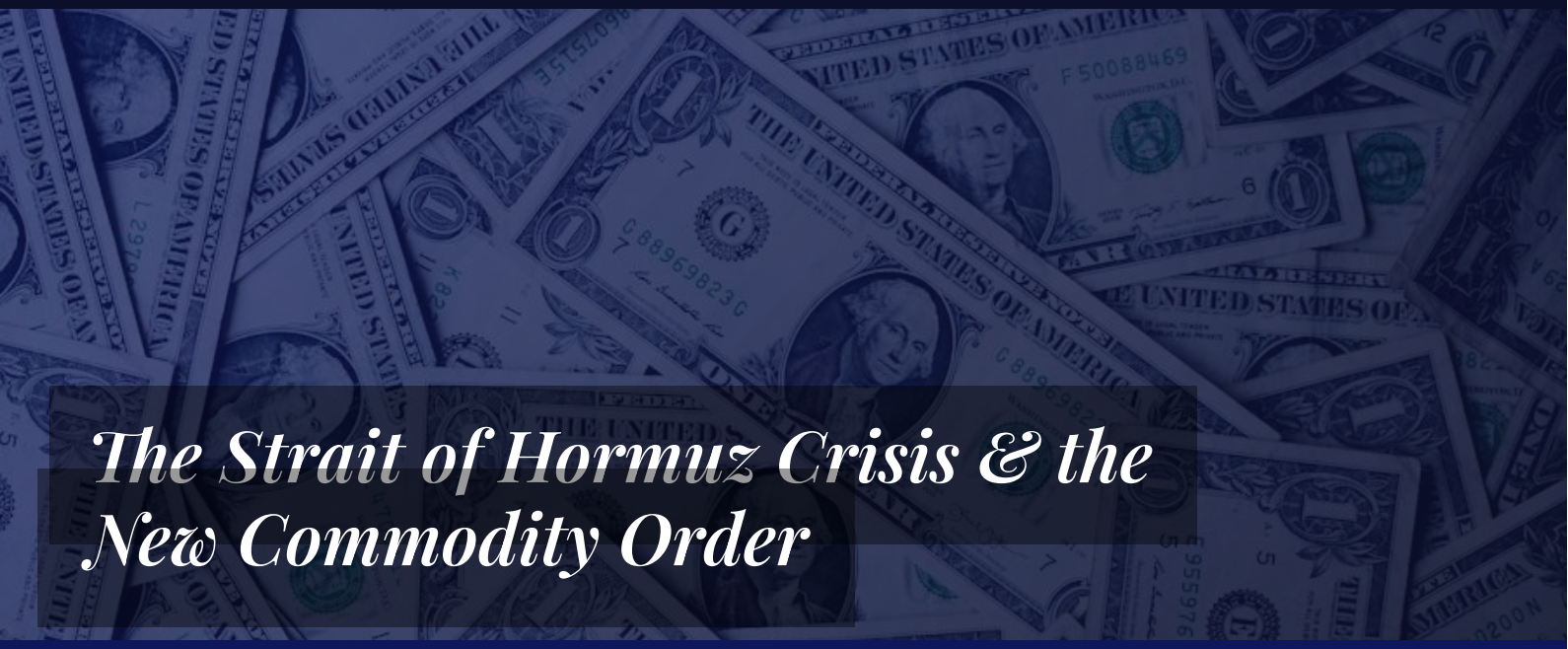
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The Strait of Hormuz Crisis & the New Commodity Order

Commodities Edition - How the largest oil supply disruption in history is reshaping hedge funds, talent flows, and trillion-dollar trading strategies

IN THIS EDITION, READ ABOUT:

1 Commodity Market Performance - April 1-9, 2026

2 The Commodity Landscape - What's Moving Markets

3 Transfer Window - Commodity Talent Moves

4 **The Hormuz Crisis: Winners & Losers - Feature Analysis**

5 Launches - New Commodity Fund Launches

6 Top Commodity Hedge Funds

COMMODITY MARKET PERFORMANCE



The first nine days of April 2026 delivered historic volatility. Brent crude peaked near **$128/bbl on April 2** before crashing 15% in a single session on April 8 after Trump announced a two-week ceasefire with Iran. Commodities as an asset class surged **+39.84% in Q1** - the best performer by a wide margin. The IEA has characterised the Hormuz disruption as the **"largest supply disruption in the history of the global oil market"**.

