



HOW \$100 OIL & THE MIDDLE EAST CONFLICT AFFECT INVESTORS

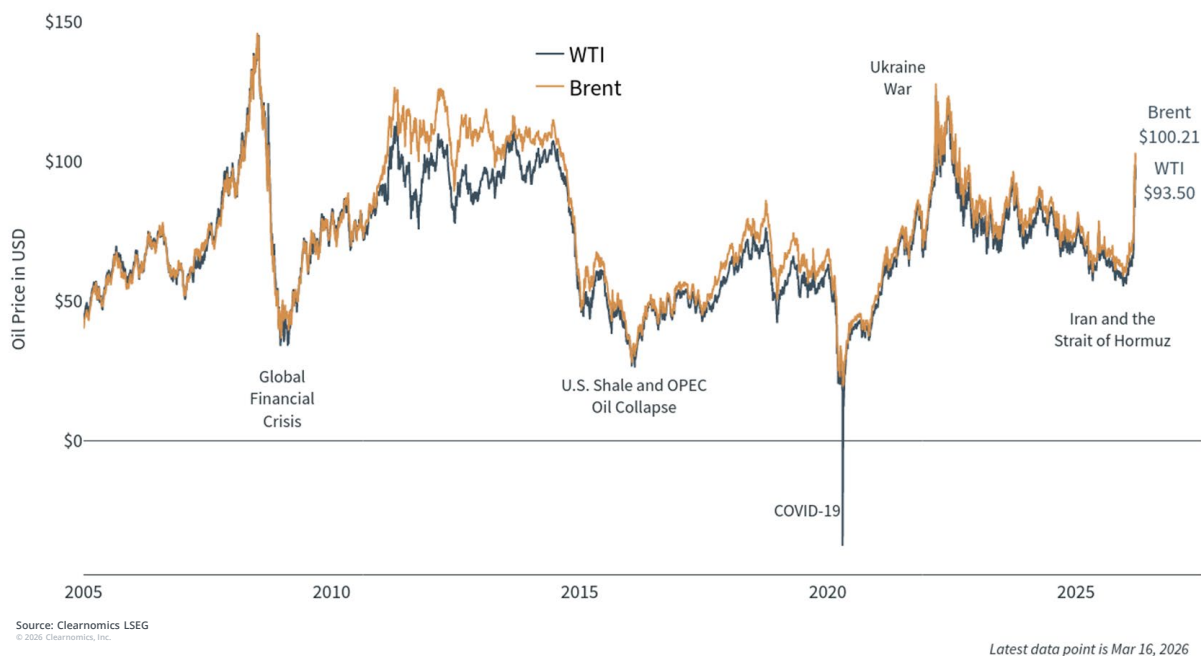
The ongoing conflict in Iran and the effective closure of the Strait of Hormuz have pushed oil prices sharply higher. Both Brent crude and WTI have jumped from around \$70 per barrel to around \$100 in just a few days, approaching levels last seen in 2022 when Russia invaded Ukraine. This has driven uncertainty across global markets, with headlines mentioning a “global economic downturn,” “stagflation,” and more.

For investors, history suggests that maintaining a longer-term perspective is the best way to achieve financial success when faced with significant uncertainty. A quote often attributed to Winston Churchill is “the farther back you can look, the farther forward you are likely to see.” The same could be said of energy price shocks which have occurred every decade or so. While each situation is unique, there is a clear pattern of oil prices surging in response to geopolitical conflict, the resulting market volatility, and the subsequent calm and recovery.

The situation continues to evolve in real time and there are no guarantees as to when there will be stability in the region or in financial markets. Events over the past few years including other Middle East conflicts, inflation, trade wars, and Venezuela earlier this year, all provide important context and perspective. What should investors keep in mind in the coming weeks?

Global Oil Prices

WTI and Brent Crude



For investors, energy prices are a major way that geopolitical events affect the broader economy and financial markets. The impact of each conflict is different, depending on how it changes supply and demand. At the moment, higher oil prices are due to the transportation of oil, storage capacity, and production cuts by major oil producers across the Middle East.

