

Learn more about **LSEG**



My News   

Tankers with Saudi crude turn back as Houthis open new front in US-Iran war

By Jana Choukeir, Nayera Abdallah and Elwely Elwelly

July 21, 2026 1:05 PM GMT+3 · Updated July 22, 2026



Summary Companies

- Tankers had loaded Saudi crude bound for China and India
- US, Iranian forces exchange strikes
- Iranian forces target US sites in Gulf and Jordan
- Signs of diplomatic efforts to de-escalate conflict

DUBAI, July 21 (Reuters) - Two oil tankers carrying Saudi crude to Asia reversed course in the Red Sea on Tuesday after threats from Yemen's Iran-aligned Houthis, as a widening Middle East conflict disrupted shipping through two of the world's most critical energy chokepoints.

The U.S. military said late on Tuesday it was bombing targets across Iran for an 11th straight night. Tehran residents reported hearing explosions in the early hours of Wednesday as Iran activated its air defences over the capital, Iran's semi-official Fars news agency said.

The Reuters Iran Briefing newsletter keeps you informed with the latest developments and analysis of the Iran war. Sign up [here](#).

Explosions were also reported in the southeastern coastal cities of Chabahar and Konarak, and two explosions were heard in Bushehr, home to Iran's only nuclear power plant, Iran's official IRNA news agency reported.

Earlier, Iran targeted U.S. military sites in Bahrain, Kuwait and Jordan and a tanker was hit in the Strait of Hormuz at the mouth of the Gulf.

Iran said it had struck infrastructure belonging to Amazon ([AMZN.O](#)) in Bahrain, where the U.S. tech company operates a regional data centre. Amazon did not comment and Reuters could not verify the report.

The [Houthis](#), who control northern and western Yemen including the coast at the mouth of the Red Sea, announced a naval blockade on Saudi Arabia on Monday. This opened a potential new front [in the war](#), which has killed thousands of people across the Gulf since it began on February 28 with U.S. and Israeli attacks on Iran.

In a letter to shippers, the Houthis threatened to attack any ships that load or discharge Saudi oil.

U.S. President Donald Trump said the Houthis had not yet shut the Bab el-Mandeb, the "Gate of Tears" strait leading into the Red Sea, and threatened to act against them if they did.

"So far it hasn't happened," Trump said. "If something like that happens, we take care of it."

[The president also confirmed](#) that 18 U.S. service members have been killed so far, including four in Iranian attacks on U.S. military bases in Jordan and Iraq over the last few days, in a war that is unpopular among Americans and others affected by surging global energy costs.

The Houthi announcement already appeared to be having an impact. Two tankers which had just loaded Saudi crude bound for China and India at Saudi Arabia's Red Sea port of Yanbu made U-turns on Tuesday, heading towards the Suez Canal rather than out through the Bab el-Mandeb into the Indian Ocean.

With the war shutting the Strait of Hormuz leading out of the Gulf, the Red Sea has served as the main alternate route out for millions of barrels of Saudi oil per day, diverted by pipeline through Yanbu.

[Oil prices](#) gained more than 2% on Tuesday, with Brent crude hovering above \$91 a barrel and U.S. gasoline back over \$4 a gallon.

U.S. STRIKES SOUTHERN, WESTERN IRAN

U.S. Central Command said it had hit Iranian military command centers, maritime capabilities, missile and drone launch sites and air defence systems in its week and a half of attacks.



[1/6] An Iranian missile launched in an unknown location in this screengrab obtained from a handout video released July 21, 2026. WANA Via Pool/WANA (West Asia News Agency) via REUTERS [Purchase Licensing Rights](#) 



On Tuesday, Trump renewed his threats to again attack Iran's nuclear facilities at Natanz "pretty soon", which he said in June 2025 had been "[totally obliterated](#)" after the U.S. military bombed the facility, buried in a mountain range, that month. Iran promised it would retaliate.

Fifty civilians have been killed and 500 wounded in the recent U.S. strikes on Iran, a health ministry official said.

U.S. Defense Secretary Pete Hegseth told senators during a hearing that the war, which Congress has not authorized, had cost \$37.5 billion so far, and he asked them to approve another \$70 billion in "supplemental" funds, in part to replenish depleted missile supplies.

IRAN STRIKES ACROSS THE REGION

The U.S. and Iran have been testing the limits of escalation since the collapse this month of a weeks-old interim ceasefire agreement.

Iran launched renewed attacks on Tuesday across the Gulf, where recent strikes on [desalination facilities](#) have raised concerns about shortages in desert countries that depend almost entirely on removing salt from seawater for potable supplies.

Kuwait said it was responding to a drone and missile attack on Tuesday. Kuwait has reported attacks that have damaged power generation in recent days at plants that also produce fresh water.

Iranian state media reported that Iranian forces also launched attacks on U.S. military facilities in Bahrain, Kuwait and Jordan.

TANKERS STRUCK

The maritime security agency UKMTO said on Tuesday a tanker in the Strait of Hormuz reported being struck by a projectile, forcing its crew to abandon the vessel and board a lifeboat.

Iran's Revolutionary Guards also said two oil tankers caught fire after explosions while attempting to transit the southern shipping lane of the strait.

The U.S. has encouraged ships to use the southern lane. Iran demands they use an alternative northern route near its coast instead, where it eventually aims to charge fees for transit.

Throughout the war, Saudi Arabia partially escaped the shipping disruption by piping oil to Yanbu on the Red Sea instead. But a full closure of that alternative route by the Houthis could reduce global oil supply as it would leave most Saudi oil exports [trapped](#).

A senior Iranian official told Reuters on Monday that Tehran had received a proposal from mediators for a 10-day ceasefire in efforts to salvage the interim ceasefire agreement signed in June, which replaced an earlier April ceasefire.

In a sign that diplomacy remains alive, Iran's Interior Minister Eskandar Momeni visited mediator Pakistan and asked Islamabad to continue its efforts.

Reporting by Reuters bureaux; Writing by Ros Russell and Peter Graff and Jonathan Allen; Editing by Philippa Fletcher, William Maclean and Cynthia Osterman

Our Standards: [The Thomson Reuters Trust Principles](#). 

Suggested Topics:

Middle East

Purchase Licensing Rights

Read Next

Middle East

Rubio says Iran to pay ever higher price until it's ready for deal

1 hour ago

China

Rubio reassures Asian allies they're not being abandoned as top diplomats meet

27 mins ago

Middle East

Israelis fear Saudi nuclear deal could ignite Mideast arms race

4 hours ago

Middle East

In Gaza's tent camps, a cigarette lighter becomes a lifeline

3 hours ago

World >

TotalEnergies to exit Arctic LNG 2 plant in Russia, CEO says

Business · July 23, 2026 · 2:55 PM GMT+3 · 13 mins ago

French oil major TotalEnergies will exit its stake in the Arctic LNG 2 plant in Russia, CEO Patrick Pouyanne said on Thursday.

Legal

Musk proposes peer review for frontier AI models in Economist interview

25 mins ago

World