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Oil Prices Climb to Five-Month Highs Following U.S.-Israel Strikes on Iran

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Global oil prices surged to their highest levels since January on Monday after the United States joined Israel in conducting airstrikes on Iranian nuclear facilities. The escalation in Middle East tensions sparked renewed concerns over potential supply disruptions, particularly in the Strait of Hormuz, a critical choke point for global oil shipments.

Brent crude futures rose 2.44% to $78.89 per barrel, while U.S. West Texas Intermediate (WTI) gained 2.53% to reach $75.71. Earlier in the trading session, both benchmarks climbed more than 3%, with Brent briefly touching $81.40 and WTI peaking at $78.40 levels not seen in over five months.

President Donald Trump confirmed the coordinated strikes had targeted and “obliterated” key Iranian nuclear infrastructure. In response, Iran condemned the attacks and vowed to retaliate. Reports from Iranian state media indicate the country’s parliament approved a measure to close the Strait of Hormuz, through which nearly 20% of the world’s crude oil supply flows. Although Iran has issued similar threats in the past without action, markets remain wary of the potential consequences.

The possibility of a closure has raised serious concerns across the energy sector. While some alternate export routes exist via pipelines, they are not sufficient to handle the full volume currently shipped through the Strait. As a result, some shipping companies are beginning to reduce their activity in the region due to heightened risk and uncertainty.

Despite the significant price rally, analysts note that without actual supply disruptions, the upward momentum may be limited in the near term. Some investors are expected to take profits after the recent run-up in prices, potentially easing short-term volatility. Nevertheless, the broader market remains highly sensitive to further developments in the region.

Since the conflict reignited on June 13, Brent has increased by 13% and WTI by approximately 10%. With geopolitical risk once again at the forefront of oil markets, the situation remains fluid, and any escalation could have lasting implications for global energy security and economic stability.