The epicenter of the current jump in oil prices is the Strait of Hormuz, a narrow waterway that connects the Persian Gulf to the rest of the world. Roughly 20% of global oil shipments and a significant share of natural gas pass through this chokepoint each year. While Iran cannot technically close the strait, attacks on tankers and safety concerns have been enough to halt traffic. Major shipping and logistics companies have restricted or suspended bookings through the region, and hundreds of oil tankers are at a standstill inside the strait.

This has a domino effect on the energy market. Without tanker transportation through the Strait of Hormuz, large Middle East oil producers have had to store oil instead. As storage facilities fill up, countries including Saudi Arabia, Iraq, Kuwait, Qatar, and the UAE have been forced to cut production. Unlike the typical OPEC production cuts to boost prices, these emergency measures are involuntary. This chain of events is why oil prices have risen so much in such a short amount of time.

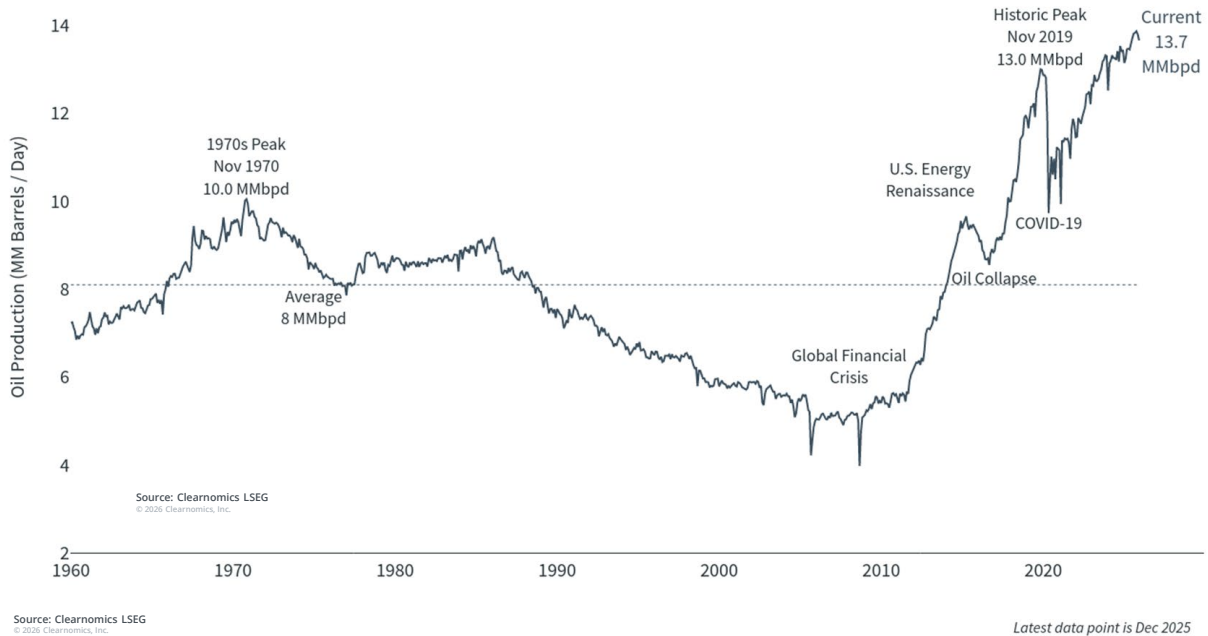
It is often thought that when oil prices rise above \$100, it has a stronger impact on the economy, affecting household budgets and inflation. Yet, it's important to keep these moves in perspective. While oil prices have been quite low over the past few years, they have experienced swings throughout history. When Russia invaded Ukraine in early 2022, Brent crude surged to nearly \$128 per barrel, pushing average gasoline prices in the U.S. above \$5 per gallon. Before that, the mid-2000s saw oil reach record highs driven by rapid global economic growth ahead of the 2008 financial crisis. In each case, prices eventually settled as supply and demand adjusted.