CRUDE OIL (BRENT) ▼

$128→$94

-15% single-day crash on Apr 8. Recovered to $97.42 on Apr 9. Brent-WTI spread hit $25/bbl - 5yr high.

GOLD ▲

$4,750

Per ounce. ATH of $5,595 in Jan. Goldman target: $5,400. JP Morgan: $6,300 year-end.

NATURAL GAS (LNG)

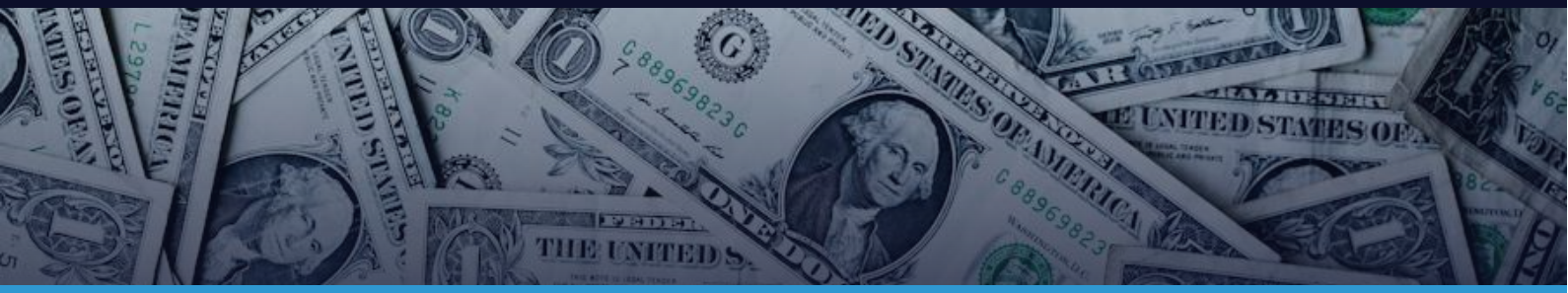
7x Spread

US Henry Hub: $2.80. Asia JKM: $19.49. The $15+ LNG arb is "the trade of 2026."

FUND	Q1 / YTD	MARCH	SIGNAL
Andurand Capital	+31.1% Q1	+30.6%	Oil bets paid off massively. Then -19% in April on tariffs.
RCMA Capital (Doug King)	+20% YTD	+9.5% wk	Broad commodity macro. Strong Iran positioning.
Saber Capital	+12% YTD	-	Energy-focused. Steve Barclay's fund.
PIMCO Commodity Alpha	-26% YTD	-17%	$3B fund. Iran war upended oil bets.
Citadel	-	-2%	Lost ~$1B from fixed-income and macro books.
Millennium	-	-1.2%	Lost ~$1.5B in a single week. Commodity arm haemorrhaging PMs.
Balyasny	-3.8% YTD	-4.3%	Worst quarter on record.
Brevan Howard	-	-2.4%	Two largest funds down. Restructuring FG Fund.
Bridgewater Pure Alpha	-	<-1%	Systematic rules-based. 30-40 diversified positions.
Statar Capital (Ozer)	Strong	-	332% net since 2018 launch. Nat gas specialist.

! BCOM Energy total returns surged **+63% in Q1** - the largest quarterly move since 1990. Heating oil +55.88%. Crude +51.27%. Broad commodities (+24%) were the only uncorrelated asset class as equities fell -5% and fixed income was flat.

THE COMMODITY LANDSCAPE



What's Moving Markets – Four Simultaneous Forces Reshaping Commodities

9.1M
BARRELS/DAY
PEAK SUPPLY DISRUPTION

50%
SECTION 232 TARIFFS
ON STEEL/ALUMINIUM/COPPER

+39.8%
COMMODITIES Q1 RETURN
BEST ASSET CLASS BY FAR

STRAIT OF HORMUZ CRISIS

US-Israel strikes (28 Feb) killed Supreme Leader Khamenei. Iran retaliated, closing the Strait. 25% of seaborne oil and 20% of LNG cut off. Brent surged from $61 to $128. Asian jet fuel +114% to $199.66/bbl. On April 8, Trump announced a 2-week ceasefire – Brent crashed 15% to $93.76 before recovering to $97.42.

SECTION 232 METAL TARIFFS

Effective April 6: 50% duties on steel, aluminium, and copper imports. Russian aluminium faces 200% tariffs. Copper review due June 30 for potential 15% universal duty from 2027. LME copper hit ATH above $14,000/t in January. Aluminium at $2,900/t (+12.3% YoY). Nickel oversupplied at $17,086/t.

