



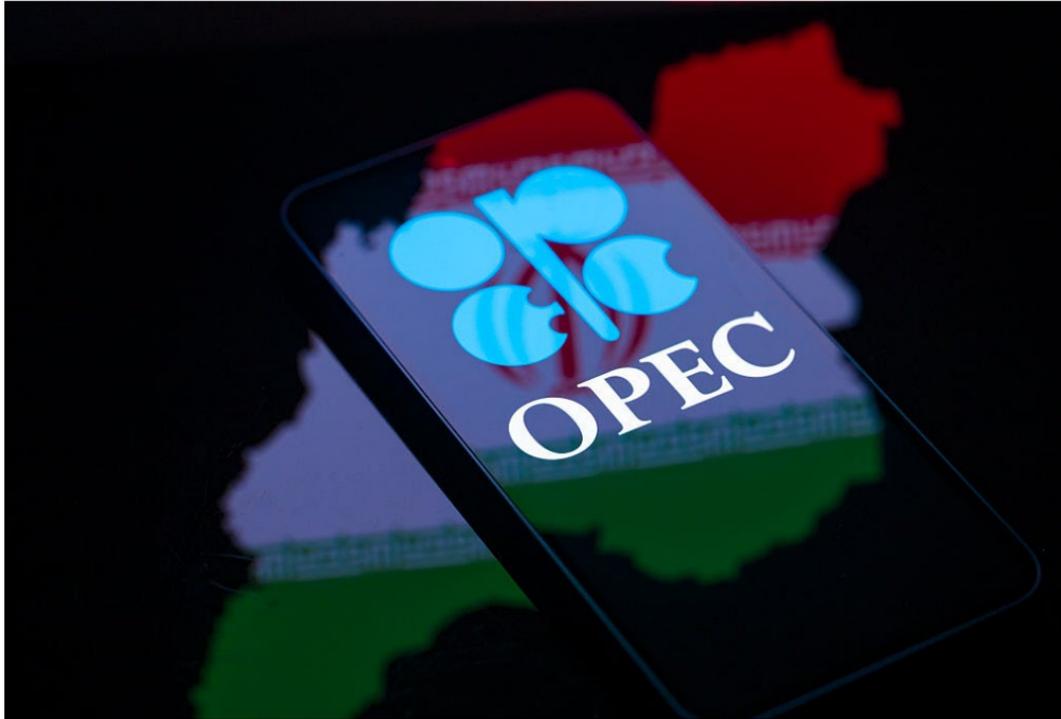
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Crude oil surges over 7% amid escalating Israel-Iran conflict



Global crude oil prices surged by more than 7 per cent on Monday as tensions in West Asia escalated following US and Israeli military strikes on Iran.

Brent crude futures rose to \$82.37 per barrel, the highest level since January 2025. Brent was trading 7.60 per cent higher at \$78.41 per barrel, while US West Texas Intermediate (WTI) crude gained 7.19 per cent to \$71.86.

The spike follows reports that Iran has suspended navigation through the strategically vital Strait of Hormuz, prompting governments and oil refiners to reassess supply positions and stockpiles.

Meanwhile, the Organization of the Petroleum Exporting Countries (OPEC) has agreed to resume oil production increases next month despite the ongoing tensions. Key members led by Saudi Arabia and Russia are expected to raise output by 206,000 barrels per day.

Market analysts said the US–Israel strikes on Iran mark a major geopolitical development, pushing up the global oil risk premium and increasing demand for safe-haven assets such as gold and silver.

Rajeev Sharan, Head – Criteria, Model Development and Research at Brickwork Ratings, said that for India, which depends on imports for nearly 90 per cent of its crude oil needs, any sustained increase in Brent prices could lead to higher fuel costs, rising inflation, and a widening current account deficit. He added that this may complicate the Reserve Bank of India's disinflation efforts and delay potential rate cuts.

Indian equity markets have already turned cautious, with expectations of heightened volatility, possible foreign investor outflows, and pressure on sectors such as automobiles, financials, and other energy-intensive industries.

JM Financial Institutional Securities noted that every \$1 increase in crude oil prices raises India's annual import bill by approximately \$2 billion, adding pressure on the trade balance.

Nearly 20 per cent of global oil supplies pass through the Strait of Hormuz, while more than 40 per cent of India's crude imports transit the route. Prolonged tensions could also raise logistics and marine insurance costs and disrupt shipping routes across the Gulf region.

Analysts said Brent crude could climb above \$90 per barrel if disruptions in the Strait of Hormuz persist and may cross \$100 per barrel in the event of a broader regional conflict.

They added that the geopolitical risk premium may ease only with clarity on leadership in Tehran, credible de-escalation efforts, and assurances regarding the security of key oil supply routes.

— IANS