HOW HIGHER OIL PRICES AFFECT CONSUMERS AND BUSINESSES

The U.S. is in a stronger position today than during previous oil crises due to the shale revolution. As the world's largest producer of both oil and natural gas, the U.S. benefits from energy independence that did not exist during other historical oil shocks. While oil is a globally-priced commodity and the U.S. still imports some types of crude, this helps to insulate the domestic economy more than others in Asia and Europe.

U.S. Oil Production

Millions of barrels per day



For consumers, the most visible impact is at the gasoline pump, which directly eats into household budgets. At the moment, gasoline prices have risen back toward \$3.50 per gallon across the country, and could climb further.

Of course, there are many more indirect effects on consumer prices. Rising energy prices raise the cost of transporting goods, manufacturing products, and powering businesses. In this way, higher oil prices function as an effective tax on the economy by raising the costs of all goods and services, reducing disposable incomes.

This is what economists sometimes refer to as "cost-push inflation." When the cost of oil rises sharply, businesses face higher production costs that are eventually passed on to consumers. This is different from demand-driven inflation, where prices rise because consumers are spending more, such as when government stimulus checks are issued.

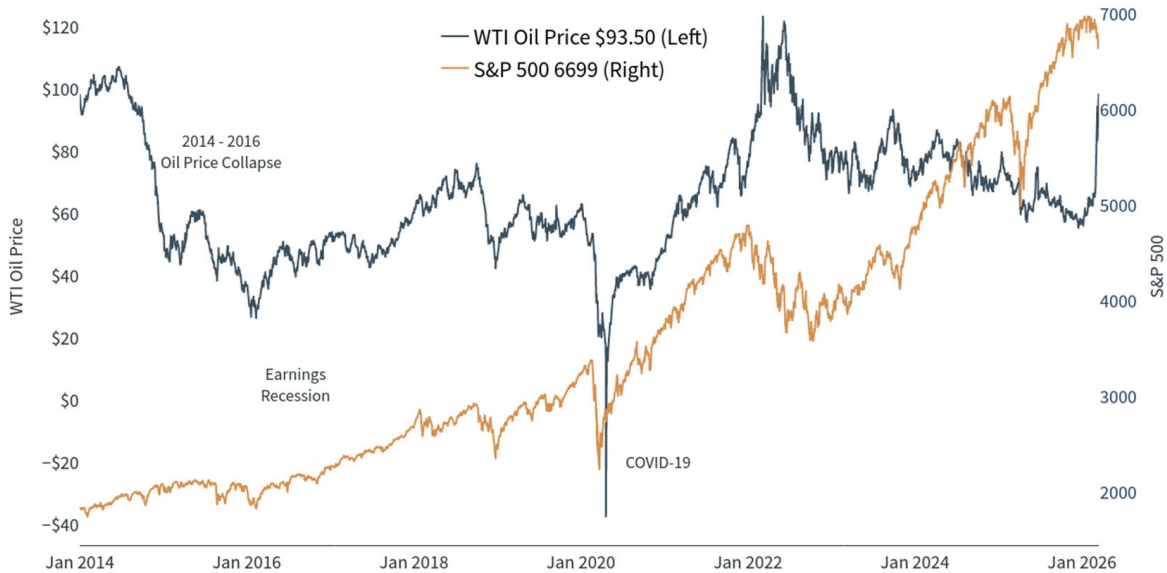
This distinction matters because supply shocks tend to be viewed by economists and investors as "transitory," meaning the effects will eventually fade. This could be because the situation stabilizes after some time and oil prices fall, or because the economy adapts to higher oil prices. So while sudden jumps in energy prices poses challenges, history suggests more modest economic impact.

MARKETS CAN WEATHER HIGHER OIL PRICES

Despite these historical lessons, the reality is that financial markets can react to oil price shocks in the short run. The S&P 500 is only down a couple of percentage points year-to-date, but many headlines are highlighting the South Korean KOSPI index's decline of 17%, Japan's Nikkei index's 10% fall, and others since the end of February. What they don't emphasize is that the KOSPI and Nikkei are still up over 104% and 40%, respectively, over the past year, even with these recent declines. Markets never move up in a straight line, so it's important to maintain this broader perspective.