THE LNG ARBITRAGE

US Henry Hub at $2.80/MMBtu vs Asian JKM at $19.49 – a 7x spread. "The trade of 2026." Asian LNG spot surged 140% since the Hormuz closure. Goldman warns if the shock persists, European TTF could test EUR 75–100/MWh. Roughly 19% of global LNG supply (80 mtpa) remains disrupted.

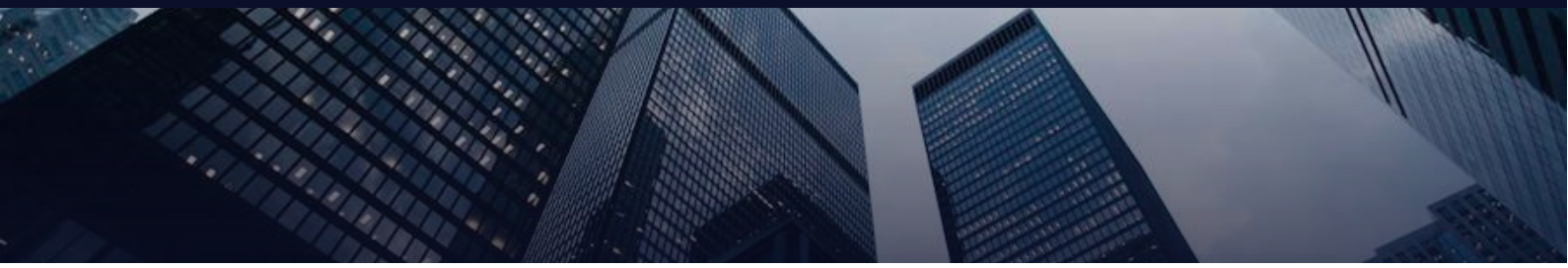
THE PHYSICAL PIVOT

Every major multi-manager is building physical commodity desks. Citadel acquired FlexPower and Haynesville gas assets. Jain Global bought Anahau Energy. Squarepoint hauling metals. Jane Street entering physical gas. QRT opened Houston. Physical commodities are "the biggest diversification play of 2026."

! **Agriculture under pressure:** Wheat futures dropped 3% to $5.80/bu on April 8 after the ceasefire. Softs collapsing – coffee, cocoa, sugar all selling off on surplus expectations. World Bank says global commodity prices headed to 6-year lows outside of energy. Iron ore slipped from $104 to $99/t on soft China demand.

Tanker rates booming: VLCC rates at $52,849/day (+34%), Suezmax at $60,899/day (+44% YoY), Aframax at $45,056/day. Low orderbooks and Hormuz rerouting driving multi-year highs. Baltic Dry Index recovered to 2,139 on seasonal Brazilian iron ore liftings.

TRANSFER WINDOW



The Hormuz crisis has supercharged the commodity talent war. Here are the key personnel changes reshaping desk composition across the industry's biggest platforms.

Millennium Management – Mass Commodity Exodus

Multiple Senior Departures – Q1 2026

The marquee commodity story of the quarter. **Chaitanya Mehra** (Head of Diversified Commodities Platform) departed to launch Echion Capital with $1.5B Millennium backing. CIO **Les Finemore** and COO **Al Fullerton** left to co-found Moreton Capital Partners ($1B AI commodity fund). Senior PMs **Gary Pedersen** (refined products), **Jeffrey Nietschmann** and **Dale Gibbard** (natural gas), plus traders **James Hutchinson** and **Alex Mouturat** (both to Verition) also departed. Anthony Dewell remains as Global Head of Commodities. Millennium's commodity arm earned $500M+ in 2024 before the talent drain began.

Point72 – Enters Commodities

Ryan Sheffler, Natural Gas PM ← Castleton Commodities – February 2026

The biggest strategic signal of the quarter. Steve Cohen flagged commodities as Point72's next diversification play at the December 2025 investor day. **Ryan Sheffler**, a 14-year Castleton veteran, is the first commodity hire and will build a cross-commodity desk from Stamford. A Houston office is under consideration. More hires expected.

SCHONFELD STRATEGIC ADVISORS

Arthur Goossens

Hired from BNP Paribas where he was co-head of commodities trading. Major expansion of the $15.5B multi-strat's commodity capabilities.

