

ENERGY CRISIS – MARKET MYOPIA OR MARKET INSIGHT?

Kostas Grigorakis, CFA® , Managing Director – Investments, Senior PIM® Portfolio Manager

April 24, 2026

Wall Street headlines sound convincing. With the Strait of Hormuz doubly closed—“selectively controlled” on one side and “fully blockaded” on the other—we are warned of an “*unprecedented energy crisis*” squeezing consumers, upending the economy, and threatening the markets.

Yet global equity markets continue to make or hover around all-time highs—including the markets of energy-independent nations like the US, affected producing nations in the Gulf, like Saudi Arabia, war-involved countries like Israel, and major oil consumers like South Korea.

This raises the question: **is the market myopic or insightful?**

In our practice, experience has taught us that Global Wall Street has a chronic habit of ‘*talking its book*’—distorting reality to fit the narrative that serves it best. As a result, we rarely accept headlines at face value. Instead, we run the numbers.

Here is what the numbers say—and what the headlines miss but the market sees:

- During the last major gasoline spike in June 2022, the national average price reached **\$5.107 per gallon**. At the time, with the S&P 500 at **3,749.63**, one “share” of the index could buy **734 gallons of gas**. There were no headlines of “unprecedented energy crisis” then.
- Fast-forward to the recent gasoline peak on April 6, 2026. The average price rose to **\$4.254 per gallon**. But the same S&P 500 share—now at **6,886**—can purchase **1,618 gallons of gas**. That’s **more than double** the purchasing power of the prior spike.

Notably, in 2022 the Strait of Hormuz was open and there was no “energy crisis” narrative. Today, both conditions are supposedly worse—yet real purchasing power has dramatically improved.

A common rebuttal is that investors may be insulated, but “regular folks” without portfolios are left exposed. Once again, the data disagrees:

- In June 2022, the average hourly wage of **\$33.54** could buy **6.3 gallons** of gas. In April 2026, the average hourly wage of **\$37.38** buys **8.8 gallons** at the recent price—**roughly 40% more purchasing power**.

Markets aren’t ignoring reality. They’re discounting it correctly.

The numbers suggest not myopia—but insight.

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Gas, Earnings, and S&P500



Investors looking for penetrating perspective that slices cleanly through headline noise are urged to engage with us—our decisions are driven by numbers, not narratives.

Data: YCharts, FactSet

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The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market value-weighted index with each stock's weight in the Index proportionate to its market value.

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