Oil and the Stock Market

WTI and the S&P 500 index, since 2014



Source: Clearnomics LSEG, Standard & Poor's LSEG
© 2020 Clearnomics, Inc.

Latest data point is Mar 16, 2026

At the same time, energy companies benefit from higher prices. The energy sector has gained about 25% year-to-date and leads the market, just as it did in 2021 and 2022. Similarly, the commodities asset class has risen over 20% this year, driven both by energy and precious metals. This is not to say that investors should focus only on energy, but is a reminder of the benefits that holding different asset classes and sectors can have on portfolios.

Recent events do add uncertainty to what the Fed may do next. If inflation rises due to higher oil prices, the Fed may need to keep rates higher than currently expected. At the moment, market-based measures expect at least one rate cut this year in September, and possibly two by the end of the year. However, if the supply disruption proves temporary, even if it lasts for months, its impact on monetary policy may be limited, just as it has been across history.

Let's Connect



Visit us

at [IMAPrivateWealth.com](https://www.ima-private-wealth.com) or contact us by calling 316.266.6574 or 877.305.1864 (toll-free).

Wichita

430 E Douglas Ave, #400
Wichita, KS 67202

Denver

1705 17th Street, #100
Denver, CO 80202

Investment advisory services provided by IMA Advisory Services, Inc., (IMAAS). IMAAS is a federally registered investment adviser under the Investment Advisers Act of 1940 (CRD #112091). Registration as an investment adviser does not imply a certain level of skill or training. IMAAS is also a registered insurance agency. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser. IMAAS Form ADV Part 2A and Form CRS can be obtained by visiting: <https://adviserinfo.sec.gov> and search for our firm name. Neither the information nor any opinion expressed is to be construed as solicitation to buy or sell a security of personalized investment, tax, or legal advice. IMAAS does business as IMA Private Wealth, IMA Retirement and Syntrinsic throughout the United States.

Forecasts of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. Assumptions, opinions, and estimates are provided for illustrative purposes only and are subject to significant limitations. Estimates are subject to uncertainty and error and could be significantly higher or lower than forecasted. They should not be solely relied upon as recommendations to buy or sell securities.

Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment or investment strategy will be profitable. Consult your investment, tax and legal advisors before making investments. IMAAS does not provide tax or legal advice.

The information in this document is not intended as a recommendation to invest in any particular asset class or strategy or as a promise of future performance. Given the complex nature of risk-reward trade-offs involved in portfolio construction, we advise clients to consult with their financial professionals on specific investment-related decisions. References to future returns are not promises or even estimates of actual returns a client portfolio may achieve. In addition, past performance is not a guarantee of future results.

Copyright (c) 2026 Clearnomics, Inc. All rights reserved. The information contained herein has been obtained from sources believed to be reliable, but is not necessarily complete and its accuracy cannot be guaranteed. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, or correctness of the information and opinions contained herein. The views and the other information provided are subject to change without notice. All reports posted on or via www.clearnomics.com or any affiliated websites, applications, or services are issued without regard to the specific investment objectives, financial situation, or particular needs of any specific recipient and are not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Past performance is not necessarily a guide to future results. Company fundamentals and earnings may be mentioned occasionally, but should not be construed as a recommendation to buy, sell, or hold the company's stock. Predictions, forecasts, and estimates for any and all markets should not be construed as recommendations to buy, sell, or hold any security—including mutual funds, futures contracts, and exchange traded funds, or any similar instruments. The text, images, and other materials contained or displayed in this report are proprietary to Clearnomics, Inc. and constitute valuable intellectual property. All unauthorized reproduction or other use of material from Clearnomics, Inc. shall be deemed willful infringement(s) of this copyright and other proprietary and intellectual property rights, including but not limited to, rights of privacy. Clearnomics, Inc. expressly reserves all rights in connection with its intellectual property, including without limitation the right to block the transfer of its products and services and/or to track usage thereof, through electronic tracking technology, and all other lawful means, now known or hereafter devised. Clearnomics, Inc. reserves the right, without further notice, to pursue to the fullest extent allowed by the law any and all criminal and civil remedies for the violation of its rights.