VERITION FUND MANAGEMENT

10 Senior Energy Hires

Quietly built a full energy desk in 12 months. Raided Millennium (Hutchinson, Mouturat), TotalEnergies (Galimberti), and Beaufort Energy (Brookes, Buisson, Boon). Houston office opened April 2025.

BALYASNY ASSET MANAGEMENT

Kobi Platt Departed

Oil trader (15+ years across crude, refined, gas, metals) left for Brevan Howard as Head of Commodity Strategy. Incoming: Costantinou (power, ex-BofA), Orlebar (COO), Uletilovic (gas, ex-Vattenfall).

CITADEL

Physical Empire Expansion

Acquired FlexPower (1,700MW German power), Paloma Natural Gas ($1B+ Haynesville shale, 57K acres), Energy Grid Corp (Japan). Hired Keith Handbury from Shell for new Brisbane desk.

MARSHALL WACE

Andrew Dodson

Joins as oil PM from DV Trading. Previously a partner and PM at Millennium. Based in London on the Alpha Plus platform.

QRT / JANE STREET / SQUAREPOINT

Quants Go Physical

QRT ($38B, +30% in 2025) opened Houston office. Jane Street entering physical US gas. Squarepoint now hauling physical metals – copper, zinc, lead, tin, nickel concentrates. The quant-to-physical convergence.

FEATURE ANALYSIS

How the Largest Supply Disruption in History Split Hedge Fund Performance

The Iran war created generational winners and devastating losers. The crisis rewarded physical market access and punished concentrated financial bets.

What Happened

On February 28, 2026, the United States and Israel launched a joint air campaign against Iran, killing Supreme Leader Ali Khamenei. Iran retaliated with missile and drone attacks, and the IRGC closed the Strait of Hormuz - the chokepoint for 25% of the world's seaborne oil and 20% of global LNG.

Brent crude surged from $72 pre-war to $119 in early March, peaking at $128 on April 2 before crashing 15% to $93.76 on April 8 after Trump announced a two-week ceasefire. Supply disruptions peaked at **9.1 million bpd** - the largest in oil market history.

> *A sustained Hormuz closure would raise WTI to $98/bbl and lower global real GDP growth by 2.9 percentage points in Q2 2026.*
>
> Federal Reserve Bank of Dallas, March 2026

The Winners

Andurand Capital (+31.1% Q1): Pierre Andurand's oil bets paid off spectacularly - the fund gained 30.6% in March alone. After ending 2025 down 40%, this was a redemption quarter. But tariff fears then cost -19% in early April.

RCMA Capital (+20% YTD): Doug King's fund gained 9.5% in a single week in March. Broad commodity macro positioning across gas, metals, coal, and oil proved resilient.

CF Industries (+40% YTD): US nitrogen producer benefits from cheap domestic gas ($2.80) while global competitors face feedstock shortages from the LNG disruption.

The Losers

PIMCO Commodity Alpha (-26% YTD): The $3B fund lost 17% in March alone as Iran war upended systematic models. The worst-performing major commodity fund.

Multi-strategy platforms: Citadel lost ~$1B from fixed-income and macro books. Millennium lost $1.5B in a single week. Balyasny posted its worst quarter ever (-3.8%). Brevan Howard's two largest funds declined.

Bridgewater stood out: Pure Alpha lost less than 1%, running systematic rules-based positioning across 30-40 instruments. The crisis rewarded diversification and punished concentration.

The Structural Shift

The Hormuz crisis has accelerated the move toward physical commodities. Millennium backed Nexus Commodities with $1B. Jain Global acquired Anahau Energy. Citadel bought FlexPower and Haynesville gas assets. McKinsey calls it "a new era in commodity trading" where hybrid producer-trader-hedger models replace pure financial approaches.

Commodity hedge funds returned just 2.2% in 2025. Q1 2026 has flipped the script - commodities as an asset class surged +39.84%, the best performer by far. Energy was up 63%, the largest quarterly move since 1990. The crisis has reignited the case for commodities as a strategic allocation.

LAUNCHES & CLOSURES

$1.5B
ECHION CAPITAL
LARGEST COMMODITY LAUNCH

$1B
NEXUS COMMODITIES
MILLENNIUM SMA

$1B
MORETON CAPITAL
AI COMMODITY FUND

The commodity hedge fund space is seeing a wave of new launches backed by record allocations. Millennium is the common thread - Echion, Moreton, Crucible, Harvestone, and Nexus all trace back to MLP capital or alumni.



