

U.S. Markets Rebound as Geopolitical Tensions Ease Following Strikes on Iran

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U.S. stock futures rose Monday morning as initial fears of a broader Middle East conflict eased following the United States' weekend strikes on Iranian nuclear facilities. The S&P 500 gained 0.3%, the Nasdaq advanced 0.4%, and the Dow Jones Industrial Average edged up 0.1%, signaling a shift in investor sentiment as markets reassessed the likelihood of further escalation.

The strikes, ordered by President Trump and described as targeting Iran's "main nuclear enrichment sites," initially spurred a wave of risk aversion across global markets. However,

with Tehran's response so far limited to diplomatic warnings rather than immediate military action, investors appear more confident that the incident may remain contained.

Crude oil prices, which surged in early trading, quickly reversed course. Brent crude fell back to around \$77 per barrel after briefly exceeding \$80, while WTI crude slipped below \$74. Although Iranian officials threatened to block the Strait of Hormuz, a key global oil transit point, analysts remain skeptical that the country will follow through, helping to stabilize energy markets.

Market participants are closely watching how any sustained increase in oil prices could influence U.S. inflation and Federal Reserve policy. A sharp, prolonged rise could put pressure on the Fed to delay anticipated interest rate cuts, but current market reactions suggest such concerns remain subdued.

Meanwhile, demand for safe-haven assets has moderated. Gold prices dipped slightly, and U.S. Treasury yields held steady, indicating that investors do not yet view the U.S. Iran tensions as a trigger for a broader global risk-off environment.

As geopolitical developments continue to unfold, investor focus will remain on Iran's next steps both diplomatically and militarily. For now, markets appear to be pricing in a limited and temporary disruption rather than a prolonged conflict.