

Five-month high ~~in for~~ oil prices after ~~a~~ tanker attack

- ~~The Attack-attack~~ on two oil tankers in the Middle East
- Iran denies any involvement.
- Oil prices hit ~~a~~ five-month high after rising by almost 4%.
- ~~The Middle East stock markets-markets have fallen.fall~~

Thursday morning, ~~13th~~ June ~~13th~~, heralded a 3.9% price ~~jump-jump in for~~ oil prices after a ~~tanker~~ ~~attack~~ in the ~~gulf-Gulf~~ of Oman caused two tankers to stop their journey.

A ~~spokesmanspokesperson~~ for Taiwan's CPC Corporation said that it “was “suspected of being hit by a torpedo”. Both crews were evacuated without any casualties, according to sources close to both tankers.

Investors will now ~~price be pricing~~ in the chance of US ~~military-military~~ retaliation - or ~~at best~~, a further deterioration in already strained US-Iran political relations.

Should the Strait of Hormuz be deemed ~~to-too~~ dangerous for travel, then oil supplies could be cut by 20%.

A sudden reduction in supply would lead to ~~an~~ ~~increased~~ ~~in~~ oil prices at a time when ~~N~~orthern ~~H~~emisphere demand reaches a seasonal peak.

The Japanese trade minister confirmed that there was Japan-related cargo on board both tankers — an example of how a relatively low-key player on the global political stage can quickly become embroiled in a situation like this.

In the short term, ~~oil~~ demand ~~for-oil~~ will be inelastic to price changes — the move away from oil to alternative energy sources ~~is-being~~ a long-term project.

In terms of other supplies, reserves held by corporate and governmental bodies (such ~~as-the~~ as the US Strategic Petroleum Reserve) are already factored into market prices.

The immediate spike in prices highlights how the situation in the Strait of Hormuz can play a significant role in determining future oil ~~prices-price~~.

With all these factors leading to increased price volatility ~~factors~~, cool heads will ~~wonder-be~~ ~~wondering~~ what opportunities exist to profit from these market moves?

What ~~is the~~ position to take?

The events of 13th June signified a reversal of a downward trend and a ~~possible~~ break-out into a bull run.

The eToro social trading site ~~is are~~ reporting that 75% ~~per cent~~ of trades in oil are ~~bought-buys~~ at current price levels of \$54.36 (source: [eToro](#)).

Analysing the technical indicators

Those approaching the situation from the ~~prespective~~ perspective of fundamental analysis might incorporate the various ~~geo-political~~ geopolitical factors surrounding the proposed attack.

~~U S-Iran~~ U.S.-Iran tensions have signified an increase in tensions in the ~~middle~~ Middle East, and some OPEC members are calling for the price of oil to rise to 70 dollars.

The tanker attack ~~on~~ of 14th June ~~could~~ can bring about opportunities in assets that are indirectly and directly linked to the situation.

Solar panel firm, [First Solar Energy](#), is an obvious substitute for carbon-based energy supplies.

The performance of airlines is impacted by oil prices but in essence is a consumer good. Oil prices have affected the performance of airlines and consumer goods.

In the eye of the storm ~~was~~ is Total ~~which is~~ a French oil firm with particularly strong links to Iran.

Given that not all the signals are ~~n't~~ pointing in the same direction, it ~~would~~ could be prudent to scale back on stake size.

Traders are advised to have a ~~clearly~~ clearly thought-out strategy and that they abide by the pre-determined risk management conditions.