Echion Capital
MIAMI & LONDON - FEB 2026

Chaitanya Mehra, ex-head of Millennium's Diversified Commodities Platform. $1.5B Millennium backing - one of the largest commodity fund launches ever. External capital from 2027.



Moreton Capital Partners
MARCH 2026 - AI-DRIVEN

Les Finemore (ex-CIO Commodities, Millennium) & **AI Fullerton**. $1B target. Market-neutral systematic fund trading 70+ futures via agentic AI/LLM signals. Sharpe >1.5 target.



Nexus Commodities
SINGAPORE - $1B MILLENNIUM SMA

Xiao Qin, ex-co-head of Goldman Sachs' global commodities trading desk (22-year veteran), with **Carrie Burke** (ex-Barclays/Deutsche Bank). Non-exclusive SMA.



Crucible Commodities
GENEVA - ENERGY FOCUSED

Scott Harbert, ex-Millennium/Gunvor. $300M commitment from New Holland Capital. Geneva-based - the global hub for physical commodity trading.



Harvestone Capital
PARIS - MILLENNIUM-BACKED

Founded by **Sucden Financial** veterans. Millennium-backed commodity trading launch. Details limited but joins the wave of MLP-seeded commodity startups.



Jain Global - Physical Gas
UNITED STATES - VIA ACQUISITION

Bobby Jain's fund acquired **Anahau Energy** for physical natural gas trading. PMs: Christian Allen, Steven Wen, Amine Alaoui. Landmark hedge fund move into physical infrastructure.

CLOSURES

Conductor Capital - Wind-Down
January 2026 - Announced Closure

London-based commodity hedge fund founded by **Marcello Romano** (ex-EDF Trading) in 2022. Struggled after 2025's 2.2% average return for commodity hedge funds. Unable to compete with better-resourced multi-manager platforms for talent and market access.

! **The Millennium effect:** Millennium's commodity arm earned $500M+ in 2024, but the platform is now haemorrhaging senior commodity talent. Echion ($1.5B), Moreton ($1B), Crucible ($300M), Nexus ($1B+), and Harvestone all trace back to Millennium capital or alumni. The talent factory is spawning competitors.

TOP COMMODITY HEDGE FUNDS



The ten funds shaping the global commodity trading landscape in 2026. The Hormuz crisis has exposed stark differences between systematic and discretionary approaches, and between pure financial players and those with physical market infrastructure.

FUND	AUM / SCALE	STRATEGY	FOCUS	2026 SIGNAL
Citadel Commodities	~$8-12B (vertical)	Multi-PM / Physical	Energy, power, gas	**-$1B (Mar)**
Millennium	~$80B (platform)	Multi-manager pods	Cross-commodity	**-$1.5B wk**
Andurand Capital	~$2B+	Discretionary macro	Oil, metals, carbon	**+31.1% Q1**
RCMA Capital	~$1-2B	Discretionary macro	Gas, metals, coal, oil	**+20% YTD**
Statar Capital	~$3.5B+	Macro / Nat gas	Natural gas, energy	**332% since '18**
QRT	~$38B	Systematic / Physical	Energy, metals, power	**+30% (2025)**
Aspect Capital	~$7.5B	Systematic / CTA	Energy, metals, agri	**+21% (2024)**
Nexus Commodities	$1B+ (launch)	Physical / Financial	Cross-commodity	New launch
Echion Capital	$1.5B (launch)	Diversified energy	Energy, commodities	New launch
PIMCO Commodity Alpha	~$3B	Systematic / RV	Broad commodity	**-26% YTD**

KEY THEME: QUANTS GO PHYSICAL

The convergence of quantitative and physical commodity trading is the defining trend. QRT opened Houston. Jane Street entered physical gas. Squarepoint trades physical metals. Citadel bought $1B+ in gas assets. Pure financial arbitrage is no longer sufficient - the next generation of alpha requires physical market access and delivery capabilities.

KEY THEME: MILLENNIUM'S DIASPORA

Millennium's commodity arm earned $500M+ in 2024 but is spawning competitors at an unprecedented rate. Echion ($1.5B), Moreton ($1B), Nexus ($1B+), Crucible ($300M), and Harvestone all trace back to MLP capital or alumni. The platform is a talent factory - and the talent is leaving to build their own platforms.

✉ To discuss commodity trading recruitment across hedge fund platforms, contact Paragon Alpha at **info@paragonalpha.com** or **+44 20 3582 1407**

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